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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**

In order to reinforce and expand the gold business sector of the Company, the Company intends to enter into the Share Transfer Agreement with JCC, pursuant to which, the Company will acquire 60% of the shareholding interests in Jiangxi Gold held by JCC by way of cash.

At the date of this announcement, as JCC holds approximately 40.53% of the issued share capital of the Company, JCC is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the Share Transfer Agreement and the transactions contemplated thereunder will constitute connected transactions of the Company under Chapter 14A of the Listing Rules upon execution.

It is expected that all the applicable Percentage Ratios in relation to the Share Transfer will be less than 5%, as such, the Share Transfer Agreement and the transactions contemplated thereunder will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempted from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

**The Board wishes to emphasise that the detailed terms of the Share Transfer are still under negotiation and the Share Transfer may or may not proceed. The Company has not entered into any binding agreement in relation to the Share Transfer as at the date of this announcement. If the Company and JCC enter into the Share Transfer Agreement, it will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.**

**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 Share Transfer as and when appropriate in accordance with the Listing Rules.**

The Board and all members of the Board warrant that there are no false representations or misleading statements contained in, or material omission from, this announcement, and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of this announcement. This announcement is made by the Company pursuant to Rule 13.10B of Listing Rules.

## **SHARE TRANSFER AGREEMENT**

In order to reinforce and expand the gold business sector of the Company, the Company intends to enter into the Share Transfer Agreement with JCC, pursuant to which, the Company will acquire 60% of the shareholding interests in Jiangxi Gold held by JCC by way of cash. The principal terms and the contractual arrangements of the Share Transfer Agreement are summarised as follows:

### **Parties**

1. JCC; and
2. the Company.

### **Assets to be acquired**

The Company intends to acquire 60% shareholding interests in Jiangxi Gold from JCC.

### **Transaction method**

Non-public transfer by way of agreement

Within 30 days after the Share Transfer Agreement became effective, the Company shall pay JCC the initial Transfer Price of RMB50 million. Within 30 days after the Completion, the Company shall pay JCC the remaining Transfer Price. It is expected that the Company will pay the Transfer Price from its internal resources.

## **Transfer Price and pricing basis**

The Transfer Price and pricing basis are set out as follows:

1. The Transfer Price shall make reference to the appraisal value of Jiangxi Gold appraised by Zhong Ming (Beijing) Assets Appraisal International Co., Ltd. filed with the relevant authority as pricing basis, pursuant to which, the appraised value of 60% shareholding interests in Jiangxi Gold was RMB212,976,000. The valuation benchmark date was 31 December 2016.
2. If there is any misunderstanding or errors that lead to mistakes (including but not limited to mistake of valuation scope) of the audit report and asset appraisal report of Jiangxi Gold used as pricing basis of the Transfer Price, it should base on the facts to adjust the audit report, asset appraisal report and the results of valuation, and adjust the Transfer Price at the same time.
3. During the period from the date of valuation to the date of Completion, the Transfer Price shall be reduced accordingly in the event that the assets of Jiangxi Gold are damaged, lost, reduced or depreciated as compared to the scope of the valuation.
4. Each of JCC and the Company shall bear its own taxes arising from the Share Transfer and transfer process in accordance with the relevant laws and regulations.

## **GENERAL PRINCIPLES AND METHODS FOR DETERMINING THE PRICE OF THE CONNECTED TRANSACTIONS**

Pricing basis: the valuation of the subject company by the asset appraisal agency with the qualification of securities and futures business.

- (1) Appraiser: Zhong Ming (Beijing) Assets Appraisal International Co., Ltd. (中銘國際資產評估(北京)有限責任公司)
- (2) Date of valuation: 31 December 2016
- (3) Method for valuation: Asset-based approach
- (4) Results of valuation: As of the valuation benchmark date, 31 December 2016, the book value of assets of Jiangxi Gold was RMB356.0533 million, the valuation value was RMB356.0882 million, the valuation increment was RMB34,900 and the appreciation rate was 0.01%. The book value of liabilities was RMB1.1282 million. The valuation value was RMB1.1282 million; the book value of the net assets was RMB354.9251 million, the valuation value was RMB354.96 million, the valuation increment was RMB34,900 and the appreciation rate was 0.01%.

