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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)

**DISCLOSEABLE TRANSACTION RELATING TO  
ACQUISITION OF 29.99% EQUITY INTEREST  
IN THE TARGET COMPANY**

**SHARE PURCHASE AGREEMENT**

The Company hereby announces that, on 4 March 2019 (after trading hours), the Company has entered into the Share Purchase Agreement with the Vendors in relation to the purchase of the Target Shares representing approximately 29.99% equity interest in the Target Company at a total Consideration of RMB2,976,015,664 (tax inclusive) (equivalent to approximately HK\$3,483,735,237.51). Upon Completion, the financial results of the Target Company will be consolidated into the financial statements of the Company.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Share Purchase is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Share Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Company hereby announces that, on 4 March 2019 (after trading hours), the Company has entered into the Share Purchase Agreement with the Vendors in relation to the purchase of the Target Shares representing approximately 29.99% equity interest in the Target Company at a total Consideration of RMB2,976,015,664 (tax inclusive) (equivalent to approximately HK\$3,483,735,237.51). Upon Completion, the financial results of the Target Company will be consolidated into the financial statements of the Company.

## **SHARE PURCHASE AGREEMENT**

The principal terms of the Share Purchase Agreement are summarised as follows:

### **Date**

4 March 2019

### **Parties**

- (1) The Purchaser: the Company;
- (2) The Vendors:
  - (i) Yantai Humon
  - (ii) Wang Xinen
  - (iii) Wang Jiahao
  - (iv) Zhang Jixue
  - (v) Gao Zhenglin

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendors and the ultimate beneficial owners of Yantai Humon are third parties independent of the Company and its connected persons.

## **Assets to be acquired**

The Company conditionally agreed to purchase and the Vendors conditionally agreed to sell the Target Shares which represent 273,028,960 issued shares of the Target Company comprising 221,653,960 Target Shares held by Yantai Humon, 15,600,000 Target Shares held by Wang Xinen, 3,975,000 Target Shares held by Wang Jiahao, 15,900,000 Target Shares held by Zhang Jixue and 15,900,000 Target Shares held by Gao Zhenglin. The Target Shares represent approximately 29.99% equity interest in the Target Company. For the avoidance of doubt, the sale and purchase of the Target Shares shall include share ownership, profit distribution rights, director nomination rights, asset allocation rights, information rights, and all such rights that shareholders of the Target Company are entitled to pursuant to the articles of the Target Company and the applicable laws and regulations of the PRC.

From the date of the Share Purchase Agreement until the date on which the Target Shares are registered under the name of the Company (the “**Registration**”), if the Target Company distributes scrip dividends on the accumulated undistributed profits or converts the capital reserve or surplus reserve into share capital, the quantity of the Target Shares contemplated under the Share Purchase shall increase accordingly, such that the adjusted number of the Target Shares shall be the sum of 273,028,960 Target Shares held by the Vendors and the additional shares of the Target Company held by the Vendors as a result of the abovementioned events; in which case the unit price of the Target Share will be adjusted downwards accordingly such that the total Consideration shall remain unchanged.

In addition, in the event of any ex-rights or ex-dividend adjustments of the share prices of the Target Company made in accordance with laws and regulations of the PRC before the Registration, the purchase price and the quantity of the Target Shares contemplated under the Share Purchase shall be adjusted accordingly.

## **Consideration**

The total Consideration of the Share Purchase shall be RMB2,976,015,664 (tax inclusive) (equivalent to approximately HK\$3,483,735,237.51), equivalent to unit price of RMB10.90 (equivalent to approximately HK\$12.76) per Target Share. The Consideration, which was arrived at after arm’s length negotiations between the Vendors and the Purchaser, was determined by both parties upon negotiation on the basis that the unit price per Target Share shall be not lower than 90% of the closing price quoted on the secondary market for transfer of shares on the trading day immediately preceding the date of the Share Purchase Agreement.

From the date of the Share Purchase Agreement until the Registration, if the Target Company distributes cash dividends to the Vendors with accumulated undistributed profits, the Consideration payable by the Company to the Vendors shall be reduced by the amount of the realized cash dividends.

### **Earnest Money**

The Company shall pay RMB600 million as the Earnest Money of the Share Purchase in three (3) installments (as detailed hereinbelow). On the date of Registration, the Earnest Money shall form part of the total Consideration. If the Share Purchase Agreement or the transaction contemplated thereunder remains ineffective, incomplete, becomes terminated, rescinded, revoked or invalid for any reason, the Vendors shall return the Earnest Money to the Company within three (3) working days from the date of occurrence of the said circumstance(s), together with the accrued interests calculated at the lending interest rate published by the People's Bank of China during the same period (i.e. the period from the earnest money payment date to its return date).

