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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)

POSSIBLE CONNECTED TRANSACTION

POTENTIAL 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 intends to participate in the bidding for the 11% equity interests in JCC Finance held by BOCGI in an open tender on the Jiangxi Assets and Equity Exchange.

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 Potential Share Purchase, if materialised, will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

It is expected that all the applicable Percentage Ratios in relation to the Potential Share Purchase will be less than 5%, as such, the Potential Share Purchase, if materialised, will be subject to the reporting and announcement requirements, but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board wishes to emphasise that the Potential Share Purchase involves a bidding process in an open tender on the Jiangxi Assets and Equity Exchange, hence the Potential Share Purchase may or may not materialise.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Further announcement will be made by the Company in respect of the Potential Share Purchase as and when appropriate in accordance with the Listing Rules.

The Board and all members of the Board warrant the truthfulness, accuracy and completeness of this announcement, and jointly and severally accept full responsibility for any false representations or misleading statements contained in, or material omission from, this announcement. This announcement is made by the Company pursuant to Rule 13.10B of the Listing Rules.

POTENTIAL SHARE PURCHASE

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 intends to participate 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.

The details of the major terms, Tender Price, eligibility criteria of transferees, Transaction Deposit and other material information as set out in the Open Tender Notice are summarised as follows:

1. Description of ownership of the Target Interests

The property rights of the Target Interests are clear, not subject to mortgage, pledge or any other transfer restrictions. They are not involved in any judicial measures such as litigation, arbitration, seizure or freeze, nor are there other circumstances that may prohibit the transfer of ownership.

2. Method of open tender

Upon expiration of the Tender Period, if only one (1) Qualified Potential Transferee has paid the Transaction Deposit as required, that transferee shall be so determined by entering into an agreement; if more than two (2) (inclusive of two (2)) Qualified Potential Transferees have paid the Transaction Deposit as required, the transferee shall be determined by an online bidding process, and the relevant matters regarding the online bidding process will be further notified.

3. *Tender Period*

23 May 2018 to 21 June 2018 (both days inclusive)

4. *Tender Price*

RMB337.55 million

5. *Transaction Deposit*

RMB101.265 million

If any one of the following circumstances occurs, the Transaction Deposit (after deducting the transaction costs payable to the Jiangxi Assets and Equity Exchange) shall be paid to the relevant party as compensation and in case of shortfall, such party may continue to request for compensation based on actual losses: (1) the potential transferee submits a transfer application but withdraws such application unilaterally after payment of Transaction Deposit; (2) the potential transferee fails to participate in the subsequent bidding process; (3) none of the potential transferees proposes any bid during the bidding process being initiated at the Tender Price; (4) the successful transferee fails to enter into the share purchase agreement with the transferor within the agreed time limit; (5) after signing the agreement, such transferee hinders such agreement to come into effect; (6) the transferee fails to pay the balance of the transfer price and the transaction cost in accordance with the agreement; (7) any inappropriate acts of such potential transferee, including but not limited to the information and data provided by the potential transferee are false, untrue, incomplete, invalid and do not meet the requirements, and the qualifications of the potential transferee do not meet the requirements of the relevant laws and regulations regarding the shareholders' qualifications of a target company; (8) other violations against trading rules and tender requirements by the transferee. After the transferee is determined, the Transaction Deposit paid (non-interest bearing) by the transferee shall be implemented as stipulated in the Public Bidding Agreement entered into between the transferor and Jiangxi Assets and Equity Exchange. The Transaction Deposit paid by other potential transferees shall be repaid in full (without interests) by Jiangxi Assets and Equity Exchange within 5 working days after the receipt of a written application.

6. *Tax and fees for the transaction*

- (1) Tax and fees involved in the transfer (except for the transaction service fee specified in item (2) hereinbelow) shall be borne by the parties of the transfer in accordance with the relevant regulations of the PRC.

- (2) If the transaction is conducted by entering into an agreement, the agreement transaction service fee shall be equally shared by each of the transferor and the transferee in accordance with the Public Bidding Agreement. If the transfer involves an online bidding process, the transferee shall bear the bidding transaction service fee in addition to the agreement transaction service fee. The bidding transaction service fee shall be charged in accordance with the Public Bidding Agreement.