## TABLE OF SUMMARY OF ASSETS APPRAISAL RESULTS

*Unit: RMB0'000*

Item		Book Value A	Appraised Value B	Appreciation/ Depreciation C=B-A	Appreciation Rate % D=C/A*100%
Current assets	1	27,444.74	27,444.74	-	-
Non-current assets	2	8,160.59	8,164.08	3.49	0.04
Including: Available-for-sale					
financial assets	3	-	-	-	-
Held-to-maturity					
investments	4	-	-	-	-
Long-term					
receivables	5	-	-	-	-
Long-term equity					
investment	6	-	-	-	-
Investment					
properties	7	-	-	-	-
Fixed assets	8	107.36	108.96	1.60	1.49
Construction in					
progress	9	-	-	-	-
Constructions					
materials	10	-	-	-	-
Disposals of fixed					
assets	11	-	-	-	-
Biological assets for					
production	12	-	-	-	-
Fuel assets	13	-	-	-	-
Intangible assets	14	789.34	791.23	1.89	0.24
Development					
expenses	15	-	-	-	-
Goodwill	16	-	-	-	-
Long-term deferred					
expenditures	17	263.89	263.89	-	-
Deferred income tax					
assets	18	-	-	-	-
Other non-current					
assets	19	7,000.00	7,000.00	-	-
<b>Total assets</b>	<b>20</b>	<b>35,605.33</b>	<b>35,608.82</b>	<b>3.49</b>	<b>0.01</b>
Current liabilities	21	112.82	112.82	-	-
Non-current liabilities	22	-	-	-	-
<b>Total liabilities</b>	<b>23</b>	<b>112.82</b>	<b>112.82</b>	<b>-</b>	<b>-</b>
<b>Net assets (Owners' equity)</b>	<b>24</b>	<b>35,492.51</b>	<b>35,496.00</b>	<b>3.49</b>	<b>0.01</b>

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

Upon the completion of the Share Transfer, Jiangxi Gold will become a non-wholly owned subsidiary of the Company. The Company will have 60% shareholding interests in Jiangxi Gold which will improve the competitiveness of the Company's gold business and the Company's sustainable development ability. The Directors (including the independent non-executive Directors but other than the connected directors of JCC) are of the view that the transactions contemplated under the Share Transfer Agreement are on normal commercial terms and will be conducted in the ordinary and usual course of business of the Company and are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Save for Mr. Li Baomin, Mr. Long Ziping, Mr. Wu Jinxing, Mr. Wu Yuneng and Mr. Wang Bo who are connected directors of JCC and have abstained from voting on the Board resolutions on 28 April 2017 ("**Board Resolution**") relating to the Share Transfer Agreement, all other Directors reviewed and approved the Board Resolution and none of the Directors have a material interest in the Share Transfer Agreement or is required to abstain from voting on the Board Resolutions in relation to the Share Transfer Agreement.

The independent non-executive Directors expressed independent opinion prior to the Board Resolution and considered that: the Company's proposed execution of the Share Transfer Agreement with JCC, its controlling shareholder, to acquire 60% shareholding interests in Jiangxi Gold, complies with the relevant principles in respect of connected transaction, and there is no damage to the interests of shareholders of the Company, in particular medium and minority shareholders, and is fair and reasonable to the Company and all Shareholders and in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Share Transfer does not constitute a material asset reorganization stipulated by the Administrative Measures for the Material Asset Reorganizations of Listed Companies and it is not subject to approval by relevant PRC authorities.

At the date of this announcement, as JCC holds approximately 40.53% of the issued share capital of the Company, JCC is a controlling shareholder of the Company and thus a connected person of the Company. Accordingly, the Share Transfer Agreement and the transactions contemplated thereunder will constitute connected transactions of the Company under Chapter 14A of the Listing Rules upon execution.

It is expected that all the applicable Percentage Ratios in relation to the Share Transfer will be less than 5%, as such, upon execution, the Share Transfer Agreement and the transactions contemplated there under will be subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but exempted from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

## GENERAL INFORMATION

### Information on the Company

The Company is a Sino-foreign joint venture joint stock limited company incorporated in the PRC on 24 January 1997. The Company's main scope of operations include: non-ferrous metal, rare metals and non-metallic ores; smelting, rolling processing and further processing of non-ferrous metal and related by-products; after sale services for self-manufactured products; overseas futures and hedging business and related enquiry services and business.

### Information on JCC

JCC, the controlling shareholder of the Company, is a collective enterprise (全民所有制企業) on which the State-owned Assets Supervision and Administration Commission (SASAC) of Jiangxi Province performs contributor function. JCC is located in Guixi City, Jiangxi Province, the PRC. JCC's legal representative is Mr. Li Baomin. Its registered capital is RMB2,656.15 million. JCC was established in July 1979, its principal business covers non-ferrous mines, non-metal mines and non-ferrous smelting and rolling processed products. JCC undertakes the construction of overseas non-ferrous industry and domestic international tendering construction, the necessary equipment for the abovementioned overseas construction, export of materials and the necessary labour sent to overseas for the implementation of the abovementioned overseas construction.

Major unaudited financial data of JCC for 2016 is set out as follows:

*Currency: RMB Unit: 0'000*

<b>Items</b>	<b>31 December 2016</b>
Total assets	11,194,491.04
Total owners' equity	5,196,169.67
	<b>2016</b>
Operating revenue	21,045,946.75
Total profit	196,654.31
Net profit	78,661.12

## Information on Jiangxi Gold

Jiangxi Gold was established in the PRC on 30 April 2015, with its registered office in Nvertian Xinqu, Yincheng County, Dexing City, Shangrao City, Jiangxi Province, the PRC (江西省上饒市德興市銀城鎮女兒田新區). Its legal representative is Mr. Chen Shiyi. As at the date of this announcement, Jiangxi Gold is owned as to 60% by JCC, as to 30% by Dexing Company and as to 10% by Jiangxi Jinyuan. The registered capital of Jiangxi Gold is RMB400 million, of which, JCC contributed RMB240 million, Dexing Company contributed RMB120 million and Jiangxi Jinyuan contributed RMB1.2 million. Jiangxi Jinyuan has yet to make capital contribution of RMB38.8 million to Jiangxi Gold. In accordance with the articles of association of Jiangxi Gold, the aforementioned capital contribution obligation of Jiangxi Jinyuan will be postponed accordingly. The principal business of Jiangxi Gold covers the exploration, selection and purchase, smelting, processing and sales of gold.

