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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)

**LATEST UPDATE ON THE PROPOSED SPIN-OFF
AND LISTING OF A CONTROLLED SUBSIDIARY**

References are made to the announcements of Jiangxi Copper Company Limited (the “**Company**”) dated 22 February 2022, 11 April 2022 and 22 May 2022 and the circular of the Company dated 25 May 2022 (the “**Circular**”) in relation to the proposed spin-off and the listing of Jiangxi JCC Copper Foil Technology Company Limited* (江西省江銅銅箔科技股份有限公司) (formerly known as Jiangxi Copper Yates Copper Foil Company Limited* (江西省江銅耶茲銅箔有限公司)) (“**JCC Copper Foil**”). Unless otherwise defined, the terms used herein shall have the same meaning as those defined in the Circular. The Board hereby provides the latest update on the Spin-off to Shareholders of the Company.

APPROVAL IN RESPECT OF THE SPIN-OFF

The Company has applied for, and the Stock Exchange has confirmed that the Company may proceed with the Spin-off under Practice Note 15 of the Listing Rules (“**PN 15**”).

As the equity interest of the Company in JCC Copper Foil is expected to decrease upon completion of the Spin-off, the Spin-off will constitute a deemed disposal of the Company under Chapter 14 of the Listing Rules. It is currently expected that the highest applicable percentage ratio in respect of the Spin-off will be less than 5%. As such, the Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and is not subject to the announcement, reporting and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Spin-off was approved at the EGM of the Company held on 17 June 2022 and is also subject to, among others, approval from the SZSE and performance of registration procedures of the CSRC.

WAIVER IN RESPECT OF ASSURED ENTITLEMENT

Pursuant to paragraph 3(f) of PN 15, the Company is expected to have due regard to the interests of its existing Shareholders by providing them with an assured entitlement to the shares in JCC Copper Foil, either by way of a distribution in specie of existing shares in JCC Copper Foil or by way of a preferred application in any offering of existing or new shares in JCC Copper Foil (the “**Assured Entitlement**”).

However, as advised by the PRC legal adviser of the Company (the “**PRC Legal Adviser**”), according to the laws, regulations and regulatory documents of the PRC, there exists legal impediment for the Company to provide Assured Entitlement pursuant to paragraph 3(f) of PN 15 for the following reasons:

- (1) if the Company has more than 200 Shareholders, issuing shares to more than 200 specific investors in total prior to the initial public offering of JCC Copper Foil would contravene the relevant requirements of the Securities Law of the PRC;
- (2) only the following categories of non-PRC nationality investors can open A shares securities accounts and subscribe for A shares: (a) foreigners who have obtained permanent residence right in the PRC; (b) residents of Hong Kong, Macau Special Administrative Region of the PRC and Taiwan who work and live in the PRC; (c) foreign natural persons who work in the PRC and the securities regulatory institutions of his/her home country (region) have established a regulatory cooperation mechanism with the CSRC; (d) qualified foreign institutional investors and RMB qualified foreign institutional investors who have been approved by the CSRC to participate in the securities investment in the PRC; (e) investors who hold the shares of the company prior to its initial public offering; (f) foreign investors who have complied with the incentive grantees requirements pursuant to the Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》) and do not have the equities investment qualifications in A shares; and (g) foreign investors who have been approved by the Ministry of Commerce of the PRC to conduct strategic investment (together with (a) to (f) above, the “**Qualified Foreign Investors**”). As such, the PRC Legal Adviser considers that there exists legal impediment for Shareholders of the Company who are non-PRC investors and are not Qualified Foreign Investors to open A shares securities accounts and subscribe for A shares of JCC Copper Foil under the Spin-off; and

