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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)

**ANNOUNCEMENT ON LITIGATION OF A SUBSIDIARY**

The board of directors and all members of the board of directors of the Company warrant that the contents of this announcement do not contain any false statement, misleading representation or material omission and accept responsibility severally and jointly for the truthfulness, accuracy and completeness of the contents of this announcement.

This announcement is made by Jiangxi Copper Company Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**IMPORTANT NOTICE:**

- Litigation stage (“**Litigation**”): acceptance by the Court and pending hearing.
- The amount involved: RMB1,107,004,125.5. As at the date of this announcement, the cumulative litigation amount of the subsidiaries of the Company for 12 consecutive months set out in the court documents is RMB2,271,283,757.38 (including the amount involved in the Litigation, but excluding the previously disclosed litigation amount) in total, among which, the litigation amount of the subsidiaries of the Company as plaintiffs set out in the court documents is RMB2,249,074,540.31 (including the amount involved in the Litigation) in total, and the litigation amount of the subsidiaries of the Company as defendants set out in the court documents is RMB22,209,217.07.

- Impact of the Litigation on the profit of the Company in the current period or subsequent periods: In order to protect the interests of the shareholders, the subsidiaries of the Company have recently concentrated on claiming accounts receivable historically incurred by way of legal litigations. The litigation amount of the subsidiaries as plaintiffs accounts for 99.02% of the amount disclosed in this announcement. As the Litigation has not yet been heard, the outcome is still uncertain and it is currently unable to determine the impact on the profit of the Company in the current period or subsequent periods.

On 21 June 2019, Shanghai Jiangxi Copper Trading Company Limited (“**Shanghai JCT**”) filed a civil complaint to Shanghai No. 1 Intermediate People’s Court, the People’s Republic of China (the “**PRC**”). On 30 July 2019, Shanghai JCT received the Summon of Shanghai No.1 Intermediate People’s Court, the Case Acceptance Notice of Shanghai No.1 Intermediate People’s Court and other legal documents delivered by Shanghai No. 1 Intermediate People’s Court. The details are as follows:

## **I. BASIC INFORMATION OF THE LITIGATION**

(I) Acceptance time: 1 July 2019

(II) Name of the Court: Shanghai No. 1 Intermediate People’s Court

(III) Parties to the Litigation:

1. The Plaintiff: Shanghai JCT

Domicile: Room 7F-1, 727 Zhangjiang Road, Shanghai Pilot Free Trade Zone

Legal representative: Xu Wei

2. Defendant 1: Shandong Xinhui Copper Materials Co., Ltd. (“**Defendant 1**”)

Domicile: 8 Xinhui Road, Zhaoyuan Development Zone, Shandong Province

Legal representative: Li Jiating

3. Defendant 2: Yantai Jiaheng New Materials Co., Ltd. (formerly known as “Shandong Zhongjia New Materials Co., Ltd.”) (“**Defendant 2**”)

Domicile: 557 Zhaojin Road, Zhaoyuan City, Shandong Province

Legal representative: Li Jiating

4. Defendant 3: Shandong Zhongjia Electronic Technology Co., Ltd. (“**Defendant 3**”)

Domicile: 18 Binhe Road, Zhaoyuan City, Shandong Province

Legal representative: Wang Yanlin

5. Defendant 4: Zhaoyuan Jinshan Trading Co., Ltd. (“**Defendant 4**”)

Domicile: Room 6 A, Jinshan Building, 6 Nanbowan Commercial Street, North of Chenzhong Road, West of Jinhui Road, Zhaoyuan Development Zone, Shandong Province

Legal representative: Jiang Fengbing

6. Defendant 5: Zhaoyuan Golden Seed Education Consulting Co., Ltd. (“**Defendant 5**”)

Domicile: Building 10, Jinhui Decoration Materials City, West of Jinhui Road, South of Wenquan Road, Zhaoyuan City, Shandong Province

Legal representative: Li Xiaoxiao

7. Defendant 6: Zhaoyuan Jiaheng Culture & Media Co., Ltd. (“**Defendant 6**”)

Domicile: Building 10, Jinhui Decoration Materials City, West of Jinhui Road, South of Wenquan Road, Zhaoyuan City, Shandong Province

