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**江西銅業股份有限公司**  
**JIANGXI COPPER COMPANY LIMITED**

*(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)*

(Stock Code: 0358)

**ANNOUNCEMENT**  
**CONNECTED TRANSACTION**

On 31 May 2018, the Company entered into the Asset Transfer Agreement with JCC, pursuant to which, the Company agreed to sell and JCC agreed to acquire the Target Assets held by the Company. The appraisal value of approximately RMB188,569,900 (equivalent to approximately HK\$230,415,694) is the pricing basis of the Transfer Price which may be adjusted accordingly in the event there is reduction in the scope or diminution in the value of the Target Assets during the period from the valuation benchmark date to the date of completion of the Transfer.

**LISTING RULES IMPLICATION**

As at the date of this announcement, as JCC holds approximately 40.53% of the total issued share capital of the Company, JCC is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the Asset Transfer Agreement and the transactions contemplated thereunder constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As some of the applicable Percentage Ratios in relation to the Transfer exceed 0.1% but are less than 5%, the Asset Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## **THE ASSET TRANSFER AGREEMENT**

On 31 May 2018, the Company entered into the Asset Transfer Agreement with JCC, pursuant to which, the Company agreed to sell and JCC agreed to acquire the Target Assets held by the Company. The principal terms of the Asset Transfer Agreement are summarised as follows:

### **Date**

31 May 2018

### **Parties**

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

### **Assets to be disposed**

The Company agreed to sell and JCC agreed to acquire the Target Assets, being certain fixed assets in relation to the Social Functions of Guixi Smelter, Dexing Copper Mine, Yongping Copper Mine, Wushan Copper Mine and Dongxiang Copper Mine owned by the Company.

### **Transfer Price and pricing basis**

The Transfer Price was arrived at after arm's length negotiations between the parties, with reference to the appraisal value of the Target Assets appraised by Zhong Ming (Beijing) Assets Appraisal International Co., Ltd. as pricing basis, pursuant to which, the appraised value of the Target Assets was approximately RMB188,569,900 as at 31 July 2017, being the valuation benchmark date. In the event that there is reduction in the scope or diminution in the value of the Target Assets during the period from the valuation benchmark date to the date of completion of the Transfer, the Transfer Price shall be adjusted accordingly.

The Transfer Price shall be paid before 30 July 2018.

## APPRAISAL VALUE OF THE TARGET ASSETS

The appraisal value of the Target Assets as appraised by Zhong Ming (Beijing) Assets Appraisal International Co., Ltd. as at the valuation benchmark date (i.e. 31 July 2017) is as follows:

Item	Book value (RMB)	Appraisal value (RMB)	Valuation increment (RMB)	Appreciation rate (%)
Housing buildings	11,798,773.42	20,337,571.11	8,538,797.69	72.37
Structures and others	89,194,682.67	126,737,437.78	37,542,755.11	42.09
Equipment and facilities	28,384,395.45	34,536,516.50	6,152,121.05	21.67
Vehicles	624,940.39	379,316.84	-245,623.55	-39.30
Construction in progress	13,281,744.41	1,900,000.00	-11,381,744.41	-85.69
Others	718,216.71	4,679,060.00	3,960,843.29	551.48
Total	<u>144,002,753.05</u>	<u>188,569,902.23</u>	<u>44,567,149.18</u>	<u>30.95</u>

As at 31 July 2017, the book value and the appraisal value of the Target Assets amounted to approximately RMB144,002,753 and RMB188,569,902 respectively.

## REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE ASSET TRANSFER AGREEMENT

The Company and JCC entered into the Asset Transfer Agreement pursuant to the “Implementation Notice of the People’s Government of Jiangxi Province on the Printing and Distributing of Work Plan of the Province to Speed Up the Relief of State-owned Enterprises of their Social Functions” (Gan Fu Ting Zi [2016] No. 96) 《江西省人民政府辦公廳關於印發全省加快剝離國有企業辦社會職能工作實施方案的通知》(贛府廳字[2016] 96號) and the “Implementation Opinions of Provincial SASAC, Provincial Civil Affairs Department, Provincial Department of Finance, Provincial Housing and Urban-Rural Development Department on Separation and Transfer of Functions of State-owned Enterprises in Municipal Management and Community Management” (Gan Guo Zi Qi Gai Zi [2017] No. 236) 《省國資委、省民政廳、省財政廳、省住房城鄉建設廳關於國有企業辦市政、社區管理等職能分離移交的實施意見》(贛國資企改字[2017] 236號).

On 31 May 2018, the Directors (including the independent non-executive Directors but other than Mr. Long Ziping, Mr. Wang Bo, Mr. Wu Jinxing and Mr. Wu Yuneng who are connected directors of JCC and have abstained from voting) approved the resolutions relating to the Asset Transfer Agreement (“**Board Resolutions**”). Save for Mr. Long Ziping, Mr. Wang Bo, Mr. Wu Jinxing and Mr. Wu Yuneng, none of the Directors have a material interest in the Asset Transfer Agreement or is required to abstain from voting on the Board Resolutions in relation to the Asset Transfer Agreement.