In order to provide security for the Vendors' obligation to return the Earnest Money and the corresponding interest accrued during the period, the Vendors agreed to, within two (2) working days from the date of the Share Purchase Agreement, pledge (the "**Phase I Share Pledge**") a total of not less than 24,503,900 issued shares of the Target Company (the "**Phase I Pledged Assets**") to the Company, and complete the relevant registration procedures in relation to the said pledge. The Company shall, within five (5) working days from the date of the creation of the Phase I Share Pledge (which shall be the date when the Company is registered as pledgee of the Phase I Pledged Assets by the China Securities Depository and Clearing Co., Ltd. (Shenzhen Branch)), pay RMB150 million to a designated account of the Vendors for the purpose of repaying the Vendors' debts, such that the Vendors can obtain a full discharge (the "**Phase I Discharge**") on their pledge(s) created in favour of the relevant pledgee(s) in respect of a total of not less than 49,200,000 issued shares of the Target Company as well as to complete the relevant registration procedures for the said discharge.

In the same connection, the Vendors agreed to, within two (2) working days from the date of the completion of the relevant registration procedures for the Phase I Discharge, further pledge (the "**Phase II Share Pledge**") a total of not less than 49,200,000 issued shares of the Target Company (the "**Phase II Pledged Assets**") to the Company, and complete the relevant registration procedures in relation to the said charge. The Company shall, within five (5) working days from the date of creation of the Phase II Share Pledge (which shall be the date when the Company is registered as pledgee of the Phase II Pledged Assets by the China Securities Depository and Clearing Co., Ltd. (Shenzhen Branch)), pay RMB300 million to a designated account of the Vendors (of which RMB150 million shall be specifically utilised to repay the Vendors' debts), such that the Vendors can obtain a full discharge (the "**Phase II Discharge**") on their pledge(s) created in favour of the relevant pledgee(s) in respect of a total of not less than 36,375,000 issued shares of the Target Company as well as to complete the relevant registration procedures for the said discharge.

Subsequently, the Vendors shall, within two (2) working days from the date of the completion of the relevant registration procedures for the Phase II Discharge, further pledge (the “**Phase III Share Pledge**”) a total of not less than 36,375,000 issued shares of the Target Company (the “**Phase III Pledged Assets**”, together with the Phase I Pledged Assets and Phase II Pledged Assets, collectively the “**Pledged Assets**”), and complete the relevant registration procedures in relation to the said pledge. The Company shall, within five (5) working days from the date of the creation of the Phase III Share Pledge (which shall be the date when the Company is registered as pledgee of the Phase III Pledged Assets by the China Securities Depository and Clearing Co., Ltd. (Shenzhen Branch)), pay RMB150 million to a designated account of the Vendors.

The Vendors and the Purchaser agreed that from the date of the Share Purchase Agreement until the Registration of the Target Shares, if the quotient of the market value of the Pledged Assets on a PRC trading day (i.e. the product of the average trading price per issued share of the Target Company as quoted on the SZSE for the 20 consecutive trading days immediately prior to the said PRC trading day and the number of issued shares of the Target Company corresponding to the Pledged Assets) and the Earnest Money (i.e. RMB600 million) is less than 100%, the Company shall have the right to request the Vendors to take immediate measures, and to provide the Company with other collaterals of which the Company agrees, to ensure that the said quotient (after collateral replenishment) shall be not less than 100%. For the avoidance of doubt, any of the other collaterals provided by the Vendors shall together with the Pledged Assets, provide security for the Vendors’ obligation to return the Earnest Money and the corresponding interest accrued during the period.

### **Conditions Precedent**

Payment of the Consideration pursuant to the Share Purchase Agreement shall be subject to and conditional upon the satisfaction in full of the following conditions:

- (i) all terms of the Share Purchase Agreement being effective;
- (ii) all charges on the Target Shares having been discharged and the Target Shares shall be free from other charges or encumbrances or judicial restrictions such as seizure or freezing;
- (iii) the Company having completed due diligence on the Target Company, the Vendors and the Target Shares (including legal, financial, asset evaluation, technology aspects etc.), and shall be of the opinion that there are no matters that constitute a substantial obstacle to the Share Purchase or that such obstacles having been resolved;

- (iv) there are no laws and regulations, securities regulatory authorities and other government bodies, judicial decisions etc. that expressly prohibit the Share Purchase or impose non-market customary conditions on the Share Purchase, which shall hinder the Share Purchase and shall be unacceptable to the Company after its decision-making process, or otherwise shall result in significant losses to the Company;
- (v) the Share Purchase shall not involve any insider trading, information disclosure violations or other legal proceedings such as investigations and evidence collection conducted by the securities authorities;
- (vi) the representations and warranties made by the Vendors under the Share Purchase Agreement shall remain true and accurate, and any undertakings and agreements under the Share Purchase Agreement that shall be observed or fulfilled by the Vendors shall have been observed or performed in all material aspects;
- (vii) there are no material adverse changes in respect of the Target Shares and the Target Company; and
- (viii) SZSE having issued a confirmation of transfer in respect of the Share Purchase Agreement pursuant to regulations such as “Guidelines for the Handling of the Transfer of Shares by the Stock Exchange of Listed Companies of SZSE” and the “Guidelines for the Handling of the Transfer of the Circulation Shares of the Listed Companies of SZSE”.

