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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)

**RENEWAL OF FINANCE LEASE FRAMEWORK AGREEMENT
AND
PAST AND CURRENT CONTINUING CONNECTED
TRANSACTIONS**

RENEWAL OF FINANCE LEASE FRAMEWORK AGREEMENT

Reference is made to the 2019 Announcement in relation to, among others, the continuing connected transaction regarding the 2020 Finance Lease Framework Agreement entered into by the Company and Shenzhen Finance Leasing Company on 30 December 2019.

As the 2020 Finance Lease Framework Agreement and its annual cap will expire on 31 December 2022 and the Group intends to continue to carry on the transactions under the 2020 Finance Lease Framework Agreement, the Company and Shenzhen Finance Leasing Company have entered into the New Finance Lease Framework Agreement on 15 December 2022.

As Shenzhen Finance Leasing Company is a subsidiary of JCC, it is an associate of JCC and thus a connected person of the Company. Accordingly, the New Finance Lease Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in relation to the proposed annual cap for the transactions contemplated under the New Finance Lease Framework Agreement is less than 5%, the continuing connected transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

PAST AND CURRENT CONTINUING CONNECTED TRANSACTIONS

It has recently come to the attention of the Company that some transactions entered into (i) between the Group and Ordins Group and (ii) between Heding Copper (a subsidiary of the Company) and Fuye Group, constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Ordins holds 29.5% of the total issued share capital of JCC International Trade, a subsidiary of the Company; while Zhejiang Fuye holds 45% of the total issued share capital of Heding Copper, directly and indirectly, a subsidiary of the Company. Therefore, each of Ordins and Zhejiang Fuye is a connected person of the Company at the subsidiary level.

Once the existence of the past and current continuing connected transactions was identified, the Company has taken prompt remedial action by reporting and announcing the same by way of the issue of this announcement. The Company will also take a series of remedial measures as set out in this announcement to prevent recurrence of similar events in the future.

As (i) Ordins Group and Fuye Group are connected persons of the Company at the subsidiary level; (ii) the Directors (including the independent non-executive Directors) approved and ratified the past and current continuing connected transactions; (iii) the independent non-executive Directors have confirmed that the terms of the past and current continuing connected transactions are fair and reasonable, on normal commercial terms or better terms and in the interests of the Company and the Shareholders as a whole, the past and current transactions with Ordins Group and Fuye Group would constitute continuing connected transactions which are subject to the annual review, reporting and announcement requirements but exempt from the independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

RENEWAL OF FINANCE LEASE FRAMEWORK AGREEMENT

Background

Reference is made to the 2019 Announcement in relation to, among others, the continuing connected transaction regarding the 2020 Finance Lease Framework Agreement entered into by the Company and Shenzhen Finance Leasing Company on 30 December 2019.

As the 2020 Finance Lease Framework Agreement and its annual cap will expire on 31 December 2022 and the Group intends to continue to carry on the transactions under the 2020 Finance Lease Framework Agreement, the Company and Shenzhen Finance Leasing Company have entered into the New Finance Lease Framework Agreement on 15 December 2022.

New Finance Lease Framework Agreement

The terms of the New Finance Lease Framework Agreement are summarised as follows:

Date

15 December 2022

Parties

- (1) the Company; and
- (2) Shenzhen Finance Leasing Company

Conditions

The New Finance Lease Framework Agreement shall become effective from 1 January 2023, after obtaining the relevant approval on the New Finance Lease Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules and/or the Shanghai Listing Rules (if applicable).

Term

The New Finance Lease Framework Agreement shall be for a term commencing from 1 January 2023 to 31 December 2025.

Finance lease services

Pursuant to the New Finance Lease Framework Agreement, Shenzhen Finance Leasing Group shall at the request of the members of the Group provide finance lease services to the Group, including (i) direct lease service, (ii) sale and lease-back service and (iii) entrusted lease service. The cooperation between the Company and Shenzhen Finance Leasing Company is non-exclusive and the Company is entitled to select other finance leasing companies that provide such services.

(i) Direct lease service

Shenzhen Finance Leasing Group shall, at the request of the members of the Group, purchase Leased Assets from equipment suppliers, then lease such Leased Assets to the relevant members of the Group for its use, who shall, in return, pay rent to the relevant member(s) of Shenzhen Finance Leasing Group.

(ii) Sale and lease-back service

Shenzhen Finance Leasing Group shall, at the request of the members of the Group, purchase Leased Assets from the members of the Group, then lease such Leased Assets back to the relevant members of the Group, who shall, in return, pay rent to the relevant member(s) of Shenzhen Finance Leasing Group.

(iii) Entrusted lease service

Shenzhen Finance Leasing Group shall accept funds or Leased Assets from the members of the Group and provide finance lease services (including direct lease service and sale and lease-back service) in accordance with the written entrustment of the Group to the lessees designated by such members of the Group (such lessee must be a member of the Group).

For both direct lease service and sale and lease-back service, the relevant members of the Group and Shenzhen Finance Leasing Group shall enter into specific agreement(s) pursuant to the New Finance Lease Framework Agreement to set out the specific terms of the provision of the finance lease services in connection with the relevant Leased Asset. The term of such contracts shall not exceed the term of the New Finance Lease Framework Agreement. Upon expiry of the term of such contracts, the relevant member(s) of the Group shall be entitled to purchase or acquire the ownership of the relevant Leased Asset from the relevant member(s) of Shenzhen Finance Leasing Group at nominal value or without consideration.