The audited net loss (both before and after taxation and extraordinary items) of Jiangxi Gold for the period from its date of establishment to 31 December 2015 and for the year ended 31 December 2016 were RMB627,900 and RMB5,647,000 respectively. As at the end of 2016, the audited total assets of Jiangxi Gold was RMB356.0533 million, audited net assets was RMB354.9251 million, audited operating revenue was RMB0, audited net loss was RMB5.647 million. As at 31 March 2017, Jiangxi Gold's unaudited total assets was RMB354.5921 million, unaudited total assets was RMB353.774 million, unaudited operating revenue was RMB0, unaudited net loss was RMB1.151 million. Jiangxi Branch of Da Hua Certified Public Accountants (Special General Partnership) has audited the 2016 financial statements of Jiangxi Gold, and issued a standard unqualified audit report "Da Hua Audit [2017] No. 080014" ("大華審字[2017]080014號").

The shareholding interests in Jiangxi Gold, being the subject matter of the transaction is clear, such interests are not subject to mortgage, pledge or any other circumstances that may restrict the Share Transfer. They are not involved in any judicial measures such as litigation, arbitration, seizure or freeze, nor are there any other circumstances that may prohibit the Share Transfer. Dexing Company and Jiangxi Jinyuan, the two other shareholders of Jiangxi Gold, have waived their rights of first refusal. As at the date of this announcement, Jiangxi Gold has yet to carry out actual operating business, and there are no guarantees, commissioned financial management or appropriation of fund between the Company and Jiangxi Gold.

On 23 December 2015, Jiangxi Gold and Jiangxi Nonferrous entered into the Framework Agreement in respect of the Mineral Exploration Right of Shiwu Gold Mine (《石塢金礦詳查探礦權轉讓框架協議》), pursuant to which, Jiangxi Nonferrous agreed to transfer its mineral exploration right of Shiwu Gold Mine to Jiangxi Gold, and on 7 January 2016, Jiangxi Gold paid Jiangxi Nonferrous an advance payment of RMB70 million for such mineral exploration right. After the Company has completed the acquisition of 60% of the shareholding interests in Jiangxi Gold, Jiangxi Gold intends to enter into a formal agreement with Jiangxi Nonferrous in order to proceed with the acquisition of the mineral exploration right of Shiwu Gold Mine.

**The Board wishes to emphasise that the detailed terms of the Share Transfer are still under negotiation and the Share Transfer may or may not proceed. The Company has not entered into any binding agreement in relation to the Share Transfer as at the date of this announcement. If the Company and JCC enter into the Share Transfer Agreement, it will constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.**

**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 Share Transfer as and when appropriate in accordance with the Listing Rules.**

## **DEFINITIONS**

“Board”	the board of Directors
“Company”	Jiangxi Copper Company Limited, a Sino-foreign joint venture joint stock limited company incorporated in the PRC
“Completion”	completion of Share Transfer
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Dexing Company”	Dexing State-owned Assets Management Co., Ltd. (德興市國有資產經營有限責任公司), a limited liability company established in the PRC
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JCC”	Jiangxi Copper Corporation, a substantial shareholder of the Company holding approximately 40.53% of the total issued share capital of the Company
“Jiangxi Gold”	Jiangxi Gold Company Limited* (江西黃金股份有限公司), a limited liability company established in the PRC, which is held as to 60% by JCC, 30% by Dexing Company and 10% by Jiangxi Jinyuan
“Jiangxi Jinyuan”	Jiangxi Jinyuan Geology and Minerals Co., Ltd. (江西金源地礦集團有限公司), a limited liability company established in the PRC



“Jiangxi Nonferrous”	Jiangxi Nonferrous Metal Geological Exploration Bureau
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratio(s)”	the percentage ratio(s) as defined in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Share Transfer Agreement”	a share transfer agreement to be entered into between JCC and the Company in respect of the Share Transfer
“Share(s)”	ordinary share(s) of RMB1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Transfer”	the proposed transfer of 60% shareholding interests in Jiangxi Gold from JCC to the Company pursuant to the terms and conditions of the Share Transfer Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“Transfer Price”	the consideration for the Share Transfer
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board  
**JIANGXI COPPER COMPANY LIMITED**  
**Li Baomin**  
*Chairman*

Nanchang, Jiangxi, the PRC, 28 April 2017

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

*Translation of Renminbi into Hong Kong dollars is based on the exchange rate of HK\$1.00 = RMB0.88546.*

*As at the date of this announcement, the executive Directors are Mr. Li Baomin, 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. Zhang Weidong, Mr. Sun Chuanyao and Mr. Liu Erh Fei.*