For the avoidance of doubt, prior to applying for the issuance of a confirmation of transfer by SZSE as set out in (viii) above, the Company and the Vendors shall jointly confirm in writing that all the Conditions Precedent other than (ii) above shall have been met.

### **Completion and other payment terms of the total Consideration**

Within 5 working days after the Share Purchase Agreement become effective and the Conditions Precedents (other than Conditions Precedents (ii) and (viii)) have been satisfied in full, the Company and the Vendors shall, in accordance with the “Guidelines for the Transfer of Business of the Stock Exchange of the Listed Companies of SZSE”, jointly apply to SZSE for the issue of a confirmation of transfer in respect of the Share Purchase Agreement. The Vendors are obliged to obtain written consent letters from all the pledgees other than the Company with regards the Share Purchase prior to applying to SZSE for such confirmation.

The Vendors are obliged to create pledges (in batches) in favour of the Company in respect of all remaining Target Shares (other than the Pledged Assets) within 20 working days from the date of obtaining the confirmation of transfer in respect of the Share Purchase Agreement from SZSE. The Company shall pay the corresponding proportion of the Consideration amount which shall be an aggregate amount of RMB1,500 million (“**First Consideration Settlement**”) to the Vendors (in batches) within 5 working days from the date of creation of each pledge. If any party to the Share Purchase Agreement is in breach of the abovementioned provision, the defaulting party shall pay damages to the non-defaulting party of a sum equivalent to 10% of the total Consideration.

Once the Conditions Precedent are satisfied in full and confirmed by both parties in writing, the Vendors shall, with the cooperation of the Company, complete the registration procedures in relation to transfer of the Target Shares within 5 working days. From the Completion Date (including that date), the Company shall enjoy all the interests and rights attached to the Target Shares. The Company shall provide assistance to the Vendors in handling the above procedures, including but not limited to providing various types of application documents necessary for completing the formalities.

The Company shall, within 5 working days after the Completion Date, pay the total Consideration, after deducting the Earnest Money of RMB600 million and the First Consideration Settlement of RMB1,500 million, to the account designated by the Vendors. The Vendors shall, after receiving the above balance of the Consideration, issue a certificate to the Company to certify the Company’s payment of the total Consideration.

Following Completion, the Company will become a shareholder controlling the Target Company and the financial results of the Target Company will be consolidated into the financial statements of the Group.

## Undertakings

### *Competing business*

According to the relevant standards of the China Securities Regulatory Commission's "Industry Classification Guidelines for Listed Companies", the Target Company and the Company are both in the non-ferrous metal smelting and rolling processing industry. The Company is principally engaged in copper-related mining, selection, smelting and trading and obtains gold and other metal by-products during the process of mining and smelting of copper while the Target Company is principally engaged in the smelting and integrated recycling of gold and other rare metal, and obtains copper and lead by-products during the process of smelting and recycling. The controlling shareholder of the Company is JCC, and JCC is a holding company whose business is mainly carried out through its subsidiaries. In addition to the Company, other companies controlled by JCC also engaged in non-ferrous metal smelting and rolling processing industries. The Company and its controlling shareholder and the Target Company have certain business cross-cutting in terms of copper, gold and other metal varieties, and there is certain business competition existing within the same industry.

After the Company obtains control of the Target Company, it will use the Target Company as the development platform of the Group's future gold sector, and inject the quality gold assets of the Company and its controlling shareholder into the Target Company, which eliminates business competition and provides support to the development of the Target Company.

In order to avoid the possible business competition with the Target Company in the future, the Company and its controlling shareholder undertake the following:

- (i) During the period of controlling the Target Company, the Company and the companies controlled by the Company shall undertake to strictly abide by the relevant provisions of the China Securities Regulatory Commission, SZSE and the Target Company's internal management policy including its articles, to exercise shareholder rights and fulfill shareholder obligations in the same manner as other shareholders do, and not to take advantage of the status as largest shareholder to seek improper interests, or to harm the legitimate rights and interests of the Target Company and its other shareholders.

- (ii) During the period of controlling the Target Company, the Company and the companies controlled by the Company shall undertake not to make use of its own controlling relationship with the Target Company to engage in or participate in any acts that shall harm the interests of the Target Company and its minority shareholders.
- (iii) During the period of controlling the Target Company, the Company and the companies controlled by the Company shall treat each of the subsidiary holding companies in a fair manner and shall participate in fair competition in accordance with their own core competitive advantages and pursuant to the market commercial principles.
- (iv) After the Completion, the Company and the companies controlled by the Company shall undertake that the development direction of each company shall be integrated in accordance with the characteristics of the principal business development of the controlled companies within the next 60 months, that all reasonable efforts shall be used to resolve the business that competes or potentially competes with the Target Company and its subsidiaries in accordance with the requirements of the regulatory authorities and laws and regulations, including but not limited to the injection of qualified quality assets and business into the Target Company, and if it is unable to inject into the Target Company, all feasible and legal ways to solve the said issues shall be deployed, including but not limited to transferring the competing assets and businesses to unrelated third parties, enabling the Target Company to keep in custody of competing assets and businesses, etc. so that the Company and the companies controlled by the Company and the Target Company and its subsidiaries shall not constitute substantial business competition.
- (v) These undertakings shall be valid for the period in which the Company controls the Target Company. The Company shall undertake to strictly observe the undertakings. If the Company is in breach of the undertakings and thus causes losses to the Target Company, the Company shall be liable to the corresponding liabilities to damages.