Finance lease cost

The rate of finance lease cost for the finance lease services provided by Shenzhen Finance Leasing Group shall not be higher than the loan prime rate (LPR) published regularly by the National Interbank Funding Centre as authorised by the PBOC. Such finance lease cost shall not be higher than the finance lease cost for comparable finance lease services available from other finance leasing companies in the PRC and the finance lease cost for similar finance lease services provided by Shenzhen Finance Leasing Group to JCC Group.

Payment method

The payment method shall be determined by the respective specific agreement(s) to be entered into between the Group and Shenzhen Finance Leasing Group pursuant to the New Finance Lease Framework Agreement, including but not limited to fixed rental payment in advance, fixed rental payment in arrears, fixed principal payment in advance, fixed principal payment in arrears, interest payment on a monthly/quarterly/semi-annually basis and payment of principal and interest on maturity.

Guarantee

The Group is not required to provide any guarantees for the finance lease services provided by Shenzhen Finance Leasing Group.

Termination

The Company and Shenzhen Finance Leasing Company may terminate the New Finance Lease Framework Agreement by serving seven days prior written notice to the other party.

Proposed annual cap

The net asset value of leased assets under the 2020 Finance Lease Framework Agreement for the years ended 31 December 2020, 2021 and 2022 were approximately RMB217,487,000, RMB159,286,000 and RMB109,297,000, respectively (equivalent to approximately HK\$243,465,000, HK\$178,312,000 and HK\$122,352,000, respectively). The cap for the balance of finance lease business during the valid period of the agreement was RMB1,486,856,201 (equivalent to approximately HK\$1,664,453,376).

Pursuant to IFRS 16, subject to the specific lease terms and conditions provided in each lease agreement, except for short-term leases and low value leases, under the New Finance Lease Framework Agreement, the Group will recognise the relevant leased assets that are directly leased, representing the Group's right of use in respect of the leased assets. For sale and leaseback, the relevant transactions will be recorded as financial leasing arrangements between the Group and the lessor. The annual cap for the finance leases under the New Finance Lease Framework Agreement for each of the three years ending 31 December 2023, 2024 and 2025 are RMB1,900,000,000 (equivalent to approximately HK\$2,126,945,000).

The proposed annual cap has been determined by the Group with reference to the following factors:

- (i) historical transaction amount between the Group and Shenzhen Financial Leasing Company;
- (ii) the current financing market conditions, interest rate and the possibility of adjustment to the interest rates for RMB-denominated loans. In the case of any adjustment to the benchmark interest rates for RMB-denominated loans in the future, the lease interest specified in the newly signed specific agreements will be determined with reference to the adjusted benchmark interest rates for RMB-denominated loans; and

Note: The loan prime rate (LPR) published by the National Interbank Funding Centre is as follows:

- 3.65% for loans with a term of no more than 1 year; and
- 4.30% for loans with a maturity of more than 5 years.

- (iii) the nature and book value of the leased assets. The book value of the leased assets shall not be less than the principal amount of the finance lease in any event.

Reasons for and benefits of entering into the New Finance Lease Framework Agreement

The transactions contemplated under the New Finance Lease Framework Agreement are beneficial to the Group in expanding leasing channel, lowering investment risks and alleviating financial pressure. Through tailor-made finance lease services solutions provided to the Group, it can effectively increase the asset liquidity of the Group and optimise its asset structure.

The Directors (including the independent non-executive Directors but excluding the Connected Directors) consider that the terms of the New Finance Lease Framework Agreement (including the proposed annual caps) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors (other than the Connected Directors) are further of the view that the transactions contemplated under the New Finance Lease Framework Agreement are beneficial to the reasonable allocation and full utilisation of the assets of the Group and Shenzhen Finance Leasing Group, which provides for the sharing of resources and supplement of advantages between each other and are beneficial in improving the Company's overall efficacy.

The Independent non-executive Directors' opinion on transactions contemplated under the New Finance Lease Framework Agreement

The independent non-executive Directors are of the view that the transactions contemplated under the New Finance Lease Framework Agreement can resolve the Company's demand for funds, satisfy its needs, such as in production equipment, and can allow the Company to take full advantage of the resources and business strengths of Shenzhen Finance Leasing Group to promote the Company's production, operation and business development.

The independent non-executive Directors further consider that the transactions contemplated under the New Finance Lease Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group. As the pricing and terms of the transactions contemplated thereunder are fair and reasonable, the procedure is legal, the interests of the minority Shareholders are not prejudiced, the transactions contemplated thereunder are fair and reasonable to and in the interest of the Company and the Shareholders as a whole.

