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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)

CONNECTED TRANSACTION
ESTABLISHMENT OF JOINT VENTURE COMPANY

ESTABLISHMENT OF JOINT VENTURE COMPANY

The Company hereby announces that, on 11 October 2022, JCC Environmental, a wholly owned subsidiary of the Company, entered into the Investment Cooperation Agreement, with Fuyun Environmental, a company indirectly held as to 40% by JCC, and Mr. Peng, pursuant to which, the parties agreed to jointly contribute and establish JCC Tongxin.

Pursuant to the Investment Cooperation Agreement, the registered capital of JCC Tongxin shall be RMB450,000,000, of which JCC Environmental, Fuyun Environmental and Mr. Peng shall contribute RMB283,500,000, RMB36,000,000 and RMB130,500,000 in cash, accounting for 63%, 8% and 29% of the registered capital of JCC Tongxin, respectively.

Upon its establishment, JCC Tongxin will become a subsidiary of the Company and the financial results of JCC Tongxin will therefore be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, JCC is the controlling shareholder of the Company and is therefore a connected person of the Company. Fuyun Environmental is indirectly held as to 40% by JCC and is therefore an associate of JCC and a connected person of the Company. Accordingly, the establishment of JCC Tongxin constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Company hereby announces that, on 11 October 2022, JCC Environmental, a wholly owned subsidiary of the Company, entered into the Investment Cooperation Agreement, with Fuyun Environmental, a company indirectly held as to 40% by JCC, and Mr. Peng, pursuant to which, the parties agreed to jointly contribute and establish JCC Tongxin.

THE INVESTMENT COOPERATION AGREEMENT

The principal terms of the Investment Cooperation Agreement are set out below:

Date

11 October 2022

Parties

- (1) JCC Environmental;
- (2) Fuyun Environmental; and
- (3) Mr. Peng

Capital contribution

The registered capital of JCC Tongxin shall be RMB450,000,000. JCC Environmental shall contribute RMB283,500,000 in cash, accounting for 63% of the registered capital of JCC Tongxin. Fuyun Environmental shall contribute RMB36,000,000 in cash, accounting for 8% of the registered capital of JCC Tongxin. Mr. Peng shall contribute RMB130,500,000 in cash, accounting for 29% of the registered capital of JCC Tongxin.

The parties shall make 50% of their respective capital contribution within 30 days after the registration and establishment of JCC Tongxin, meaning JCC Environmental, Fuyun Environmental and Mr. Peng shall pay RMB141,750,000, RMB18,000,000 and RMB65,250,000, respectively. The remaining 50% of their respective capital contribution shall be paid within half a year of the registration and establishment of JCC Tongxin.

The said capital contribution was determined after arm's length negotiations among the parties of the Investment Cooperation Agreement with reference to, among other things, the initial capital requirement of JCC Tongxin. The capital contribution from JCC Environmental shall be funded by internal resources of the Group.

Upon its establishment, JCC Tongxin will become a subsidiary of the Company and the financial results of JCC Tongxin will therefore be consolidated into the consolidated financial statements of the Company.

Corporate governance structure of JCC Tongxin

JCC Tongxin shall establish a general meeting, which shall consist of all the shareholders. The voting rights of the shareholders shall be based on the proportion of their paid-up capital contribution.

JCC Tongxin shall establish a board of directors, which shall consist of five directors. The director candidates shall be nominated by the shareholders in writing. Among which, JCC Environmental shall nominate three directors, each of Fuyun Environmental and Mr. Peng shall nominate one director. The chairman shall be nominated by JCC Environmental and elected by the board of directors. The term of office of the board of directors is three years and may be re-elected.

JCC Tongxin shall establish a supervisory committee, which shall consist of five supervisors. Among which, each party to the Investment Cooperation Agreement shall nominate a supervisor. There shall be two employee supervisors that are to be elected by all the employees of JCC Tongxin. The chairman of the supervisory committee shall be elected with a simple majority by all the supervisors. The term of office is three years and may be re-elected.

JCC Tongxin shall have one general manager, one executive deputy general manager, several deputy general managers, and one chief financial officer. Among which, the executive deputy general manager and the chief financial officer shall be nominated by JCC Environmental and appointed by the board of directors. The general manager shall be nominated by Mr. Peng and appointed by the board of directors. One of the deputy general managers who will be in charge of administrative work shall be nominated by Fuyun Environmental.

Liability for default

Each party shall perform the Investment Cooperation Agreement in good faith and based on the principles of mutual benefits and efficacy. If the Investment Cooperation Agreement cannot be performed or fully performed due to the default of a party, the defaulting party shall bear the losses caused by his/its conducts to the compliant parties or JCC Tongxin.

If any party fails to pay the capital contribution within the agreed time limit or in the agreed amount in full, the defaulting party shall pay the compliant parties damages, the amount of which shall be two times of the one-year loan market quotation rate of 3.7% announced by the National Interbank Funding Centre as authorised by the People's Bank of China on the basis of the outstanding balance of capital contribution.