Prior to the Share Purchase, there were daily transactions related to production and operation between the Target Company and the Company. After the Completion, with regards to the connected transactions arising in the future, the two parties shall conduct such transactions according to the pricing principle of market fair price, as well as the relevant connected transactions provisions of the Target Company and its articles.

In order to regulate the connected transactions with the Target Company, the Company and its controlling shareholder have made the following undertakings:

- (i) During the period when the Company is a controlling shareholder of the Target Company, it shall continue to regulate the connected transactions between the Company and the Target Company. For connected transactions that cannot be avoided or that shall take place with reasonable reasons and normal business operations needs, the Company and the wholly-owned and controlled subsidiaries of the Company shall follow the market principles of openness, fairness and justice, conduct such transactions at fair and reasonable market prices, make decisions on connected transactions in accordance with relevant laws, regulations and regulatory documents and provisions under the Target Company's articles, and fulfill the obligations of information disclosure in accordance with the law.
- (ii) During the period when the Company is a controlling shareholder of the Target Company, it shall not make use of its own controlling relationship with the Target Company to engage in any acts of connected transactions that shall harm the interests of the Target Company and its minority shareholders.

***Further undertakings***

- (i) The Vendors undertake that for the period from the date of the Share Purchase Agreement to the Completion Date, unless with the prior written consent of the Company, the Vendors shall not increase, reduce or otherwise pledge or dispose the shares held by the Vendors as at the date of the Share Purchase Agreement and the Vendors (or their representatives) shall not negotiate or discuss or enter into any memorandum, intent, undertaking, agreement or contract in relation to the transfer of Target Shares with other third parties.
- (ii) Upon Completion, the board of directors of the Target Company shall consist of 9 directors (including 6 non-independent directors). In accordance with the relevant laws, regulations and articles, the Vendors shall support the Company to nominate 5 directors (other than independent directors) to the board of directors of the Target Company while the Company shall support the Vendors to nominate 1 director (other than independent directors) to the board of directors of the Target Company and the chairman of the supervisory committee representing the shareholders.
- (iii) Upon Completion, the Company undertakes not to transfer any Target Shares within 12 months from the date of Completion and Yantai Humon undertakes that its shareholding interest in the Target Company shall not be lower than 5% within 12 months from the Completion.

## **Liability for breach**

After the signing of the Share Purchase Agreement, if the Company fails to perform any material obligations under the Share Purchase Agreement with the necessary cooperation of the Vendors (i.e. fails to perform such obligations which shall result in material adverse effect to the implementation of the Share Purchase, including but not limited to paying the Consideration in full and on time) in accordance with the terms of the Share Purchase Agreement, and has yet to perform such obligations within 5 days after the written notice by the Vendors, for each day of non-performance thereafter, the Company shall pay the Vendors a charge equivalent to a daily interest of 0.05% of the then accrued total Consideration until the relevant obligations are fulfilled, provided that the said charge shall not exceed 10% of the total Consideration of the Share Purchase. If the relevant obligations are not fulfilled for more than 30 days, the Vendors shall have the right to notify the Company to terminate the Share Purchase Agreement, in which case the Vendors shall return to the Company all the monies received, together with the interest calculated at the lending interest rate published by the People's Bank of China during the said period, while the Company shall pay the Vendors a sum equivalent to 10% of the total Consideration as compensation (in particular, the Vendors shall have the right to deduct the said sum from the total amount of monies received from the Company).

After the signing of the Share Purchase Agreement, if the Vendors fail to perform any material obligations under the Share Purchase Agreement with the necessary cooperation of the Company (i.e. fail to perform such obligations which shall result in material adverse effect to the implementation of the Share Purchase, including but not limited to completing the procedures for creation of the Share Pledges of each phase and completing the registration of the transfer of the Target Shares on time) in accordance with the terms of the Share Purchase Agreement, and has yet to perform such obligations within 5 days after the written notice by the Company, for each day of non-performance thereafter, the Vendors shall pay the Company a charge equivalent to a daily interest of 0.05% of the then accrued total Consideration until the relevant obligations are fulfilled, provided that the said charge shall not exceed 10% of the total Consideration of the Share Purchase. If the relevant obligations are not fulfilled for more than 30 days, the Company shall have the right to notify the Vendors to terminate the Share Purchase Agreement, in which case the Vendors shall return to the Company all the monies received, together with the interest calculated at the lending interest rate published by the People's Bank of China during the said period, and shall pay the Company a sum equivalent to the 10% of the total Consideration as compensation. Yantai Humon shall provide unlimited guarantee for the performance of responsibilities and obligations of Wang Xinen, Wang Jiahao, Zhang Jixue and Gao Zhenglin contemplated under the Share Purchase Agreement. Wang Xinen shall provide unlimited guarantee for the performance of responsibilities and obligations of Yantai Humon contemplated under the Share Purchase Agreement.