Legal representative: Li Jiating

8. Defendant 7: Li Jiating (male, Han ethnicity) (“**Defendant 7**”)

Domicile: No. 11, Guojiazhuangzi Village, Quanshan Street Office, Zhaoyuan City, Shandong Province

9. Defendant 8: Sun Shuhui (female, Han ethnicity) (“**Defendant 8**”)

Domicile: No. 11, Guojiazhuangzi Village, Quanshan Street Office, Zhaoyuan City, Shandong Province

10. Defendant 9: Yantai Shanshangli Gold Mine Co., Ltd. (“**Defendant 9**”)

Domicile: Shanshangli Village, Shuidao Town, Muping District, Yantai City, Shandong Province

Legal representative: Lin Zusong

11. Defendant 10: Yantai Jiaheng Copper Co., Ltd. (“**Defendant 10**”)

Domicile: North end of Jinhui Road, Zhaoyuan Development Zone, Shandong Province

Legal representative: Li Jiating

## **II. FACTS AND REASONS OF THE LITIGATION OF SHANGHAI JCT**

### **(I) Facts and Reasons of the Litigation of Shanghai JCT**

In respect of the purchase of products such as copper materials by Defendant 1 from Shanghai JCT, Shanghai JCT has cooperated with Defendant 1 for a long period and has entered into annual copper product sales contract for each year.

On 31 December 2016, Shanghai JCT and Defendant 1 entered into the 2017 Copper Products Sales Contract [contract No.: TGX17027] (the “**Sales Contract**”), the provisions of which include, Defendant 1 shall pay the full amount for the products purchased on the 25th day of each month; upon default in payment by Defendant 1, Shanghai JCT shall be entitled to charge Defendant 1 the default interest on the part of the default amount calculated at the benchmark lending interest rate published by the People’s Bank of China for the same period plus 20% from the date of default until the amount is settled in full; the costs (including but not limited to litigation costs, property preservation fees, travel expenses, auction fees, legal fees and other expenses) incurred as a result of Defendant 1’s breach of any of the provisions of the Sales Contract shall be borne by Defendant 1.

In 2017, Shanghai JCT delivered a total of 30,530.887 tonnes of products in accordance with the order instruction of Defendant 1 for a total amount of RMB1,472,745,711.97, and Defendant 1 paid RMB1,515,354,386.79 in total since 1 January 2017 and up to present. After payment of the outstanding amount prior to 31 December 2016 and the partial payment of outstanding amount for 2017, Defendant 1 still owes to Shanghai JCT the amount RMB856,038,748.75 and related expenses.

In this regard, Defendant 1 to Defendant 10 provided guarantees to Shanghai JCT as follows:

- A. On 1 January 2018, Shanghai JCT and Defendant 1 entered into the Maximum Amount Mortgage Agreement on Machinery and Equipment [contract No.: TGX18027-MGT01], pursuant to which, Defendant 1 (as the mortgagor), shall provide a machinery and equipment mortgage guarantee of a maximum amount of RMB385,935,525.04 for the payment obligations of the trade payables, late payment fees, default payment and other payables incurred under the series sales contracts during the period from 1 January 2015 to 31 December 2018. The mortgage has been registered and the Movable Property Mortgage Registration [registration No.: Zhao Gong Shang Di Deng Zi (2018) No. 0004] has been issued;
- B. On 1 January 2018, Shanghai JCT and Defendant 2 entered into the Maximum Amount Mortgage Agreement on Machinery and Equipment [contract No.: TGX18027-MGT02], pursuant to which, Defendant 2 (as the mortgagor), shall provide a machinery and equipment mortgage guarantee of a maximum amount of RMB109,272,827.28 for the payment obligations of the trade payables, late payment fees, default payment and other payables incurred under the series sales contracts during the period from 1 January 2015 to 31 December 2018. The mortgage has been registered and the Movable Property Mortgage Registration [registration No.: Zhao Gong Shang Di Deng Zi (2018) No. 0005] has been issued;
- C. On 27 October 2017, Shanghai JCT and Defendant 3 entered into the Maximum Amount Mortgage Agreement on Machinery and Equipment [contract No.: 2017 SHJT-SDZJ –SDXH], pursuant to which, Defendant 3 (as the mortgagor), shall provide a machinery and equipment mortgage guarantee of a maximum amount of RMB70,000,000 for the payment obligations of the trade payables, late payment fees, default payment and other payables incurred under the series sales contracts during the period from 27 October 2017 to 26 October 2022. The mortgage has been registered and the Movable Property Mortgage Registration [registration No.: Zhao Gong Shang Di Deng Zi (2017) No. 0015] has been issued;

