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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 IN RELATION TO PROGRESS OF
LITIGATION OF A SUBSIDIARY**

The Board of the Company and all members of the Board 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).

Reference is made to the announcement of the Company dated 30 July 2019 in respect of the litigation of a subsidiary (the “**Announcement**”).

IMPORTANT NOTICE:

- Litigation stage (the “**Litigation**”): The second hearing was completed
- Status of the subsidiary of the Company: Appellant
- Amount involved: The court ordered the appellee (defendant in first hearing) to pay the following amount to the appellant (i.e. Shanghai Jiangxi Copper Trading Company Limited (“**Shanghai JCT**”), a wholly-owned subsidiary of the Company) (plaintiff in first hearing):

The aggregate principal amount of goods is RMB364,296,204.47; legal fees of RMB360,000; default payment of RMB100,172,906.35 as at 24 May 2019; and liquidated damages from 25 May 2019 to the date of actual settlement of default, which is calculated on the basis of RMB364,296,204.47 with an interest of 10% per annum.

- Impact of the Litigation on the Company’s profits for the current period or subsequent periods: As at 31 December 2020, the Company had made provision for bad debts of RMB291,693,800 for the corresponding principal amount of goods; from 1 January 2021 to 30 June 2021, the Company had made provision for bad debts of RMB5,251,800 for the corresponding principal amount of goods again and the above accumulated bad debts provision amounted to RMB296,945,600 in total. During the course of the Litigation, the Company has applied to the court for property preservation in respect of the pledged assets involved in the Litigation. After assessing the relevant pledged assets, the remaining principal amount of the goods is expected to be covered, and there is no exposure risk for the time being. The Company will follow closely to the subsequent disposal of the pledged assets to safeguard the overall interests of the Company.

I. BASIC INFORMATION OF THE LITIGATION

(I) Litigation acceptance time: 3 February 2021

(II) Name of the court: Shanghai High People’s Court

(III) Parties to the Litigation:

1. Appellant (plaintiff in first hearing): Shanghai JCT
Domicile: Room 7F-1, No. 727, Zhangjiang Road, Pilot Free Trade Zone, Shanghai
Legal representative: Xu Wei

2. Appellee one (defendant in first hearing): Zhejiang Hongshenglong New Material Technology Co., Ltd. (浙江鴻晟隆新材料科技有限公司) (“**Hongshenglong**”)
Domicile: No. 62, Zhancheng Avenue, Taozhu Street, Zhuji City, Zhejiang Province
Legal representative: Wang Keji
3. Appellee two (defendant in first hearing): Zhejiang Taisheng New Material Technology Co., Ltd. (浙江泰晟新材料科技有限公司) (“**Taisheng**”)
Domicile: Liming Village, Datang Street, Zhuji City, Zhejiang Province
Legal representative: Wang Zhaowu
4. Defendant in first hearing: Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司) (“**Honglei Southeast**”)
Domicile: No. 123, Wangyun Road, Jiyang Street, Zhuji City, Zhejiang Province
Legal representative: Wang Zhaowu
5. Defendant in first hearing: Zhejiang Honglei Holding Group Co., Ltd. (浙江宏磊控股集團有限公司) (“**Honglei Group**”)
Domicile: (Western side) Qianxi Road, Taozhu Street, Zhuji City, Zhejiang Province
Legal representative: Gong Lian
6. Defendant in first hearing: Zhejiang Zhuji Honglei Building Material Factory (浙江省諸暨市宏磊建材廠) (“**Honglei Building Material Factory**”)
Investor: Fu Guoqing
Domicile: Guoyebai Village, Jiyang Street, Zhuji City, Zhejiang Province
7. Defendant in first hearing: Jin Lei (“**Mr. Jin**”), Male, Han nationality
8. Third person in first hearing: Shanggang Logistics Metal Warehouse (Shanghai) Co., Ltd. (上港物流金屬倉儲(上海)有限公司) (“**Shanggang**”)
Domicile: Room C, 14F, No. 309, Tanggu Road, Hongkou District, Shanghai City