Except as otherwise provided in the Share Purchase Agreement, if either party to the Share Purchase Agreement does not perform or does not fully perform its obligations under the Share Purchase Agreement or delays any such performance, or any party thereto is in breach of its representations, warranties, undertakings or guarantees under the Share Purchase Agreement, it shall be considered as breach of the Share Purchase Agreement, and shall be responsible for compensating the total losses suffered by the non-defaulting party (including but not limited to the interest, litigation expenses, preservation fees, execution fees, attorney fees and reasonable transportation and accommodation fees for participating in foreign litigations paid or loss incurred due to breach of contract).

The Vendors undertake that as of the date of the Share Purchase Agreement, the Target Company and its controlled subsidiaries did not have undisclosed external guarantees, appropriation of funds by shareholders, external financial assistance or major contingent liabilities. If as a result of occurrence of any of the said events that the Target Company and its controlled subsidiaries or the Company shall suffer any losses, the Vendors shall jointly and severally compensate the Target Company and its controlled subsidiaries for such losses and shall compensate the Company for any losses suffered. In respect of the circumstances or facts of the violations of laws and regulations committed by the Target Company and its controlled subsidiaries that existed or occurred during the period from the date of the Share Purchase Agreement to the Completion Date which may cause it to be subject to legal liabilities or losses, the Vendors shall jointly and severally compensate the Target Company and its controlled subsidiaries for such losses and shall compensate the Company for any losses suffered. After Completion, the Vendors and the Company shall jointly take measures to eliminate or mitigate the impact or the potential losses caused to the Target Company by any circumstances or facts of the violation of laws and regulations that existed or occurred before the Completion Date which may cause it to be subject to legal liabilities or losses.

### **Enforceability**

Except for provisions relating to the transfer of the Target Shares, payment of Earnest Money, exclusivity period, liability for breach, effectiveness, variation, discharge and termination of the Share Purchase Agreement, governing laws and dispute resolutions which shall become effective from the date of signing by the Vendors and the Company, all other terms of the Share Purchase Agreement shall become effective upon signing by both the Company and the Vendors and all of the following conditions being met:

- (i) the centralized review by the operators of the State Administration of Markets being approved; and
- (ii) the transaction having been approved by the competent authority of state assets.

## **Governing laws and dispute resolutions**

The Share Purchase Agreement is governed by the PRC law. Both the Company and the Vendors shall resolve any disputes arising from the performance of the Share Purchase Agreement through friendly negotiations. If the parties fail to resolve the dispute through negotiations within 30 days, either party has the right to arbitrate with the Shanghai International Economic and Trade Arbitration Commission in accordance with the arbitration rules then in force at the time of applying for arbitration. The arbitration shall be conducted in Shanghai, the PRC. The arbitral award is final and binding on both parties.

## **INFORMATION OF THE PARTIES INVOLVED**

### **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, selection, smelting, processing of non-ferrous metals and rare metals and related technical services; smelting, calendaring and deep processing of non-ferrous metal ore, rare metals, non-metallic minerals, non-ferrous metals, and related by-products; vulcanisation work related to the above-mentioned businesses and their extension products and fine chemical products; mineral processing chemicals, rubber products; production and processing of poisons, corrosives, compressed gases, liquefied gases; sales of self-produced products and after-sales service and related consulting services and business; geotechnical slope, measurement and culvert, tunnel engineering; mechanical and civil engineering maintenance and decoration; automotive and engineering machinery maintenance, mobile crane maintenance; steel wire enhanced hydraulic rubber hose assembly production; alloy wear-resistant product casting; manufacturing, processing, installation, maintenance and sales of specific equipment for mines and smelting; painting, insulation, anti-corrosion engineering; industrial equipment cleaning; freight forwarding, warehousing (except for dangerous goods); engaged in overseas futures hedging business; acting as agent for import and export business (the import and export of above goods does not involve goods regulated by state-owned trade and import quota licenses, export quotas, export licenses and other special provisions; except where the above projects are subject to national special provisions).

## Information on the Vendors

The Vendors comprise of (i) Yantai Humon (which agrees to sell 221,653,960 issued shares of the Target Company to the Company), (ii) Mr. Wang Xinen (who agrees to sell 15,600,000 issued shares of the Target Company to the Company), (iii) Mr. Wang Jiahao (who agrees to sell 3,975,000 issued shares of the Target Company to the Company), (iv) Mr. Zhang Jixue (who agrees to sell 15,900,000 issued shares of the Target Company to the Company) and (v) Mr. Gao Zhenglin (who agrees to sell 15,900,000 issued shares of the Target Company to the Company).

As at the date of this announcement, each of the Vendors has no relationships with the Company in terms of property rights, business, assets, creditor's rights and liabilities and personnel, etc.