- D. On 29 September 2017, Shanghai JCT and Defendant 3 entered into the Maximum Amount Mortgage Agreement, pursuant to which, Defendant 3 shall provide a maximum mortgage guarantee with a maximum amount of RMB270,000,000 in respect of its ownership to the properties located at Rooms 1 to 3, 18 Binhe Road, Zhaoyuan City, Shandong Province and the corresponding land use rights for the debts of Defendant 1 under the series sales contracts during the period from 29 September 2017 to 28 September 2022 (detailed scope of the guarantee is listed under Article 1 of Part II to the Maximum Mortgage Agreement). Meanwhile, according to Article 2 of Part II to the Maximum Mortgage Agreement: Shanghai JCT may directly exercise the mortgage rights under the agreement without first exercising other guarantee rights against the debtor (if any). The mortgage has been registered and the Real Estate Registration Certificate [registration No.: Lu (2017) Zhaoyuan Real Estate Certificate No. 0008411] has been issued;
- E. On 22 December 2016, Shanghai JCT and Defendant 4 entered into the Maximum Amount Mortgage Agreement and four subsequent supplementary agreements to the Maximum Mortgage Agreement [contract No.: JTJSBG2018001–4], pursuant to which, Defendant 4 shall provide a maximum mortgage guarantee with a maximum amount of RMB314.38 million in respect of its ownership to the property located at Room 332, Building 1, Jinhui Trade City, Zhaoyuan City, Shandong Province and the corresponding land use rights for the debts of Defendant 1 under the series sales contracts for the period from 1 January 2014 to 31 December 2019. It is also agreed that Shanghai JCT may directly exercise the mortgage rights under the agreement without first exercising other guarantee rights against the debtor (if any). The mortgage has been registered and the Real Estate Registration Certificate [registration No.: Lu (2019) Zhaoyuan Real Estate Certificate No. 0000705] has been issued;
- F. On 21 September 2017, Shanghai JCT and Defendant 5 entered into the Maximum Amount Mortgage Agreement [contract No.: ZGEDY20170921], pursuant to which, Defendant 5 shall provide a maximum mortgage guarantee with a maximum amount of RMB100,000,000 in respect of its ownership to the properties located at Building 10, Jinhui Decoration Materials City, South of Wenquan Road, Zhaoyuan City, Shandong Province and the corresponding land use rights for the debts of Defendant 1 under the series sales contracts for the period from 21 September 2017 to 20 September 2022. It is also agreed that Shanghai JCT may directly exercise the mortgage rights under the agreement without first exercising other guarantee rights against the debtor (if any). The mortgage has been registered and the Real Estate Registration Certificate [registration No.: Lu (2017) Zhaoyuan Real Estate Certificate No. 0008111] has been issued;

- G. On 29 September 2017, Shanghai JCT and Defendant 6 entered into the Maximum Amount Mortgage Agreement, pursuant to which, Defendant 6 shall provide a maximum mortgage guarantee with a maximum amount of RMB150,000,000 in respect of its ownership to the properties located at Rooms 415–423, 426, 502, 515, 516, 523–525 and 531–533, Building 1, Jinhui Decoration Materials City, 277 Jinhui Road, Zhaoyuan City, Shandong Province and the corresponding land use rights for the debts of Defendant 1 under the series sales contracts for the period from 29 September 2017 to 28 September 2022. It is also agreed that Shanghai JCT may directly exercise the mortgage rights under the agreement without first exercising other guarantee rights against the debtor (if any). The mortgage has been registered and the Real Estate Registration Certificate [registration No.: Lu (2017) Zhaoyuan Real Estate Certificate No. 0008412] has been issued; and
- H. Defendant 2, Defendant 7, Defendant 8, Defendant 9 and Defendant 10 have issued five letters of guarantee in total to Shanghai JCT, respectively, to undertake joint guarantee responsibility within the maximum amount of RMB1,500,000,000 on a voluntary basis for the debt obligations of Defendant 1 under the series sales contracts during the period from 1 January 2015 to 31 December 2019.