Listing rules implication

As at the date of this announcement, JCC is the controlling Shareholder of the Company and is therefore a connected person of the Company. As Shenzhen Finance Leasing Company is a subsidiary of JCC, it is an associate of JCC and thus a connected person of the Company. Accordingly, the New Finance Lease Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in relation to the proposed annual cap for the transactions contemplated under the New Finance Lease Framework Agreement is less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save for Mr. Zheng Gaoqing, Mr. Zhou Shaobing, Mr. Wang Bo, Mr. Yu Tong and Mr. Liu Fangyun who are the Connected Directors and have abstained from voting on Board resolutions on 15 December 2022 relating to the New Finance Lease Framework Agreement, none of the Directors have a material interest in the New Finance Lease Framework Agreement or is required to abstain from voting on the Board resolutions.

PAST AND CURRENT CONTINUING CONNECTED TRANSACTIONS

The Company wishes to announce that it has recently come to its attention that some transactions entered into (i) between the Group and Ordins Group (connected persons of the Company at the subsidiary level by virtue of Ordins being a substantial shareholder of JCC International Trade, a subsidiary of the Company); and (ii) between Heding Copper (a subsidiary of the Company) and Fuye Group (connected persons of the Company at the subsidiary level by virtue of Zhejiang Fuye being a substantial shareholder of Heding Copper), constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Past and current continuing connected transaction with Ordins Group

It has recently come to the Company's attention that the Company, JCC Yingtian, JCC International Trade and JCC Shanghai International Logistics have been carrying out continuing connected transactions with Ordins Group. The continuing connected transactions between the Group and Ordins Group can be summarised in the following categories:

- (a) the purchase of copper cathodes by the Group from Ordins Group (“**Purchase of Copper Cathodes from Ordins Group**”);
- (b) the sale of copper cathodes by the Group to Ordins Group (“**Sale of Copper Cathodes to Ordins Group**”); and
- (c) the sale of aluminum ingots by the Group to Ordins Group (“**Sale of Aluminum Ingots to Ordins Group**”).

The aggregate transaction amounts involved in the continuing connected transactions between the Group and Ordins Group during the period from 1 January 2020 to 30 November 2022 were as follows:

Aggregate transaction amount involved (RMB'000)	Financial year ended		Eleven
	2020	2021	months ended
	31 December	31 December	30 November
	(audited)	(audited)	2022
			(unaudited)
Purchase of Copper Cathodes from Ordins Group	–	–	2,066,282
Sale of Copper Cathodes to Ordins Group	320,825	2,591,353	6,798,808
Sale of Aluminum Ingots to Ordins Group	–	–	894,353
Total	320,825	2,591,353	9,759,443

It is estimated that the aggregate transaction amounts of (i) the Purchase of Copper Cathodes from Ordins Group, (ii) the Sale of Copper Cathodes to Ordins Group (other than the sale of copper cathodes from JCC Yingtian to Ordins under the Ordins Sale and Purchase Agreement of Copper Cathodes) and (iii) the Sale of Aluminum Ingots to Ordins Group for the one month ending 31 December 2022 would be approximately RMB0, RMB90,000,000 and RMB100,000,000, respectively. The abovementioned cap was determined mainly based on the historical transaction amounts, the agreements signed between the Group and Ordins Group and the Group's future business needs.

In particular, among the Sale of Copper Cathodes to Ordins Group, it has come to the Company's attention that JCC Yingtian and Ordins had entered into the sale and purchase agreements for each of 2021 and 2022. The principal terms of the Ordins Sale and Purchase Agreement of Copper Cathodes are summarised as follows:

Date	:	11 February 2022
Parties	:	(i) JCC Yingtian (as seller); and (ii) Ordins (as buyer)
Scope of products for sale and purchase	:	Copper cathodes
Term	:	From 16 February 2022 to 15 December 2022
Quantity	:	100,000 tonnes
Pricing policies	:	The pricing formula shall be copper base price plus premium.

The copper base price shall be the real time price for the day trading orders of the spot month futures contracts on the Shanghai Futures Exchange transacted by Ordins during the spot price quotation period based on the agreed principle regarding the spot price.

The premium shall be the average premium or discount for standard quality copper published on the website of Shanghai Metals Market (<http://www.smm.cn/>) at 11:00 a.m. on the delivery taking day.

Payment terms : Payments shall be by bank telegraphic transfer. Ordins shall pay the corresponding price in full before taking delivery of a consignment, and JCC Yingtian shall release the consignment upon receipt of such payment. Other payment methods used by Ordins shall be approved by JCC Yingtian, all the charges incurred therefrom shall be borne by Ordins.

Where the spot price has been quoted, the prepayment invoice price shall be the spot price quoted by Ordins plus premium. Where the spot price has not been quoted, the prepayment invoice price shall be 100% of the day trading session settlement price on the trading day immediately prior to the delivery taking day plus premium as quoted on the Shanghai Futures Exchange. If the market price drops by more than 10% relative to the spot price quoted by Ordins prior to delivery, or if the market price rises by more than 10% relative to the unit price prepaid by Ordins after delivery and not quoted, Ordins shall make up the price difference within one business day after receiving JCC Yingtian's deposit or notice of additional payment.

The aggregate transaction amount under the Ordins Sale and Purchase Agreement of Copper Cathodes as at the date of this announcement amounted to approximately RMB5,643,113,658.