7. *Eligibility criteria of transferees*

A transferee has to fulfill all of the following criteria:

- (1) it is a legal person or other organization capable of assuming civil liabilities independently, and shall be able to comply with the relevant requirements of the China Banking and Insurance Regulatory Commission of the PRC on the qualifications of shareholders of financial corporations;
- (2) it shall have good business reputation, financial conditions and payment ability; and
- (3) such other requirements as stipulated by national laws and administrative regulations of the PRC.

8. *Signing period of the transaction agreement*

Once the transferee is confirmed, the share purchase agreement in relation to the transfer of the Target Interests shall be entered into by the transferor and the transferee within three (3) working days.

9. *Payment of the Consideration*

The final transaction price shall be paid in one lump sum within five (5) working days upon the share purchase agreement becoming effective.

10. *Pre-emptive rights of the existing shareholders of JCC Finance*

Existing shareholders of JCC Finance have not waived their pre-emptive rights as shareholders of JCC Finance. Shareholders of JCC Finance who have not waived their pre-emptive rights shall submit a transfer application to the Jiangxi Assets and Equity Exchange during the Tender Period and pay the Transaction Deposit as required. If the transfer application is accepted and a bidding process is involved, the pre-emptive right shall be exercised under the same conditions at the bidding site. If no tender application has been submitted during the Tender Period, no Transaction Deposit has been paid or the pre-emptive right has not been exercised under the same conditions at the bidding site, it would be deemed to be a waiver of the transfer and the pre-emptive right. The Company has not waived its pre-emptive right as a shareholder of JCC Finance.

11. Other details of the transaction

This equity transfer does not involve issues such as corporate restructuring, staff reallocation, guarantee, security and leasing, etc.

Consideration and pricing basis

The Company shall participate in the bidding process based on the Tender Price of RMB337.55 million and in accordance with the actual conditions of the bidding process. The final bidding price shall be deemed as the Consideration after the Company is determined as the transferee.

Source of funding

It is expected that the Consideration will be paid by the Company to BOCGI by way of cash from its internal resources.

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 POTENTIAL SHARE PURCHASE

Upon completion of the Potential Share Purchase, the Company and 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 Potential 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 Directors reviewed and approved the Board Resolution. None of the Directors have a material interests in the Potential Share Purchase or are required to abstain from voting on the Board Resolution. The Directors were of the view that the terms of the Potential 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 Target Interests under the bidding process.

The independent non-executive Directors expressed independent opinion and considered that the Potential Share Transfer, 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 Potential Share Transfer is fair and reasonable to the Company and all the Shareholders and in the interests of the Company and the Shareholders as whole.

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It is expected that all the applicable Percentage Ratios in relation to the Potential Share Purchase will be less than 5%, as such, the Potential Share Purchase, if materialised, will be subject to the reporting and announcement requirements, but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Potential Share Purchase will 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 Potential Share Transfer 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 year ended 31 May 2018 (unaudited)
Operating revenue	34,579.90	37,878.03	18,764.62
Net profit	27,929.50	24,230.92	12,478.18

The Board wishes to emphasise that the Potential Share Purchase involves a bidding process in an open tender on the Jiangxi Assets and Equity Exchange, hence the Potential Share Purchase may or may not materialise.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. Further announcement will be made by the Company in respect of the Potential Share Purchase as and when appropriate in accordance with the Listing Rules.

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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration for the transfer of the Target Interests
“Director(s)”	director(s) of the Company
“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
“Potential Share Purchase”	the potential share purchase of the Target Interests from BOCGI by the Company
“PRC”	the People’s Republic of China
“Public Bidding Agreement”	the public bidding agreement entered into between BOCGI and the Jiangxi Assets and Equity Exchange
“Qualified Potential Transferee”	a qualified participant in the open tender on the Jiangxi Assets and Equity Exchange in relation to the transfer of the Target Interests
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Interests”	the 11% equity interests in JCC Finance held by BOCGI
“Tender Period”	the tender period for the transfer of the Target Interests
“Tender Price”	the minimum transfer price for the transfer of the Target Interests
“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, 11 June 2018

Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.81578.

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.