### *(i) Yantai Humon*

Name of the company:	Yantai Humon Group Company Limited
Legal representative:	Zuo Hongwei (左宏偉)
Registered capital:	RMB178.2 million
Registered address:	No. 628, Beiguan Street, Mouping District, Yantai, Shandong Province, the PRC
Principal place of business:	No. 628, Beiguan Street, Mouping District, Yantai, Shandong Province, the PRC
Business nature:	Limited liability company (invested or held by natural persons)

Business Scope:

Accommodation and catering services, sale of seafood, mariculture, business management training (the above are restricted to be operated by its subsidiaries), wholesale and retailing of daily necessities, wood, mineral products, gold, silver, copper made products, apparel, textile, building materials, chemical products (excluding hazardous chemicals), marine products, furnace burden, paper, paper pulp, coal, metal materials, coke and agricultural products; clothing processing; freight forwarding services (excluding transportation); import and export of cargoes and technologies; consulting services on manufacturing technologies of pumps, seal components and special equipment for chemical industry; manufacturing and retailing of corrosion-resistant pumps, mechanical seal components, valves, castings, forgings, forging materials, ferroalloys, chemical equipment parts, special equipment for packaging industry, mining equipment, special equipment for chemical industry and molds; machine tool maintenance; indoor and outdoor decoration design; leasing of sites and houses; investments within the scope permitted by the government policies; processing of gold and silver products. (Projects subject to approval according to law may be operated only after approval by the relevant departments.)

As at the date of this announcement, the shareholding of Yantai Humon is set out below:

<b>Shareholders</b>	<b>Approximate contribution RMB'000</b>	<b>Approximate percentage (%)</b>
Wang Xinen	55,055	30.90
Gao Zhenglin	19,395	10.88
Qu Shengli	18,191.6	10.21
Wang Jiahao	16,160	9.07
Sun Lilu	16,030	9.00
Zhang Yanhan	14,235	7.99
Zhang Jixue	12,621.7	7.08
Wang Xuegan	8,780	4.93
Li Zhengchuan	2,488.5	1.40
Zhang Kehe	2,472	1.39
Zuo Hongwei	2,468.6	1.39
Zhao Jijian	2,450	1.37
Xu Jing	2,280	1.28
Liu Jizhou	2,250	1.26
Zou Libao	940.6	0.53
Wu Zhongliang	677	0.38
Qu Huadong	317.2	0.18
Wu Yongshan	202	0.11
Wang Hongguang	157.8	0.09
Tan Yupeng	155	0.09
Liu Shihong	130	0.07
Qin Liangqi	122	0.07
Zhong Weiqiang	120	0.07
Sun Shuwu	113	0.06
Wang Yugang	100	0.06
Zhang Zhigan	70	0.04
Gao Jiandong	70	0.04
Zhou Siwei	60	0.03
Zhang Linsen	48	0.03
Lv Xuguang	40	0.02
<b>Total</b>	<b>178,200</b>	<b>100.00</b>

The development status of the main business of Yantai Humon in the past three years are as follows: leading products and annual production capacity: 50 tons of gold, 1,200 tons of silver, 250,000 tons of electrolytic copper, 1.4 million tons of sulfuric acid, 400,000 tons of ammonium phosphate and various compound fertilizers, 60,000 tons of lubricating oil-series products, 10,000 tons of cutting fluid, 30,000 tons of mineral processing chemicals, 5,000 sets of various types of corrosion-resistant pumps, 2,000 tons of white wine, 12,000 kilowatts with regards thermoelectric power generation capacity, and 340 tons/hour with regards heating capacity. The gold mining and matching capacity is 5,500 tons/day, and the mining capacity and gold output both rank among the top in the PRC gold industry.

Major financial data of Yantai Humon for 2017 and 2018 are set out as follows:

*Currency: RMB*

<b>Items</b>	<b>As at 30 September 2018 <i>Approximately (unaudited)</i></b>	<b>As at 31 December 2017 <i>Approximately (audited)</i></b>
Total assets	18,990,382,900	17,684,492,100
Total liabilities	12,906,557,800	12,111,367,700
Total equity attributable to the owners of the parent	<u>2,978,664,200</u>	<u>2,712,683,300</u>
	<b>For the nine months ended 30 September 2018 <i>Approximately (unaudited)</i></b>	<b>For the year ended 31 December 2017 <i>Approximately (audited)</i></b>
Revenue	18,386,729,900	23,577,394,000
Net profit	497,965,800	547,288,200
Net profit attributable to the owners of the parent	<u>199,790,600</u>	<u>197,760,200</u>

**(ii) Wang Xinen**

Wang Xinen is a PRC national with a residential address on East Gate Road, Mouping District, Yantai, Shandong Province, the PRC. He is the chairman of Yantai Humon and the Target Company.

**(iii) Wang Jiahao**

Wang Jiahao is a PRC national with a residential address on East Gate Road, Mouping District, Yantai, Shandong Province, the PRC. He is the deputy chairman of Yantai Humon and a director of the Target Company.