Further, among the Sale of Aluminum Ingots to Ordins Group, it has come to the Company's attention that JCC International Trade and Ordins had entered into the Ordins Sale and Purchase Agreement of Aluminum Ingots for 2022, the principal terms of which are summarised as follows:

Date : 30 December 2021

Parties : (i) JCC International Trade (as seller); and
(ii) Ordins (as buyer)

Scope of products for sale and purchase : Aluminum ingots

Term : From 4 January 2022 to 31 December 2022

Quantity : 55,000 tonnes

Pricing policies : The monthly price shall be based on the daily average price of A00 aluminum published on the website of Shanghai Metals Market (<https://hq.smm.cn/aluminum>) over the quotational period for the current month.

Payment terms : Ordins shall pay the consideration in cash. Ordins may pay JCC International Trade by bank acceptance note approved by JCC International Trade, but Ordins shall bear the discounted interest.

Payment shall be made prior to delivery of products. The provisional payment shall be the daily average price of A00 aluminum published on the website of Shanghai Metals Market on the same day. The final settlement balance shall be paid within 5 business days after such balance has been confirmed.

For the transactions other than those under the Ordins Sale and Purchase Agreement of Copper Cathodes and the Ordins Sale and Purchase Agreement of Aluminum Ingots, parties had entered into purchase orders on an as-needed basis. The prices for the purchase orders are fixed in monetary terms or determined according to pricing policies that are similar to those in the Ordins Sale and Purchase Agreement of Copper Cathodes and the Ordins Sale and Purchase Agreement of Aluminum Ingots. Other than the foregoing, the term and quantity, the principal terms of these purchase orders were similar to that of the Ordins Sale and Purchase Agreement of Copper Cathodes and the Ordins Sale and Purchase Agreement of Aluminum Ingots.

Past and current continuing connected transaction with Fuye Group

It has recently come to the Company's attention that Heding Copper has been carrying out continuing connected transactions with Fuye Group. The continuing connected transactions between Heding Copper and Fuye Group can be summarised in the following categories:

- (a) the purchase of copper materials such as copper concentrates and crude copper by Heding Copper from Fuye Group ("**Purchase of Copper Materials from Fuye Group**");
- (b) the sale of copper materials such as copper cathodes and anode mud by Heding Copper to Fuye Group ("**Sale of Copper Materials to Fuye Group**");
- (c) the provision of processing service by Heding Copper to Fuye Group ("**Provision of Processing Service to Fuye Group**"); and
- (d) the engagement of processing service provided by Fuye Group to Heding Copper ("**Provision of Processing Service from Fuye Group**").

The aggregate transaction amounts involved in the continuing connected transactions for each category between Heding Copper and Fuye Group during the period from 1 January 2020 to 30 November 2022 were as follows:

Aggregate transaction amount involved <i>(approximately RMB'000)</i>	Financial year ended		Eleven
	31 December		months ended
	2020	2021	30 November
	(audited)	(audited)	2022 (unaudited)
Purchase of Copper Materials from Fuye Group (other than the purchase of copper concentrates from Fuye (HK))	1,134,825	729,153	1,578,514
Purchase of copper concentrates from Fuye (HK)	3,017,097	3,904,437	5,289,269
Sale of Copper Materials to Fuye Group	1,614,266	1,041,354	4,593,040
Provision of Processing Service to Fuye Group	–	–	851
Provision of Processing Service from Fuye Group	–	–	13,459
Total	<u>5,766,188</u>	<u>5,674,944</u>	<u>11,475,133</u>

It is estimated that the aggregate transaction amounts of (i) the Purchase of Copper Materials from Fuye Group (other than the purchase of copper concentrates from Fuye (HK)), (ii) the Sale of Copper Materials to Fuye Group, (iii) Provision of Processing Service to Fuye Group, and (iv) Provision of Processing Service from Fuye Group for the one month ending 31 December 2022 would be approximately RMB100,000,000, RMB1,000,000,000, RMB800,000 and RMB2,000,000, respectively. The abovementioned caps were determined mainly based on the historical transaction amounts, the agreements signed between Heding Copper and Fuye Group and the business needs of Heding Copper. The term of each of the continuing connected transactions between Heding Copper and Fuye Group (other than the purchase of copper concentrates from Fuye (HK)) will expire by the end of 2022.

In particular, among the Purchase of Copper Materials from Fuye Group, it has come to the Company's attention that Heding Copper and Fuye (HK) had entered into the Fuye (HK) Agreement, pursuant to which Heding Copper agreed to purchase, and Fuye (HK) agreed to supply copper concentrates for a period commencing from 1 January 2022 to 31 December 2024.

The principal terms of the Fuye (HK) Agreement are summarised as follows:

Date	:	10 December 2021
Parties	:	(i) Heding Copper (as buyer); and (ii) Fuye (HK) (as seller)
Scope of products for sale and purchase	:	Copper concentrates
Term	:	From 1 January 2022 to 31 December 2024
Quantity	:	120,000 dry metric ton (+/- 10%) a year, and an optional 20,000 dry metric ton (+/- 10%) a year in Fuye (HK)'s option.
Pricing policies	:	The price shall be based on the final copper content and the official London Metal Exchange Cash Settlement Price for Copper Grade "A" in US dollars published on Fastmarkets MB averaged over the quotational period, less the treatment charge and refining charge as specified in the Fuye (HK) Agreement.
Payment terms	:	Payments shall be by telegraphic transfer or an irrevocable letter of credit.