II. INFORMATION ABOUT THE FIRST HEARING

From 1 April 2016, plaintiff Shanghai JCT, successively entered into the 2016 Steel Products Sales Contract of Shanghai Jiangxi Copper Trading Company Limited and the 2017 Steel Products Sales Contract of Shanghai Jiangxi Copper Trading Company Limited as seller with defendant Hongshenglong in relation to the procurement of copper wire billets. In order to guarantee the settlement of the principal debt, Shanghai JCT, as right holder, (1) entered into a maximum amount mortgage agreement with each of Honglei Southeast, Honglei Group, Honglei Building Material Factory and Mr. Jin respectively, and went through the registration of the corresponding real estate mortgages; and (2) Hongshenglong and Taisheng, as pledgees, and Shanggang, as custodian, entered into a pledge and supervision of goods agreement. For details of the case, please refer to the Announcement.

After the aforesaid two sales contracts were signed, plaintiff Shanghai JCT delivered the goods to defendant Hongshenglong as contracts required, while defendant Hongshenglong failed to perform the obligation of paying the full amount. Therefore, Shanghai JCT filed the Litigation to Shanghai No. 1 Intermediate People's Court, and court made the first hearing judgment ((2019) Hu 01 Min Chu No. 180 civil judgment) ((2019) 滬01民初180號民事判決). The judgment is as follows:

1. Defendant Hongshenglong shall pay plaintiff Shanghai JCT the total amount of goods of RMB364,296,204.47;
2. Defendant Hongshenglong shall pay plaintiff Shanghai JCT default payment of RMB100,172,906.35 as at 24 May 2019 and liquidated damages from 25 May 2019 to the date of actual settlement of default, which is calculated on the basis of RMB364,296,204.47 with an interest of 10% per annum;
3. Defendant Hongshenglong shall pay plaintiff Shanghai JCT legal fees of RMB360,000;
4. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the housing ownerships owned by defendant Honglei Southeast located at Nos. 248 and 250, Genta East Road, Jiyang Street, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB11.05 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Southeast, while the outstanding amount will be continuously settled by defendant Hongshenglong;

5. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the housing ownership owned by defendant Honglei Southeast located at Hongjing Manor Club, Datang Town, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB93.42 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Southeast, while the outstanding amount will be continuously settled by defendant Hongshenglong;
6. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the housing ownerships owned by defendant Honglei Southeast located at Nos. 270, 272 and 274, Genta East Road, Jiyang Street, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB20.38 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Southeast, while the outstanding amount will be continuously settled by defendant Hongshenglong;
7. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the housing ownerships owned by defendant Honglei Southeast located at Nos. 262, 276, 252, 254, 256 and 258, Genta East Road, Jiyang Street, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB36.73 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Southeast, while the outstanding amount will be continuously settled by defendant Hongshenglong;

8. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the commercial building ownership owned by defendant Honglei Group located at No. 27, 1/F Block A, Dongfang Garden, Hai'er Avenue, Honghuagang District, Zunyi City, Guizhou Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB28 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Group, while the outstanding amount will be continuously settled by defendant Hongshenglong;
9. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the housing ownership owned by defendant Honglei Building Material Factory located at the south side of Wenchang Road, Datang Town, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB48.2 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Honglei Building Material Factory, while the outstanding amount will be continuously settled by defendant Hongshenglong;
10. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the 5 housing ownerships owned by defendant Mr. Jin located at No.000101, Building 1 and Nos. 000101–000104, Building 3, Hongding Huating Xianghe Garden, No. 199, Huancheng South Road, Jiyang Street, Zhuji City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB14 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Mr. Jin, while the outstanding amount will be continuously settled by defendant Hongshenglong;

11. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the 9 housing ownerships owned by defendant Mr. Jin located at Nos. 000209–000217, Building 1, Hongxi Gongguan, Datang Town, Zhuji City, Zhejiang Province, or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB10.12 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Mr. Jin, while the outstanding amount will be continuously settled by defendant Hongshenglong;
12. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the 8 housing ownerships owned by defendant Mr. Jin located at Nos. 21–8–21–13 and Nos. 21–15–21–16, Dongjiang Road, Jiyang Street, Zhuji City, Zhejiang Province, or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB50.98 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Mr. Jin, while the outstanding amount will be continuously settled by defendant Hongshenglong;
13. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the 8 housing ownerships owned by defendant Mr. Jin located at No. 000102, No. 000103, Building 1 and Nos. 000101–000106, Building 2, Hongding Huating Xianghe Garden, No. 199, Huancheng South Road, Jiyang Street, Zhuji City, Zhejiang Province, or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB34.02 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Mr. Jin, while the outstanding amount will be continuously settled by defendant Hongshenglong;

14. Plaintiff Shanghai JCT, as the mortgagee, shall receive a prioritised compensation of the discounted mortgaged properties in respect of the 14 housing ownerships owned by defendant Mr. Jin located at Nos. 000118–000120, Nos. 000201–000208, Nos. 000218–000220, Building 1, Hongxi Gongguan, Datang Town, Zhuji City, Zhejiang Province, or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB26.08 million, as settlement for the payment obligations as set out in judgments 1, 2 and 3 above. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to defendant Mr. Jin, while the outstanding amount will be continuously settled by defendant Hongshenglong;
15. The claim for receiving a prioritised compensation of the discounted mortgaged properties in respect of the enameled wires, copper pipes, copper blocks and copper rods owned by Hongshenglong and Taisheng or the proceeds through auctioning or disposal of such mortgaged properties entitled as the pledgee, within the scope of the maximum claim amount of RMB100 million, and the claim for property preservation fee of RMB231,810.42 initiated by Shanghai JCT were rejected.

III. INFORMATION ABOUT THE APPEAL AT THE SECOND HEARING

(I) Facts and claims of the appeal

After Shanghai JCT received the first hearing judgment from the Shanghai No. 1 Intermediate People's Court, which held that the pledge right involved in the case had not been effectively established, Shanghai JCT appealed to the Shanghai High People's Court, requesting to revoke the judgment that the pledge right had not been effectively established, and amend the judgment that if Hongshenglong fails to perform its repayment obligations in the case, Shanghai JCT shall have the right to receive a prioritised compensation of the discounted mortgaged properties or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB100 million.

(II) Judgment of the appeal

The Shanghai High People's Court filed the case on 3 February 2021 and has been settled for the second hearing. Recently, Shanghai JCT received the judgment from the Shanghai High People's Court ((2021) Hu Min Zhong No. 54) ((2021) 滬民終54號). The details of the judgment are as follows:

The Shanghai High People's Court rejected the appeal and upheld the first hearing judgment.

IV. IMPACT OF THE LITIGATIONS ON THE COMPANY'S PROFIT FOR THE CURRENT PERIOD OR SUBSEQUENT PERIODS

As at 31 December 2020, the Company had made provision for bad debts of RMB291,693,800 for the corresponding principal amount of goods; from 1 January 2021 to 30 June 2021, the Company had made provision for bad debts of RMB5,251,800 for the corresponding principal amount of goods again, and the above accumulated bad debts provision amounted to RMB296,945,600 in total. During the course of the Litigation, the Company has applied to the court for property preservation in respect of the pledged assets involved in the Litigation. After assessing the relevant pledged assets, the remaining principal amount of goods is expected to be covered, and there is no exposure risk for the time being. The Company will follow closely to the subsequent disposal of the pledged assets to safeguard the overall interests of the Company.

V. DOCUMENT FOR INSPECTION

The Civil Judgment of the Shanghai High People's Court

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

Nanchang, Jiangxi, the People's Republic of China, 15 October 2021

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.