**(iv) Zhang Jixue**

Zhang Jixue is a PRC national with a residential address on East Gate Road, Mouping District, Yantai, Shandong Province, the PRC. He is a director of Yantai Humon.

**(v) Gao Zhenglin**

Gao Zhenglin is a PRC national with a residential address on East Gate Road, Mouping District, Yantai, Shandong Province, the PRC. He is a director of Yantai Humon.

Relationship with the Company:	Each of the vendors has no relationship with the Company, the Company's 5% shareholders, controllers, directors, managers or senior management.
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**Information on the Target Company**

Name of the company:	Shandong Humon Smelting Company
Date of incorporation:	18 February 1994
Legal representative:	Qu Shengli (曲勝利)
Registered capital:	RMB910.4 million
Registered address:	Shuidao Town, Mouping District, Yantai, Shandong Province, the PRC
Unified social credit code:	913700001653412924
Business nature:	stock limited company with shares listed on SZSE (Stock code: 002237)

Business scope:

gold and silver smelting; production and sales of electrolytic copper, copper anodes, lead ingots, non-ferrous metals, rare metals and their products (excluding hazardous chemicals and national restricted, prohibited items); construction of dangerous chemicals production equipment for internal metal smelting (licensed content is subject to safety review opinion on hazardous chemicals construction projects); operation without storage facilities: sulfuric acid, sulfur dioxide, arsenic trioxide, oxygen (compressed), oxygen (liquefied), argon (liquefied), nitrogen (liquefied), hydrochloric acid-3,3'-dichlorobenzidine, arsenic (expiration date is subject to the license); sales of chemical fertilizers; production and sales of ethionamide, sodium thioglycolate; iron powder processing (excluding smelting); import and export business of goods and technology; general cargo, cargo-specific transportation (container), road transportation of dangerous goods (not allowed to engage in relevant transportation operations without the permission of relevant departments such as transportation, public security, etc.); manufacturing and processing of mining equipment (excluding special equipment); electrical repair; motor vehicle maintenance; followed by branch companies with branch license and business license producing: gold ore mining, mining pyrite, refined oil retail. (Projects subject to approval according to law may be operated only after approval by the relevant departments.)

Immediately before the Share Purchase, Yantai Humon held 326,603,866 shares of the Target Company, representing 35.87% of the total issued shares of the Target Company. Wang Xinen, the actual controller of the Target Company, held 62,400,000 shares of the Target Company, representing 6.85% of the total issued shares of the Target Company. Wang Jiahao, Zhang Jixue and Gao Zhenglin, who were all acting in concert with Wang Xinen, each held 15,900,000 shares of the Target Company, representing 1.75% of the total issued shares of the Target Company. The Company did not hold any share of the Target Company.

Upon Completion, the Company will hold 273,028,960 shares of the Target Company, representing 29.99% of the total issued share capital of the Target Company, and will become the shareholder controlling the Target Company.

The Target Company is mainly engaged in gold exploration, mining, smelting and chemical production. It is a national key gold smelting enterprise. In recent years, the Target Company's core technologies in gold-based precious metal smelting and comprehensive recycling have been gradually strengthened, and after years of technical experience, its production efficiency has increased significantly. At the same time, on the basis of adhering to the established strategy and continuously consolidating the main business of gold smelting, the Target Company has fully utilized the advantages of comprehensive utilisation of resources for multi-metal recycling, and relied on advanced production technologies and accumulation of rich technical know-how to achieve comprehensive recovery of gold, silver and other precious metals as well as copper, lead, zinc, antimony, bismuth, antimony and arsenic, it has enhanced the economic benefits of the Target Company and the Target Company has become a highly competitive gold smelting and resource utilization enterprise in the PRC.

Major financial data of the Target Company for 2017 and 2018 are set out as follows:

*Currency: RMB*

<b>Items</b>	<b>As at 31 December 2018</b>	<b>As at 30 September 2018</b>	<b>As at 31 December 2017</b>
	<i>Approximately (unaudited)</i>	<i>Approximately (unaudited)</i>	<i>Approximately (audited)</i>
Total assets	14,924,866,700	14,406,953,800	12,930,336,600
Total liabilities	10,561,306,400	9,930,556,500	8,713,812,000
Total equity attributable to the owners of the parent	<u>4,363,560,300</u>	<u>4,473,148,000</u>	<u>4,207,463,200</u>
	<b>For the year ended 31 December 2018</b>	<b>For the nine months ended 30 September 2018</b>	<b>For the year ended 31 December 2017</b>
	<i>Approximately (unaudited)</i>	<i>Approximately (unaudited)</i>	<i>Approximately (audited)</i>
Revenue	21,200,957,300	14,913,076,500	19,523,377,900
Net profit	478,129,000	341,501,100	427,817,000
Net profit attributable to the owners of the parent	<u>404,052,400</u>	<u>293,346,300</u>	<u>360,956,300</u>

*Notes:* The financial data of the Target Company for 2017 are audited by Shandong Hexin Certified Public Accountants (special general partnership), which has qualifications in securities and futures business. The financial data of the Target Company for the nine months ended 30 September 2018 and for the year ended 31 December 2018 are unaudited.