In the case of payments by telegraphic transfer, Heding Copper shall prepay no more than 20% of the cargo value before shipment. However, Heding Copper shall effect the provisional payment to Fuye (HK) no later than five days prior to the vessel's arrival at the discharge port.

In the case of payments by an irrevocable letter of credit, Heding Copper shall open an irrevocable letter of credit of the provisional value of the copper concentrates plus a tolerance of 10% prior to the estimated departure date of the vessel for the shipment from the loading port.

Provisional payment shall be 90% of the provisional value of the copper concentrates and shall be paid in Heding Copper's option at sight, 90 days in US dollars after sight or 90/180 days in RMB after sight against presentation of, among others, the provisional invoice.

The final payment for the difference between the final values of the copper concentrates and the provisional payment received by Fuye (HK) shall be paid at sight against presentation of, among others, the final invoice.

It is estimated that the aggregate transaction amounts of the continuing connected transactions between Heding Copper and Fuye (HK) for the one month ending 31 December 2022, and the years ending 31 December 2023 and 31 December 2024 would be approximately RMB600,000,000, RMB5,000,000,000 and RMB4,500,000,000, respectively (equivalent to approximately HK\$671,667,000, HK\$5,597,224,000 and HK\$5,037,501,000, respectively). The abovementioned caps for the continuing connected transactions between Heding Copper and Fuye (HK) were determined based on the production needs of Heding Copper and the estimated copper price trend in 2023 and 2024. The actual transaction amounts may fluctuate due to changes in copper prices. If there is a material change to the estimation, the Board will review the caps and comply with the relevant requirements under the Listing Rules to revise and disclose the caps (where necessary) in a timely manner.

Pricing basis

The Company has carried out a detailed review of the pricing basis of the past and current continuing connected transactions with Ordins Group and Fuye Group.

For the sale and purchase of copper cathodes and aluminum ingots between the Group and Ordins Group, and the sale and purchase of copper materials between Heding Copper and Fuye Group, the prices were determined after arm's length negotiations among the parties with reference to, among other things, the relevant trading price on the Shanghai Futures Exchange or market price as quoted from sources that are widely recognised in the market during the relevant quotational period, which are in line with market practice. The payment terms were made on no more favourable terms to Fuye Group and Ordins Group, or no less favourable terms to the Group, than those available from independent third parties.

For the Provision of Processing Service to Fuye Group and the Provision of Processing Service from Fuye Group, the processing fee per unit of end product was negotiated on an arm's length basis with reference to the market rate of similar processing services provided by independent third parties.

Reasons for and benefits of the past and current continuing connected transactions

As a comprehensive copper production enterprise, the Group is mainly engaged in copper mining, smelting and processing. With the increased production capacity, the demands for both sales of products and raw materials increase.

To capture and meet the increase in demand for sales of products, the Group entered into the transactions with Ordins Group. Ordins Group is experienced in the field of domestic bulk material circulation with extensive service network all over the country, Ordins Group can provide the Group with convenient and efficient sales channels and well-established supply chains for raw materials for the trading business of the Group.

To meet the increased demand for raw materials, Heding Copper entered into the transactions with Fuye Group. By utilising the market resources of Fuye Group, Heding Copper can establish a low-cost network for selling and purchasing raw materials and obtain stable raw material supply channels.

The Board has approved the board resolutions relating to the confirmation and ratification of the past and current continuing connected transactions with Ordins Group and Fuye Group on 15 December 2022. The Directors (including the independent non-executive Directors) are of the view that the past and current continuing connected transactions with Ordins Group and Fuye Group have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) on normal commercial terms or better; and
- (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the past and current continuing connected transactions with Ordins Group and Fuye Group, or is required to abstain from voting on the Board resolutions confirming and ratifying the past and current continuing connected transactions.

Listing rules implication in relation to the past and current continuing connected transactions

As at the date of this announcement, Ordins is a substantial shareholder of JCC International Trade, holding 29.5% of the total issued share capital of JCC International Trade; while Zhejiang Fuye is a substantial shareholder of Heding Copper, directly holding 40% and indirectly holding 5% of the total issued share capital of Heding Copper. Therefore, each of Ordins and Zhejiang Fuye is a connected person of the Company at the subsidiary level. Accordingly, the transactions with Ordins Group and Fuye Group as disclosed above constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

However, due to an inadvertent oversight, the Company had not complied with the relevant requirements for continuing connected transactions under Chapter 14A of the Listing Rules.

The Company would like to stress that the omission to comply with the requirements under Chapter 14A of the Listing Rules in respect of the past and current continuing connected transactions was wholly unintentional. Once the existence of the past and current continuing connected transactions was identified, the Company has taken prompt remedial action by reporting and announcing the same by way of the issue of this announcement. Please refer to the paragraph headed “Remedial measures” for a series of measures to be adopted by the Company to prevent recurrence of similar events in the future.

As (i) Ordins Group and Fuye Group are connected persons of the Company at the subsidiary level; (ii) the Directors (including the independent non-executive Directors) approved and ratified the past and current continuing connected transactions; (iii) the independent non-executive Directors have confirmed that the terms of the past and current continuing connected transactions are fair and reasonable, on normal commercial terms or better terms and in the interests of the Company and the Shareholders as a whole, the past and current transactions with Ordins Group and Fuye Group would constitute continuing connected transactions which are subject to the annual review, reporting and announcement requirements but exempt from the independent financial advice and independent Shareholders’ approval requirements pursuant to Rule 14A.101 of the Listing Rules.