Shanghai JCT has delivered the products to Defendant 1 in accordance with the contracts, however, Defendant 1 has defaulted in the payment to date and has failed to pay in spite of several demands by Shanghai JCT.

Based on the above facts, Shanghai JCT has filed a lawsuit to the Court, requesting the Court to safeguard the legal interests of Shanghai JCT and support Shanghai JCT's claims.

## **(II) Claims of Shanghai JCT**

1. Defendant 1 shall pay Shanghai JCT a amount of RMB856,038,748.75;
2. Defendant 1 shall pay Shanghai JCT default payment (calculated from the date on which each debt is overdue to the date of actual settlement in full, on the basis of the outstanding amount and the benchmark lending interest rate published by the People's Bank of China for the same period plus 20%, the amount temporarily totaled RMB250,615,376.75 as at 12 June 2019; and the default payment will be calculated continuously from 13 June 2019 onwards);
3. Defendant 1 shall bear the legal fees of RMB350,000 paid by Shanghai JCT for the Litigation (Shanghai JCT reserves the rights to claim for the legal fees as the risk agency part not yet paid);
4. Defendant 1 shall bear the litigation costs and property preservation fees;

(The above amount is temporarily totaled RMB1,107,004,125.50)

5. Defendant 2, Defendant 7, Defendant 8, Defendant 9 and Defendant 10 shall undertake joint guarantee responsibility for the debts listed in the above-mentioned claims Nos. 1 to 4;
6. Defendant 3 shall undertake the mortgage guarantee responsibility of a maximum amount of RMB70,000,000 for the debts listed in the claims Nos. 1 to 4 above with the mortgaged machinery and equipment. Shanghai JCT shall have the right to receive a prioritized compensation of the discounted amount of such collaterals or the proceeds through tendering or disposal of such collaterals;
7. Defendant 3 shall undertake the mortgage guarantee responsibility of a maximum amount of RMB270,000,000 for the debts listed in the claims Nos. 1 to 4 above with the mortgaged real estate, including the property located at Room 3, 18 Binhe Road. Shanghai JCT shall have the right to receive a prioritized compensation of the discounted amount of such collaterals or the proceeds through tendering or disposal of such collaterals;



8. Defendant 4 shall undertake the mortgage guarantee responsibility of a maximum amount of RMB314,380,000 for the debts listed in the claims Nos. 1 to 4 above with the mortgaged real estate, including the property located at Room 332, Building 1, Jinhui Trade City. Shanghai JCT shall have the right to receive a prioritized compensation of the discounted amount of such collaterals or the proceeds through tendering or disposal of such collaterals;
9. Defendant 5 shall undertake the mortgage guarantee responsibility of a maximum amount of RMB100,000,000 for the debts listed in the claims Nos. 1 to 4 above with the mortgaged real estate located at Building 10, Jinhui Decoration Materials City, West of Jinhui Road, South of Wenquan Road. Shanghai JCT shall have the right to receive a prioritized compensation of the discounted amount of such collaterals or the proceeds through tendering or disposal of such collaterals;
10. Defendant 6 shall undertake the mortgage guarantee responsibility of a maximum amount of RMB150,000,000 for the debts listed in the claims Nos. 1 to 4 above with the mortgaged real estate, including the property located at Room 533, Building 1, Jinhui Trade City. Shanghai JCT shall have the right to receive a prioritized compensation of the discounted amount of such collaterals or the proceeds through tendering or disposal of such collaterals.

### **III. DESCRIPTION OF THE LITIGATION**

According to the relevant requirements of accounting standards, a provision for doubtful debts of the abovementioned accounts receivable by the Company as at 31 December 2018 totalling RMB498,890,613.38 has been made.