## **REASONS FOR AND BENEFITS OF THE SHARE PURCHASE AGREEMENT**

The Share Purchase will help improve the Company's business development capabilities and financial strength, strengthen the competitiveness of the Company, and enhance the value of the Company. At the same time, the Share Purchase is an important measure for the Company to improve its industrial layout. It is in line with the Company's development strategy of "based on copper, strong in non-ferrous, diversified development and global layout", which is conducive to accelerating the pace of the Company in becoming a world-class mining company with copper industry as leading edge and multi-metal mining as other focus, one which deeply integrates the sectors of production, finance and trading, and showcases global competitiveness.

The Board is of the view that the terms of the transactions contemplated under the Share Purchase Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole. Accordingly, the Board has, by way of written resolutions, approved the board resolutions on 4 March 2019 relating to, among others, (i) the execution of the Share Purchase Agreement; and (ii) authorization to the management to handle the matters relating to the Share Purchase (including (a) to prepare, execute, amend, supplement and perform material documents and contracts relevant to the Share Purchase, (b) to handle matters involving the review and approval by and registration and filing with the relevant governmental departments, and (c) to determine and handle all other matters to the extent permitted under the laws, regulations, normative documents and the articles of the Company.

The Supervisory Committee is also of the view that the Share Purchase will further promote the Company's development, strengthen the Company's competitiveness in the non-ferrous industry, conforms to the Company's development strategy, and the terms of the Share Purchase are fair and reasonable, in the interests of the Company and its Shareholders. Accordingly, the Supervisory Committee has approved the resolutions relating to, among others, the Share Purchase Agreement on 4 March 2019 by way of written resolutions.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Share Purchase is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Share Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **SPECIFIC RISKS REMINDER**

Full effect of the Share Purchase is subject to the approval of the competent department for state-owned assets and the centralized review by the State Administration of Market Supervision. Upon becoming effective, the Share Purchase Agreement shall be implemented in accordance with the relevant provisions of SZSE in respect of share transfer, and after the satisfaction of the Conditions Precedent stipulated in the Share Purchase Agreement, effect the registration of the transfer of the Target Shares with China Securities Depository and Clearing Co., Ltd. (Shenzhen Branch). The above matters are subject to uncertainties.

The Share Purchase inherits the risk that the parties thereto may fail to perform their respective obligations in accordance with the Share Purchase Agreement.

If there is any material adverse change to national macroeconomic trend or industrial policy of the non-ferrous metal smelting and rolling processing industry, the future operating performance of the Target Company may be adversely affected.

**In view of the above risks, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

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

“Board”	the board of Directors
“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“Completion”	The completion of the registration of the Target Shares under the name of the Company with China Securities Depository and Clearing Co., Ltd. (Shenzhen Branch)
“Completion Date”	date of the Completion
“Conditions Precedent”	conditions precedent as set out in the section headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the consideration payable by the Company for the Share Purchase pursuant to the terms and conditions of the Share Purchase Agreement
“Director(s)”	director(s) of the Company
“Earnest Money”	a total sum of RMB600 million payable by the Company for the Share Purchase pursuant to the terms and conditions of the Share Purchase Agreement as earnest money
“First Consideration Settlement”	a total sum of RMB1,500 million payable by the Company for the Share Purchase pursuant to the terms and conditions of the Share Purchase Agreement as first consideration settlement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JCC”	Jiangxi Copper Corporation Limited, a controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Shareholder(s)”	the holder(s) of the ordinary share(s) of RMB1.00 each in the share capital of the Company
“Share Purchase”	the share purchase of the Target Shares by the Company from the Vendors pursuant to the Share Purchase Agreement
“Share Purchase Agreement”	the share purchase agreement dated 4 March 2019 entered into between the Company and the Vendors in relation to the Share Purchase

“SZSE”	Shenzhen Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	supervisory committee of the Company
“Target Company”	Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司), a stock limited company incorporated in the PRC, of which issued shares are listed on SZSE (stock code: 002237)
“Target Shares”	273,028,960 issued shares of the Target Company held by the Vendors as at the date of this announcement
“Vendors”	collectively, Yantai Humon, Mr. Wang Xinen, Mr. Wang Jiahao, Mr. Zhang Jixue and Mr. Gao Zhenglin
“Yantai Humon”	Yantai Humon Group (煙台恒邦集團有限公司), a limited liability company incorporated in the PRC and one of the Vendors
“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, 4 March 2019

\* *For identification purpose only.*

*Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.85426.*

*As at the date of this announcement, the executive Directors are Mr. Long Ziping, Mr. Wang Bo, Mr. Gao Jianmin, Mr. Liang Qing, Mr. Dong Jiahui and Mr. Yu Tong; and the independent non-executive Directors are Mr. Tu Shutian, Mr. Liu Erh Fei, Mr. Liu Xike and Mr. Zhu Xingwen.*