The Company will disclose information in relation to the continuing connected transactions for the current financial year with Ordins Group and Fuye Group in its subsequently published annual report and accounts in accordance with the relevant requirements as set out in Rule 14A.71 of the Listing Rules.

Remedial measures

To re-comply with relevant requirements, the Company had identified the connected persons at the subsidiary level, and collected information for all transactions between the Group and such connected persons. The Company collected the agreements entered into between the Group and such connected persons and the transaction amounts occurred thereunder over the past few years for the Board’s review.

The Directors, including the independent non-executive Directors, have reviewed the past and current continuing connected transactions as disclosed above and come to confirm that these transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and the terms thereof were fair and reasonable and in the interest of the Company and the Shareholders as a whole. Therefore, the Board has resolved to approve and ratify the past and current continuing connected transactions disclosed in this announcement.

The management of the Company will strengthen the internal communication in relation to the identification and monitoring of connected transactions in order to ensure compliance and continue to strengthen the external communication between the management of the Company and the professional advisors (including but not limited to the auditors and legal advisors), to ensure connected transactions of the Group, especially connected transactions with connected persons at the subsidiary level, are in compliance with the Listing Rules and other relevant laws and regulations.

With a view to prevent recurrence of similar non-compliance, the Company plans to implement a series of remedial measures to strengthen its internal control procedures. To ensure in-depth understanding of and full compliance of the relevant requirements of the Listing Rules, the Company will strengthen its internal control by the following measures:

1. The Company will review and amend the Rules for Connected Transactions of Jiangxi Copper Company Limited to ensure it has incorporated the rules and requirements as set out in Chapter 14A of the Listing Rules. The Company will then circulate and explain the amendment to the Directors and senior management of the Company and the directors and senior management of the subsidiaries within the Group. The Company will emphasise that transactions with connected persons at the subsidiary level may constitute connected transactions that are subject to relevant requirements under Chapter 14A of the Listing Rules and should be accelerated to the Board for approval.

Furthermore, to complement and ensure the implementation of the amended Rules for Connected Transactions of Jiangxi Copper Company Limited, the Company will pay continuous effort to identify significant subsidiaries of the Company for the purpose of Chapter 14A of the Listing Rules, and hence maintain and regularly update a list of persons connected with such significant subsidiaries. The Company will incorporate the list in the standard approval process within the management of the Company for screening purposes for any potential connected transactions.

2. The management of the Company will hold regular meetings with the relevant departments for reporting and review of any ongoing connected transactions and/or connected transactions to be entered into.
3. The Company will seek professional advice from the legal advisors and auditors in a timely manner, to ascertain whether the discussions at the aforesaid meetings would give rise to any approval and disclosure responsibilities.

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: mining, milling, smelting, further processing and related technical services of non-ferrous metals and rare metals; smelting, mangle processing and further processing of non-ferrous metal mines, rare metals, non-metal mines, non-ferrous metals and related by-products; sulphur chemical products and its extended products and fine chemical products related to the abovementioned operations; trading of non-ferrous metals and trading of precious metals; beneficiation pharmacy, rubber products; production and processing of toxic chemicals, corrosives, compressed gases and liquefied gases; sale and after-sale services for self-produced products together with related consultation services and businesses; geotechnical projects, surveying, tunnelling projects; repair and decoration for electrical and mechanical and civil engineering works; vehicles and engineering machinery repair, mobile crane repair; production of rubber hoses assemblies-wire reinforced hydraulic type; casting of wear-resistant alloy products; manufacturing, further processing, erection, repair and sale of mining and smelting specialized equipment; painting, insulation and anticorrosion works; cleansing of industrial equipment; passenger and freight transportation (include dangerous goods transportation), freight transportation agent, warehousing (except dangerous goods); property leasing; technical consultation and services; technical development and assignment; engaging in overseas futures hedging business; provision of import and export agency services (the import and export of the abovementioned commodities do not involve commodities which are subject to and regulated under specific regulations such as state trading, import quota license, export quota bidding and export quota license).

Information on Shenzhen Finance Leasing Company

Shenzhen Finance Leasing Company is a limited liability company wholly-owned by JCC with registered capital of RMB1,234 million. It is located at 707-1-2 and 701-2, 7th Floor, Touhang Building, 115 Fuhua Yi Road, Fu'an Community, Futian Street, Futian District, Shenzhen City, the PRC. Its legal representative is Ms. Zhu Yan. The principal business of Shenzhen Finance Leasing Company comprises finance leasing, leasing, purchasing domestic and overseas leased properties, handling residual value and maintenance of leased properties and providing consultation and guarantee on leasing transactions and commercial factoring business related to the principal business (non-bank financing type).

As at 31 December 2021, the audited total assets and net assets of Shenzhen Finance Leasing Company were RMB8,578,521,700 and RMB1,514,643,200, respectively. The audited operating revenue and net profit of Shenzhen Finance Leasing Company for the year ended 31 December 2021 were RMB1,160,287,800 and RMB101,399,500, respectively.