#### IV. OTHER UNDISCLOSED LITIGATIONS

As at the date of the announcement, other undisclosed litigations of the Company are explained as below:

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
1	Shanghai JCT	Plaintiff	100% I	Zhejiang Hongshenglong New Material Technology Co., Ltd. (浙江鴻晟隆新材料科技有限公司);	Contractual dispute	463,620,849.06	With effect from 1 April 2016, Shanghai JCT, as the seller, has entered into the 2016 Steel Products Sales Contract of Jiangxi Copper Shanghai Trading Company Limited and the 2017 Steel Products Sales Contract of Jiangxi Copper Shanghai Trading Company Limited successively with Defendant I, both in relation to the procurement of copper wire billets.	27,428
			II	Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司);		With effect from 5 May 2016, Shanghai JCT has entered into four Maximum Amount Mortgage Agreements (1-4) successively with Defendant II, and carried out the corresponding real estate mortgage registration involving the real estate registration numbers as follows: Zhu Fang Ta Zheng Di Nos. K000113240, K000113239, K000114913, K000115481, K000115482, K000115483, K000117862, K000117863, K000117867, K000117866, K000117865 and K000117864. Meanwhile, Defendant II has agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned properties located at Nos. 248 (Room 102), 250 (Room 103), 270 (Room 105), 272 (Room 106), 274 (Room 107), 262 (Room 101), 276 (Room 108), 252 (Room 104), 254 (Room 105), 256 (Room 106) and 258 (Room 107), Genta East Road, Jiyang Sub-district, Zhuji, Zhejiang Province and Hongjing Zhuangyuan located in Datang Town, Zhuji, to Shanghai JCT. On 24 May 2016, Shanghai JCT and Defendant III entered into the Maximum Mortgage Agreement, and carried out the corresponding real estate mortgage registration involving the real estate registration number as follows: Qian (2016) Zunyi Real Estate Certificate No. 0017420.	On 25 June 2019, the Company received legal documents delivered by Shanghai No. 1 Intermediate People's Court and the case was accepted.	
			III	Zhejiang Honglei Holding Group Co., Ltd. (浙江宏磊控股集團有限公司);				
			IV	Zhejiang Zhuji Honglei Building Material Factory (浙江省諸暨市宏磊建材廠);				
			V	Zhejiang TaiSheng New Material Technology Co., Ltd. (浙江泰晟新材料科技有限公司);				
			VI	Jin Lei.				

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
						<p>Defendant III agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned No. 27, 1/F Block A, Dongfang Garden, Haier Avenue, Honghuagang District, Zunyi, Guizhou Province to Shanghai JCT. On 7 June 2016, Shanghai JCT and Defendant IV entered into the Maximum Amount Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration number as follows: Zhu Fang Ta Zheng Di No. K000118726. Defendant IV agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned south side of Wenchang Road, Datang Town, Zhuji, Zhejiang Province to Shanghai JCT. On 5 August 2017, Shanghai JCT entered into the Goods Pledge and Supervision Contract with Defendant I, Defendant V and SIPG Logistics Metal Storage (Shanghai) Co., Ltd. (上港物流金屬倉儲(上海)有限公司). Defendant I and Defendant V agreed to pledge their ownership of enamelled wires, steel pipes, steel blocks and steel rods to Shanghai JCT to ensure smooth performance of the debt obligations and debts under the two sales contracts. On 7 June 2016, Shanghai JCT and Defendant VI entered into the Maximum Amount Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration numbers as follows: Zhu Fang Ta Zheng Di Nos. K000115535, K000115536, K000115532, K000115537, K000115538, K000115539, K000115540 and K000115533. Defendant VI agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned buildings located at Nos. 21-8, 21-9, 21-10, 21-11, 21-12, 21-13, 21-15 and 21-16, Dongjiang Road, Jiyang Sub-district, Zhuji, Zhejiang Province to Shanghai JCT. On 5 May 2016, Shanghai JCT and Defendant VI entered into the Maximum Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration numbers as follows: Zhu Fang Ta Zheng Di Nos. K000113380, K000113377, K000113378, K000113379 and K000113376.</p>		