The Directors (other than the connected directors) were of the view that the terms of the Transfer are fair and reasonable, and the Transfer is beneficial to revitalizing the Company's assets, reducing non-operating expenditures such as those in relation to Social Functions and reducing the Company's burden, which are in line with the long-term development goals of the Company and in the interest of the Company and its Shareholders as a whole. There is no damage to the interests of the Company and the Shareholders.

The independent non-executive Directors expressed independent opinion prior to the Board Resolutions and considered that the Asset Transfer Agreement and the transactions contemplated thereunder, while not in the ordinary and usual course of business of the Company, they are entered into on normal commercial terms, the Transfer Price and terms thereof are fair and reasonable, the procedure is valid and there is no damage to the interests of Shareholders, in particular medium and minority Shareholders, and is fair and reasonable to the Company and all Shareholders and in the interest of the Company and its Shareholders as a whole.

## **FINANCIAL IMPACTS FROM THE DISPOSAL**

Based on the carrying value of the Target Assets of approximately RMB144,002,753 as at 31 July 2017, it is estimated that the Company will realise a gain from the Transfer of approximately RMB44,567,149 (before tax and expenses) (subject to audit), being the difference between the Transfer Price and the carrying value of the Target Assets as at 31 July 2017. The Company intends to apply the proceeds from the Transfer (after deducting all relevant fees and expenses) towards the general working capital of the Company.

## **IMPLICATIONS OF THE LISTING RULES**

The Transfer does not constitute a material asset reorganisation stipulated by the Administrative Measures for the Material Asset Reorganisations of Listed Companies in the PRC. The consideration for the Transfer is within the authority of the Board pursuant to the relevant requirements of the articles of association, the rules for the board of directors and the decision making policies on connected transactions of the Company. It is not subject to shareholders' approval pursuant to the relevant requirements of the rules governing the listing of stocks on the Shanghai Stock Exchange.

As at the date of this announcement, as JCC holds approximately 40.53% of the total issued share capital of the Company, JCC is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the Asset Transfer Agreement and the transactions contemplated thereunder constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As some of the applicable Percentage Ratios in relation to the Transfer exceed 0.1% but less than 5%, the Asset Transfer Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempt from the independent shareholders' approval requirement pursuant to 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 sale services for self-manufactured products; overseas futures and hedging business and related enquiry services and business.

### **Information on JCC**

JCC, the controlling shareholder of the Company, is a collective enterprise (全民所有制企業) on which the State-owned Assets Supervision and Administration Commission (SASAC) of Jiangxi Province performs contributor function. JCC was established in June 1979 and is located in Guixi City, Jiangxi Province, the PRC with a registered capital of RMB6,729,646,135.47. The legal representative of JCC is Mr. Long Ziping. JCC's principal business covers non-ferrous mines, non-metal mines, smelting and rolling processing of non-ferrous metal products, contracting of overseas non-ferrous industry projects and domestic international tender projects, export of the necessary equipment and materials for the abovementioned overseas projects, and assigning the necessary labour to overseas for the implementation of the abovementioned overseas projects; comprehensive recycling of non-ferrous metals, non-metal minerals and smelting resources; operating export business of self-produced products and related technologies; operating import business of raw materials, machinery and equipment, instrumentation, spare parts and other commodities and related technologies required for the production of the group; contracting of Sino-foreign joint ventures, cooperation in production and carrying out business in relation to Social Functions; property management, house leasing, market management, community services, landscaping works, repairs of public facilities and housing; environmental health projects; technical advice and services; and technology development and transfer. (Projects approved in accordance with laws may only be carried out upon approval by relevant departments.) Other than connected transactions conducted between the Group and JCC in its daily operations, the transaction amount of connected transactions between the Group and JCC amounted to RMB212,976,000 during the 12 months prior to the date of this announcement.

## DEFINITIONS

“Asset Transfer Agreement”	an asset transfer agreement dated 31 May 2018 entered into between the Company and JCC in respect of the Transfer
“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
“Directors”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“JCC”	Jiangxi Copper Corporation Limited, a substantial shareholder of the Company holding approximately 40.53% of the total issued share capital of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	the percentage ratios as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Social Functions”	the water supply and power supply equipment and facilities, housing buildings and structures and other daily auxiliary facilities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets”	certain fixed assets in relation to the Social Functions of Guixi Smelter, Dexing Copper Mine, Yongping Copper Mine, Wushan Copper Mine and Dongxiang Copper Mine owned by the Company

“Transfer”	the transfer of the Target Assets from the Company to JCC pursuant to the terms and conditions of the Asset Transfer Agreement
“Transfer Price”	the consideration payable by JCC for the Transfer
“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, 31 May 2018

*Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.81839.*

*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. Liu Erh Fei and Dr. Zhou Donghua.*