As at 30 November 2022, the unaudited total assets and net assets of Shenzhen Finance Leasing Company were RMB10,296,634,600 and RMB1,635,340,800, respectively. The unaudited operating revenue and net profit of Shenzhen Finance Leasing Company for the eleven months ended 30 November 2022 were RMB366,611,400 and RMB120,697,600, respectively.

Information on JCC Yingtian

JCC Yingtian is a company established in the PRC with limited liability. JCC Yingtian is a wholly-owned subsidiary of the Company. It is principally engaged in the sale of non-ferrous metals, rare metals and metal products.

Information on JCC International Trade

JCC International Trade is a company established in the PRC with limited liability. JCC International Trade is owned as to 59.05% by the Company and as to 29.5% by Ordins. It is principally engaged in the trading of non-ferrous metal products and raw materials, such as copper cathodes, lead, zinc and rare metals. Its scope of operations includes metal materials (including precious metals), chemical products (excluding dangerous chemicals), mineral products (excluding iron ores), steel, building materials (excluding cement), mechanical and electronic equipment, refrigeration and air-conditioning equipment, auto parts, hardware and electrical equipment, wood, office automation equipment, communication equipment wholesale, commission agency (excluding auction), import and export of the abovementioned goods and related technologies, and provide related supporting services; technology development, technology transfer, technical consultation and technical services in the computer field; freight forwarding and warehousing (excluding dangerous items) (not involving goods under state trade administration, where goods under quota and licensing management are involved, application shall be made in accordance with the relevant requirements of the state).

Information on JCC Shanghai International Logistics

JCC Shanghai International Logistics is a company established in the PRC with limited liability. JCC Shanghai International Logistics is a wholly-owned subsidiary of JCC International Trade. Its principal business comprises warehousing (excluding dangerous items); loading, unloading and transportation; logistics consultation (excluding brokerage); international trade; entrepot trade; trade and trade agency between enterprises in the bonded area; sale of metal materials, chemical products (excluding dangerous chemicals, monitored chemicals, fireworks and firecrackers, explosives for civilian use and precursor chemicals), mineral products (excluding special control), hardware and electrical equipment), wood and steel; import and export of goods and technologies; and commercial simple processing and trade consultation in the bonded port area.

Information on Ordins

Ordins is a company established in the PRC with limited liability. Ordins is a substantial shareholder of JCC International Trade, a subsidiary of the Company, holding 29.5% of the total issued share capital of JCC International Trade. It is principally engaged in sales and logistic business of non-ferrous metals, ferrous metals, refined oil, chemical products and equipment and devices.

Ordins is owned as to 57.7% by China North Industries Group Corporation (中國兵器工業集團有限公司), 28.5% by Anshan Iron & Steel Group Co., Ltd.* (鞍山鋼鐵集團有限公司) and 13.8% by JCC. The ultimate beneficial owner of Ordins is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC* (中國國務院國有資產監督管理委員會).

Information on Heding Copper

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

Heding Copper is a limited liability company established in the PRC with a registered capital of RMB1,280,000,000. It is situated in Xindeng Industrial Function Zone, Fuyang District, Hangzhou City, Zhejiang Province, the PRC. The legal representative of Heding Copper is Mr. Ding Zhi Yuan. The principal business of Heding Copper comprises the production, processing, sales and relevant technical services of copper cathode and sulphuric acid; investment and operation of non-ferrous metals and relevant industries projects; sales of anode mud, water granulated slag, tailings, gypsum, nickel sulphate and zinc oxide; 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 requiring approval according to law may only be carried out upon approval by relevant authorities).

Information on Zhejiang Fuye

Zhejiang Fuye is a limited liability company established in the PRC with a registered capital of RMB82,200,000. It is situated in Xiejiaxi, Lushan Street, Fuyang District, Hangzhou City, Zhejiang Province, the PRC. The legal representative of Zhejiang Fuye is Mr. Luo Zhong Ping. As confirmed by Zhejiang Fuye, the principal business of Zhejiang Fuye comprises refining, processing and sale of standard copper cathode, gold and silver; processing of copper sulphate, sulphuric acid, nickel sulphate, zinc

oxide, copper materials and silver products; export of self-produced products and technologies of the company; import of auxiliary raw materials, apparatus, instrument, machinery and equipment, components and parts and technologies and import business of technologies required for production and scientific research of the company (excluding commodities and technologies whose import and export are restricted or prohibited by the state); import of materials processing and “three-plus-one” business, and any other lawful projects not subject to reporting, review and approval. (Projects requiring approval according to law may only be carried out upon approval by relevant authorities).

Zhejiang Fuye is owned as to approximately 36.28% by Mr. Luo Zhong Ping, the legal representative of Zhejiang Fuye, as to approximately 0.88% by Mr. Ding Zhi Yuan, the legal representative of Heding Copper who also has approximately 5.3% shareholding interest in one of the shareholders of Zhejiang Fuye holding less than 10% interest in Zhejiang Fuye, and as to the remaining 62.84% by 22 shareholders, each of which owned less than 10% of the entire issued share capital of Zhejiang Fuye, respectively. Save for (i) their interests in Heding Copper through their respective shareholding interests in Zhejiang Fuye, and (ii) Mr. Ding Zhi Yuan being the legal representative of Heding Copper, the ultimate beneficial owners of Zhejiang Fuye are third parties independent of and not connected with the Company and its connected persons.