BASIC INFORMATION OF JCC TONGXIN

Company name	: Jiangxi JCC Tongxin Environmental Technology Company Limited* (江西江銅同鑫環保科技有限公司)
Place of registration	: Chatting Economic Development Zone, Guangxin District, Shangrao City, Jiangxi Province, the PRC
Business scope	: New technology promotion service; manufacturing of environmental protection equipment; smelting of common non-ferrous metals; sales of high-performance non-ferrous metals and alloy materials; metal scrap and debris processing; sales of metal materials; solid waste treatment; precious metal smelting; production of chemical products (excluding licensed chemical products); hazardous waste management (for projects subject to approval according to law, business activities can only be carried out after the approval of relevant authorities. Specific business projects shall be subject to the approval documents or licenses of relevant authorities) (business scope shall be subject to industrial and commercial registration)
Registered capital	: RMB450,000,000

The above information is subject to the approval of and registration with the market supervision and administration authority in the PRC.

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

Information on JCC Environmental

JCC Environmental is a company established in the PRC with limited liability. JCC Environmental is a wholly owned subsidiary of the Company. It is principally engaged in renewable resources recycling (except productive waste metals), solid waste treatment, sales of non-metallic minerals and products and green project construction.

Information on Fuyun Environmental and Mr. Peng

Fuyun Environmental is a company established in the PRC with limited liability, with a registered capital of RMB5,000,000. It is located at 19 Futian Avenue, Shangrao City Economic and Technological Development Zone, Jiangxi Province, the PRC. Its legal representative is Yang Siqin.

Fuyun Environmental is indirectly owned as to 40% by JCC and 60% by Jiangxi Fusite Hydraulic Co., Ltd* (江西福事特液壓股份有限公司). The ultimate beneficial owner of Fuyun Environmental is Mr. Peng.

Fuyun Environmental is principally engaged in the manufacturing of dust removal technical equipment, the manufacturing and sales of gas and liquid separation and purification equipment, the manufacturing and sales of special equipment for environmental protection and environmental protection monitoring.

As at 31 December 2021, the audited total assets and net assets of Fuyun Environmental were RMB24,128,900 and RMB8,716,500, respectively. From January to December 2021, the realised operating revenue and net profit of Fuyun Environmental were RMB25,952,100 and RMB1,334,700, respectively.

REASONS AND BENEFITS OF THE TRANSACTION

The Transaction will enhance the competitiveness of the Company in the field of solid waste recycling and environmental protection equipment manufacturing. The manufacturing of environmental protection equipment, comprehensive utilization of resources, and solid and hazardous waste treatment of JCC Tongxin can create synergy with the environmental protection governance of the Company's mining, smelting, and copper processing sectors, and would complement the long term strategy of sustainable development of the Company, and thus is in line with the Company's development strategies.

The Transaction would not affect the normal operation of the production and business activities of the Company, and would not adversely affect the current and future financial condition and operating results of the Company.

The Directors (other than the independent non-executive Directors whose views are set out below) are of the view that the terms of the Transaction are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

THE INDEPENDENT NON-EXECUTIVE DIRECTORS' OPINION ON THE TRANSACTION

The independent non-executive Directors considered that the terms of the Transaction are fair and reasonable, the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group and the Transaction is in the interest of the Company and the Shareholders as a whole and not prejudicial to the interest of the Company and the Shareholders.

LISTING RULES IMPLICATION

As at the date of this announcement, JCC is the controlling shareholder of the Company and is therefore a connected person of the Company. Fuyun Environmental is indirectly held as to 40% by JCC and is therefore an associate of JCC and a connected person of the Company. Accordingly, the establishment of JCC Tongxin constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save for Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Yu Tong and Mr. Liu Fangyun who are the Connected Directors and have abstained from voting on the Board resolutions on 11 October 2022 relating to, among others, the Transaction, none of the Directors has a material interest in the Transaction or is required to abstain from voting on the Board resolutions in relation to the Transaction.

SPECIAL RISK REMINDER

The parties to the Transaction will strictly abide by the relevant provisions of the Investment Cooperation Agreement to complete the Transaction. JCC Tongxin may face risks in the course of its business operations such as in technology research and development, operation and management. The Company is aware of the above risks and shall actively take corresponding measures to prevent and counter them.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“Connected Directors”	the Directors who are connected to JCC and its subsidiaries (other than the Group) from time to time, including Mr. Zheng Gaoqing, Mr. Wang Bo, Mr. Yu Tong and Mr. Liu Fangyun
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Fuyun Environmental”	Jiangxi Fuyun Environmental Technology Company Limited* (江西福運環保科技有限公司), a company indirectly held as to 40% by JCC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Cooperation Agreement”	the investment cooperation agreement dated 11 October 2022 entered into between JCC Environmental, Fuyun Environmental and Mr. Peng
“JCC”	Jiangxi Copper Corporation Limited, the controlling shareholder of the Company holding approximately 43.68% (43.72% if including Shares lent through securities lending) of the total issued share capital of the Company
“JCC Environmental”	Jiangxi JCC Environmental Resources Technology Co., Ltd.*(江西江銅環境資源科技有限公司), a wholly owned subsidiary of the Company

“JCC Tongxin”	Jiangxi JCC Tongxin Environmental Technology Company Limited* (江西江銅同鑫環保科技有限公司), a tentative name subject to the industrial and business registration, the joint venture company to be established under the laws of the PRC and pursuant to the terms of the Investment Cooperation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Peng”	Mr. Peng Xiangnan
“percentage ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	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
“Transaction”	the establishment of JCC Tongxin under the Investment Cooperation Agreement
“%”	per cent

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

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

Nanchang, Jiangxi, the PRC, 11 October 2022

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