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
						<p>Defendant VI agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned 1st Building 000101, 3rd Building 000101, 3rd Building 000102, 3rd Building 000103 and 3rd Building 000104, Xiang He Yuan, Hongding Huating located at No. 199 Huancheng South Road, Jiyang Sub-district, Zhuji, Zhejiang Province to Shanghai JCT. On 21 October 2016, Shanghai JCT and Defendant VI entered into the Maximum Amount Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration number as follows: Zhe (2016) Zhuji Real Estate Certificate No. 0002057. Defendant VI agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned 1st Building 000102, 1st Building 000103, 2nd Building 000101, 2nd Building 000102, 2nd Building 000103, 2nd Building 000104, 2nd Building 000105 and 2nd Building 000106, Xiang He Yuan, Hongding Huating located at No. 199 Huancheng South Road, Jiyang Sub-district, Zhuji, Zhejiang Province to Shanghai JCT. On 5 May 2016, Shanghai JCT and Defendant VI entered into the Maximum Amount Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration numbers as follows: Zhu Fang Ta Zheng Di Nos. K000113404, K000113408, K000113410, K000113412, K000113414, K000113415, K000113418, K000113419 and K000113420. Defendant VI agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned 1st Building 000217, 1st Building 000216, 1st Building 000215, 1st Building 000214, 1st Building 000213, 1st Building 000212, 1st Building 000211, 1st Building 000210 and 1st Building 000209, Hongxi Gongguan located in Datang Town, Zhuji, Zhejiang Province to Shanghai JCT. On 21 October 2016, Shanghai JCT and Defendant VI entered into the Maximum Amount Mortgage Agreement, and carried out the real estate mortgage registration involving the real estate registration numbers as follows: Zhe (2016) Zhuji Real Estate Certificate No. 0002139. Defendant VI agreed to mortgage the building ownership rights and corresponding land use rights of its legally owned 1st Building 000118, 1st Building 000119, 1st Building 000120, 1st Building 000201, 1st Building 000202, 1st Building 000203, 1st Building 000204, 1st Building 000205, 1st Building 000206, 1st Building 000207, 1st Building 000208, 1st Building 000218, 1st Building 000219 and 1st Building 000220, Hongxi Gongguan located in Datang Town, Zhuji, Zhejiang Province to Shanghai JCT.</p> <p>After the entering into of the two sales contracts, Shanghai JCT has delivered the goods to Defendant I, while Defendant I failed to fulfill all the payment obligations, in accordance with the contracts.</p>		

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
2	Jiangxi Copper international Commercial Factoring Company Limited (江銅國際商業保理有限責任公司) ("Jiangxi Copper International Commercial Factoring")	Plaintiff	Indirectly I holding 59.05%  II	Shanghai Ruixing Metal Material Co., Ltd. (上海睿興金屬材料有限公司);  Zhaoyuan Jinshan Trading Co., Ltd. (招遠金山商貿有限公司).	517,906,605.76	On 1 June 2016, in respect of the purchase of copper products by Defendant I from Shanghai JCT, Shanghai JCT and Defendant I entered into the 2016 Copper Products Sales Contract of Jiangxi Copper Shanghai Trading Company Limited in Shanghai. During the performance of the sales contract, Shanghai JCT had a right to accounts receivable of RMB378,034,904.76 against Defendant I  Jiangxi Copper International Commercial Factoring and Shanghai JCT entered into the Factoring Agreement on 27 December 2016, pursuant to which, Shanghai JCT transferred all the aforesaid creditor's rights to Jiangxi Copper International Commercial Factoring at a consideration of the factoring amount of RMB350,000,000. On the same date, Jiangxi Copper International Commercial Factoring, Shanghai JCT, Defendant I and Defendant II entered into the Agreement on Confirmation of Claims and Debts, jointly confirming that Shanghai JCT had a claim in respect of the accounts receivable of RMB378,034,904.76 against Defendant I under the Sales Contract. Meanwhile, Defendant II acknowledged the facts of factoring with reconfirmation that it would, in respect of the debts between Defendant I and Jiangxi Copper International Commercial Factoring, assume the mortgage guarantee obligation stipulated in the Mortgage Agreement for Jiangxi Copper International Commercial Factoring.	On 25 June 2019, the Company received legal documents delivered by Shanghai No. 1 Intermediate People's Court and the case was accepted.	There is no provision for doubtful debts.