Information on Fuye (HK)

Fuye (HK) is a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of Zhejiang Fuye. It is principally engaged in non-ferrous metal ore trading business.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2019 Announcement”	the announcement of the Company dated 30 December 2019 in respect of, among others, the 2020 Finance Lease Framework Agreement
“2020 Finance Lease Framework Agreement”	the finance lease framework agreement dated 30 December 2019 entered into between the Company and Shenzhen Finance Leasing Company for the provision of finance lease services by Shenzhen Finance Leasing Group to the Group
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“Connected Directors”	the Directors who are connected to JCC Group from time to time, including Mr. Zheng Gaoqing, Mr. Zhou Shaobing, Mr. Wang Bo, Mr. Yu Tong and Mr. Liu Fangyun
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fuye Group”	Zhejiang Fuye and its subsidiaries from time to time
“Fuye (HK)”	Fuye (HK) International Trading Co, Limited, a limited liability company incorporated in Hong Kong, and a wholly-owned subsidiary of Fuye Group
“Fuye (HK) Agreement”	the sale and purchase agreement dated 10 December 2021 entered into between Heding Copper and Fuye (HK) for the sale and purchase of copper concentrates
“Group”	the Company and its subsidiaries
“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, Zhejiang Fuye, 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) (a wholly-owned subsidiary of Zhejiang Fuye), respectively
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS 16”	the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, which sets out the principles for the recognition, measurement, presentation and disclosures of leases

“JCC”	Jiangxi Copper Corporation Limited, the controlling shareholder of the Company holding approximately 43.68% (approximately 43.72% if including Shares lent through securities lending) of the total issued share capital of the Company
“JCC Group”	JCC and its subsidiaries (other than the Group) from time to time
“JCC International Trade”	Jiangxi Copper International Trade Company Limited* (江銅國際貿易有限公司), a limited liability company established in the PRC, which is held as to, among others, 59.05% by the Company and 29.5% by Ordins
“JCC Shanghai International Logistics”	Jiangxi Copper Shanghai International Logistics Company Limited* (上海江銅國際物流有限公司), a wholly-owned subsidiary of JCC International Trade
“JCC Yingtan”	JCC (Yingtan) Trading Co., Ltd.* (江西銅業(鷹潭)貿易有限公司), a wholly-owned subsidiary of the Company
“Leased Asset”	leased asset as stipulated under specific agreement(s) to be entered into between the member(s) of the Group and Shenzhen Finance Leasing Group in accordance with the terms of the New Finance Lease Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Finance Lease Framework Agreement”	the finance lease framework agreement dated 15 December 2022 entered into between the Company and Shenzhen Finance Leasing Company for the provision of finance lease services by Shenzhen Finance Leasing Group to the Group
“Ordins”	China Ordins Group Co., Ltd. (中國兵工物資集團有限公司), a limited liability company established in the PRC, which is held as to 57.7%, 28.5% and 13.8% by China North Industries Group Corporation* (中國兵器工業集團有限公司), Anshan Iron & Steel Group Co., Ltd.* (鞍山鋼鐵集團有限公司) and JCC, respectively
“Ordins Group”	Ordins and its subsidiaries from time to time

“Ordins Sale and Purchase Agreement of Aluminum Ingots”	the sale and purchase agreement dated 30 December 2021 entered into between JCC International Trade and Ordins for sale and purchase of aluminum ingots
“Ordins Sale and Purchase Agreement of Copper Cathodes”	the sale and purchase agreement dated 11 February 2022 entered into between JCC Yingtan and Ordins for the sale and purchase of copper cathodes
“PBOC”	the People’s Bank of China
“percentage ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Listing Rules”	the rules governing the listing of securities on the Shanghai Stock Exchange
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shenzhen Finance Leasing Company”	Shenzhen Jiangtong Finance Leasing Co., Ltd.* (深圳江銅融資租賃有限公司), a limited liability company established in the PRC, which is held as to 75% and 25% by JCC and its wholly-owned subsidiary, Jiangtong Southern (Hongkong) Limited (江銅南方(香港)有限公司) respectively
“Shenzhen Finance Leasing Group”	Shenzhen Finance Leasing Company and its subsidiaries from time to time which have finance leasing business qualification, including Shanghai Jiangtong Finance Leasing Co., Ltd.* (上海江銅融資租賃有限公司) and Jiangxi Jiangtong Finance Leasing Co., Ltd.* (江西江銅融資租賃有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Fuye”	Zhejiang Fuye Group Co., Ltd.* (浙江富冶集團有限公司), a limited liability company established in the PRC
“%”	per cent

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

For this announcement, translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.8933, and is for illustrative purpose only.

By Order of the Board
JIANGXI COPPER COMPANY LIMITED
Zheng Gaoqing
Chairman

Nanchang, Jiangxi, the PRC, 15 December 2022

As at the date of this announcement, the executive Directors of the Company 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 of the Company are Mr. Liu Xike, Mr. Zhu Xingwen, Mr. Wang Feng and Mr. Li Shuidi.