- (3) according to the law enactment explanatory notes for Certain Pilot Provisions on Spinning-off and Domestic Listing of Subsidiary of Listed Company (《<上市公司分拆所屬子公司境內上市試點若干規定>的立法說明》) and Certain Pilot Provisions on Spinning-off and Domestic Listing of Subsidiary of Listed Company (《上市公司分拆所屬子公司境內上市試點若干規定》) issued by the CSRC (collectively, “**Certain Spin-Off Provisions**”, which has been replaced and abolished by the Provisions on the Spin-off of Listed Companies (Trial) (CSRC Announcement [2022] No. 5) (《上市公司分拆規則(試行)》(證監會公告[2022]5號)) in 5 January 2022 (the “**Provisions on the Spin-off**”), during the consultation process of the Certain Spin-off Provisions, it is proposed to grant the shareholders of the listed company an option for preferential subscription over shares of the proposed spin-off company as the spin-off would dilute the equity interest of the listed company and the interest of shareholders. CSRC did not adopt the proposal due to (i) the Certain Spin-off Provisions has placed specific arrangement to protect the interests of minority shareholders (e.g. approving the spin-off by a separate resolution of minority shareholders); and (ii) the Company Law of the PRC and regulations of the CSRC have not provided any overall arrangement for the option for preferential subscription. Further, the Provisions on the Spin-off has not provided for preferential subscription by shareholders of the parent company. As such, the offering of preferential subscription rights to Shareholders of the Company over the A shares of JCC Copper Foil under the Spin-off lacks legal basis.

In view of the above legal impediments for providing the Assured Entitlement to the Company’s Shareholders, the Company will not provide any Assured Entitlement to its Shareholders. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under paragraph 3(f) of PN 15 of the Listing Rules (the “**Waiver**”).

REASONS FOR AND BENEFIT OF THE SPIN-OFF

The Board considers that the Spin-off will be beneficial to the Company and its Shareholders as a whole and also to JCC Copper Foil for the following reasons:

- (i) the Spin-off is an attempt to reform state-owned enterprises in the Jiangxi Province, which is conducive to the Company to effectively improve the development level of its principal business, maintain and increase the value of state-owned assets, and create a benchmark for the reform of mixed ownership of state-owned enterprises;

- (ii) since the establishment of JCC Copper Foil, it has been deeply engaged in the electrolytic copper foil and other related fields, and has become a well-known electrolytic copper foil manufacturer in the PRC. The Spin-off is conducive to further enhancing the brand awareness and social influence of JCC Copper Foil, strengthening the competitive position and competitive advantage of JCC Copper Foil in the professional field, enhancing the comprehensive competitiveness of the electrolytic copper foil business, increasing further investment and development of the core and cutting-edge technologies of JCC Copper Foil, maintaining the vitality of business innovation and promoting its sustainable and healthy development;
- (iii) the improvement of the core competitiveness of JCC Copper Foil will be conducive to strengthening the industry position, market share and profitability of the Company, effectively deepening the Company's strategic layout in the copper industry chain and new materials, further improving the Company's asset quality and risk prevention ability, and promoting the sustainable and healthy long-term development of the Company; and
- (iv) after the completion of the Spin-off, JCC Copper Foil will be connected directly with the capital market, broaden its financing channels, increase its financing flexibility, and improve its financing efficiency by utilising the functions and advantages of direct financing from the capital market, thereby effectively reduce capital costs and provide sufficient capital support for the further investment and development of the core and cutting-edge technologies of JCC Copper Foil. In the future, JCC Copper Foil can take advantage of the capital market platform to carry out various capital operations such as industrial mergers and acquisitions to further expand its business scope, enrich its product lines, and achieve leapfrog development.

In view of the abovementioned reasons, the Company and the Board consider that the Spin-off and the Waiver are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company will make further announcement(s) in respect of the Spin-off in due course or in accordance with the applicable requirements of the Listing Rules.

Shareholders and potential investors of the Company should be aware that the Spin-off is subject to, among other things, the approval of CSRC and the SZSE. Accordingly, there is no assurance that the Spin-off will occur or when it will occur. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Nanchang, Jiangxi, the PRC, 28 July 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Zheng Gaoqing, 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 Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.