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
						<p>On 27 December 2016, Defendant II provided a mortgage guarantee for the above debts owed by Defendant I to Jiangxi Copper International Commercial Factoring with its legally owned 40 properties at Building I and Building II of Jinhui Trade City. Meantime, Jiangxi Copper International Commercial Factoring and Defendant II entered into the Maximum Amount Mortgage Agreement, pursuant to which, Defendant II provided a guarantee to Jiangxi Copper International Commercial Factoring with the maximum claim amount of RMB700 million in respect of the said debts owed by Defendant I to Jiangxi Copper International Commercial Factoring, with the 40 properties mentioned above, and on 28 December 2016, the certificates mortgage rights were issued. Upon the signing of the Factoring Agreement, Jiangxi Copper International Commercial Factoring paid, in two installments (RMB40,000,000 and RMB310,000,000), the factoring amount of RMB350,000,000 to Shanghai JCT as agreed on 29 December 2016. However, when the debts were due and although repeatedly urged by Jiangxi Copper International Commercial Factoring, Defendant I failed to perform the repayment obligation for all principal and part of interest so far, which constituted a breach. Defendant II also failed to perform any guarantee obligation as agreed.</p>		

No.	Company Involved	Litigation status	Shareholding owned by the Company Party		Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018
									(RMB'000)
3	Jiangxi Copper International Commercial Factoring	Plaintiff	Indirectly holding 59.05%	I Shenyang Shenghua Metal Group Co., Ltd. (瀋陽勝華金屬集團有限公司); II Shanghai Jingze Industrial Group Co., Ltd. (上海景澤實業集團有限公司); III Harbin Shenghua Real Estate Development Co., Ltd. (哈爾濱勝華房地產開發有限公司); IV Qian Wei; V Zhang Shengfei; VI Anhui Baoxin Technology Special Cable Co., Ltd. (安徽寶欣科技特種電纜有限公司)	Contractual dispute	160,542,959.99	On 7 April 2016, Jiangxi Copper International Commercial Factoring signed the Domestic Factoring Contract (the "Factoring Contract") and related annexes with Defendant I, pursuant to which Jiangxi Copper International Commercial Factoring agreed to provide factoring financing to Defendant I and make factoring advance payment. The total amount of financing is RMB200,000,000.00, and the validity period of the amount is from 1 April 2016 to 1 April 2017. On the same day, both parties signed the "Application for Assignment and Confirmation of Accounts Receivable" as an annex to the contract, expressly specifying that the accounts receivable approved to be assigned were originated from the sales contract and its supplementary agreement (the "Basic Contract") signed by Defendant I and Defendant II, pursuant to which Defendant I transferred RMB21,831,397.50 of the accounts receivable to Jiangxi Copper International Commercial Factoring and Jiangxi Copper International Commercial Factoring made a factoring advance payment of RMB20,000,000 to Defendant I. For this purpose, Jiangxi Copper International Commercial Factoring and Defendant I issued the Notification of Assignment of Accounts Receivable to the purchaser under the Basic Contract, namely Defendant II, and Defendant II signed the Return Receipt on the same day. Defendant IV and Defendant V signed the Maximum Guarantee Contract with Jiangxi Copper International Commercial Factoring, respectively, to guarantee that Defendant I would fulfilled his obligations under the Factoring Contract. Defendant I and Defendant III issued a Letter of Commitment to Jiangxi Copper International Commercial Factoring that Defendant III would provide 83 houses at No. 382 Xuefu Road, Nangang District, Harbin City, Heilongjiang Province as a collateral. However, since Defendant III only obtained the pre-sale permit of houses at the time of signing the contract and has not yet obtained the property ownership certificate, he signed the Commodity House Purchase and Sale Contract in respect of the aforesaid 83 houses with Jiangxi Copper International Commercial Factoring on 31 March 2016 and 1 April 2016, respectively.	On 12 July 2019, the Company received legal documents delivered by Shanghai No. 1 Intermediate People's Court and the case was accepted.	425.2

No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
						<p>In addition, the Letter of Commitment clearly states that signing the Commodity House Purchase and Sale Contract is only to protect Jiangxi Copper International Commercial Factoring's right to mortgage, and Jiangxi Copper International Commercial Factoring does not need to make the house payment. Subsequently, Jiangxi Copper International Commercial Factoring and Defendant III went through the registration formalities of real estate mortgage for 34 houses. Defendant III has not yet facilitated Jiangxi Copper International Commercial Factoring to go through the registration formalities of real estate mortgage for the remaining 49 houses so far. On 1 April 2017, all the accounts payable by Defendant II, the purchaser under the Basic Contract, were due, but Defendant II did not fulfill his obligation to pay the accounts receivable under the contract.</p> <p>In March 2018, Jiangxi Copper International Commercial Factoring signed the Quartet Agreement with Defendant I, Defendant II and a party not involved in the case, Shanghai Shenghua Cable Co., Ltd.. The Quartet Agreement expressly specified the settlement of claims and debts between Jiangxi Copper International Commercial Factoring and Defendant I, Defendant II and the party not involved in the case as mentioned above. The debts of Defendant I and Defendant II entitled by Jiangxi Copper International Commercial Factoring were divided into Group A and Group B, of which Group A debts are the outstanding amount in respect of the first claim. The Quartet Agreement also stipulated that Group A debts shall be jointly and severally settled by Defendant I and Defendant II, and penalty payment shall be paid based on 12% of the amount per annum from 1 January 2018. Group A debts were due on 31 December 2018. Group B debts shall be dealt with by all the parties after negotiation. In November 2018, in order to ensure the timely recovery of Jiangxi Copper International Commercial Factoring's debts, Jiangxi Copper International Commercial Factoring signed the Debt Accession Agreement with Defendant II and Defendant VI. Defendant VI agreed to assume joint and several liabilities for Group A debts under the Quartet Agreement.</p> <p>Up to now, Jiangxi Copper International Commercial Factoring has not been repaid for Group A debts, interests and penalty payment thereon.</p>		



No.	Company Involved	Litigation status	Shareholding owned by the Company Party	Reason	Amount involved (RMB)	Summary of the civil complaint	Progress	Provision for doubtful debts as at 31 December 2018 (RMB'000)
4	Jiangxi Copper International Trading Co., Ltd.	Defendant	59.05% Shenzhen Shuohe Modern Supply Chain Co., Ltd. (深圳碩禾現代供應鏈有限公司)	Contractual dispute	22,209,217.07	On 12 January 2016, the Plaintiff and the Defendant entered into the Blister Copper Purchase Contract, pursuant to which, the Defendant purchased blister copper from the Plaintiff. The parties made agreements on the quality, quantity, package, delivery date, delivery place, delivery method, delivery batch, quotational period, the price and payment method of commodity products. Upon the fulfillment of all contractual obligation by the Plaintiff, the Defendant has not paid for the products in the amount of RMB20,032,407.8 in total to the Plaintiff up to now.	On 26 July 2019, the Company received legal documents delivered by Luo Hu People's Court, Shenzhen and the case was accepted.	N/A

As at the date of this announcement, the cumulative litigation amount of the subsidiaries of the Company for 12 consecutive months set out in the court documents is RMB2,271,283,757.38 (including the amount involved in the Litigation, but excluding the disclosed litigation amount) in total, among which, the litigation amount of the subsidiaries of the Company as plaintiffs set out in the court documents is RMB2,249,074,540.31 (including the amount involved in the Litigation) in total, and the litigation amount of the subsidiaries of the Company as defendants set out in the court documents is RMB22,209,217.07.

## V. IMPACT OF THE LITIGATION ON THE COMPANY'S PROFIT FOR THE CURRENT PERIOD OR SUBSEQUENT PERIODS

The mortgaged and pledged assets involved in the Litigation have been appraised by Shanghai Lixin Appraisal Co., Ltd. (上海立信資產評估有限公司), which has issued a valuation report (Valuation No. "Xin Zi Ping Zi Zi (2019) No. 30003"). The valuation base date of the report is 31 December 2018, and the total appraised value as stated in the report is RMB1,884,927,700. In order to protect the interests of the shareholders, the subsidiaries of the Company has recently concentrated on claiming accounts receivables historically incurred by way of legal litigations. The litigation amount of the subsidiaries as the plaintiff accounts for 99.02% of the amount disclosed in this announcement. As the Litigation has not yet been heard, the outcome is still uncertain and it is currently unable to determine the impact on the profit of the Company in the current period or subsequent periods.

The Company will fulfill its obligation of information disclosure in a timely manner in accordance with the progress of the Litigation.

By Order of the Board  
**JIANGXI COPPER COMPANY LIMITED**  
**Long Ziping**  
*Chairman*

Nanchang, Jiangxi, the PRC, 30 July 2019

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