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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 SUBSEQUENT 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**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

IMPORTANT NOTICE:

- Litigation stage (the “**Litigation**”): The first hearing was completed
- Status of the subsidiary of the Company: Plaintiff
- Amount involved: The court ordered the defendant to pay a total of RMB1,179,061,729.71 (including principal amount of goods, default payments and legal fees)

- Impact of the Litigation on the Company’s profits for the current period or subsequent periods: As of 31 May 2021, in accordance with the requirements of relevant accounting standards, the Company has made provision for bad debts of RMB628,445,300. At present, only the first hearing was completed for the Litigation, and the defendants may file an appeal; there is still uncertainty about the results of the Litigation; therefore, the impact on the Company’s profits for the current period or subsequent periods cannot be ascertained at the present stage.

I. BASIC INFORMATION OF THE LITIGATION

On 21 June 2019, Shanghai Jiangxi Copper Trading Company Limited (“**Shanghai JCT**”), a wholly-owned subsidiary of the Company, filed a civil complaint to Shanghai No. 1 Intermediate People’s Court, and sued Shandong Xinhui Copper Materials Co., Ltd. (“**Xinhui Copper Materials**”), Yantai Jiaheng New Materials Co., Ltd. (“**Jiaheng New Materials**”), Shandong Zhongjia Electronic Technology Co., Ltd. (“**Zhongjia Electronic**”), Zhaoyuan Jinshan Trading Co., Ltd. (“**Jinshan Trading**”), Zhaoyuan Golden Seed Education Consulting Co., Ltd. (“**Golden Seed Education**”), Zhaoyuan Jiaheng Culture & Media Co., Ltd. (“**Jiaheng Culture**”), Li Jiating, Sun Shuhui, Yantai Shanshangli Gold Mine Co., Ltd. (“**Shanshangli Gold Mine**”) and Yantai Jiaheng Copper Co., Ltd. (“**Jiaheng Copper**”), to claim that Xinhui Copper Materials shall pay the principal amount of the goods as of 30 June 2017 and the resulting overdue default payment, legal fees, property preservation and insurance fees in the aggregate amount of RMB1,179,725,932.19, Jiaheng New Materials and other joint defendants, as guarantors and warrantors, shall bear the guarantee responsibility within their respective scope of guarantee.

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. Please refer to the Announcement for the details of the case.

On 10 July 2020, the hearing was commenced at an open court at the Shanghai No. 1 Intermediate People’s Court.

II. PROGRESS OF THE LITIGATION

On 1 July 2021, Shanghai JCT received the civil judgment from Shanghai No. 1 Intermediate People’s Court ((2019) Hu 01 Min Chu No. 206) (《民事判決書》((2019)滬01民初206號)). The details of the judgement are as follows:

- (1) It was confirmed that Shanghai JCT, the plaintiff, had a right to the goods of RMB999,381,633.58, default payment of RMB179,330,096.13 and legal fees of RMB350,000 against defendant Xinhui Copper Materials;

- (2) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Xinhui Copper Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB385,935,525.04;
- (3) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Jiaheng New Materials to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB109,272,827.28; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds which exceed the claim amount shall belong to Jiaheng New Materials, the outstanding amount will be continuously settled by Xinhui Copper Materials;
- (4) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted amount of its mortgaged machinery and equipment or the proceeds through auctioning or disposal of such collaterals, within the scope of the maximum claim amount of RMB70 million; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds which exceed the claim amount shall belong to Zhongjia Electronic, the outstanding amount will be continuously settled by Xinhui Copper Materials;
- (5) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Zhongjia Electronic to receive a prioritised compensation of the discounted mortgaged property ownership located at Room 1 to 3, 18 Binhe Road, Zhaoyuan City, Shandong Province and the corresponding land use rights or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB270 million; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds which exceed the claim amount shall belong to Zhongjia Electronic, the outstanding amount will be continuously settled by Xinhui Copper Materials;

- (6) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Jinshan Trading to receive a prioritised compensation of the discounted mortgaged property located at Building 1 (a total of 39 properties), Building 2 (a total of 230 properties), Jinhui Trade City, Zhaoyuan City, Shandong Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB314,380,000; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds which exceed the claim amount shall belong to Jinshan Trading, the outstanding amount will be continuously settled by Xinhui Copper Materials;
- (7) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Golden Seed Education to receive a prioritised compensation of the discounted mortgaged property located at Building 10, Jinhui Decoration Materials City, Jinhui Road West, Wenquan Road South, Zhaoyuan City, Shandong Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB100 million; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds which exceed the claim amount shall belong to Golden Seed Education, the outstanding amount will be continuously settled by Xinhui Copper Materials;
- (8) If Shanghai JCT, the plaintiff, has not received the settlement for the right held in the judgement mentioned in (1) above, Shanghai JCT, the plaintiff, may agree with defendant Jiaheng Culture to receive a prioritised compensation of the discounted mortgaged property located at Building 1, Jinhui Trade City, Zhaoyuan City, Shandong Province (a total of 19 properties), or the proceeds through tendering or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB150 million; after the mortgaged properties are discounted, auctioned or disposed of, the part of the proceeds exceed the claim amount shall belong to Jiaheng Culture, the outstanding amount will be continuously settled by Xinhui Copper Materials;
- (9) Defendants Jiaheng New Materials, Li Jiating, Sun Shuhui, Shanshangli Gold Mine and Jiaheng Copper shall bear the joint liability guarantee in respect of obligations of the judgement mentioned in (1) above defendant Xinhui Copper Materials within the scope of the maximum claim amount of RMB1.5 billion; after defendants Jiaheng New Materials, Li Jiating, Sun Shuhui, Shanshangli Gold Mine and Jiaheng Copper have undertaken the guarantee liability, they have the right to receive compensation from defendant Xinhui Copper Materials;
- (10) The claim for the property preservation and insurance fees of RMB664,202.48 initiated by Shanghai JCT, the plaintiff, was rejected.

The case acceptance fee is RMB5,576,820.63, and the preservation fee is RMB5,000, totaling RMB5,581,820.63, which are borne jointly by Xinhui Copper Materials, Jiaheng New Materials, Zhongjia Electronic, Jinshan Trading, Golden Seed Education, Jiaheng Culture, Li Jiating, Sun Shuhui, Shanshangli Gold Mine and Jiaheng Copper (of which the cap of the litigation cost for Zhongjia Electronic is RMB1.6 million, the cap of the litigation cost for Jinshan Trading is RMB1.48 million, the cap of the litigation cost for Golden Seed Education is RMB470,000 and the cap of the litigation cost for Jiaheng Culture is RMB710,000).

III. DESCRIPTION OF THE LITIGATION

Pursuant to the judgement, the debtor Xinhui Copper Materials, the guarantors Jiaheng New Materials and Jiaheng Copper have been accepted by the People's Court of Zhaoyuan City, Shandong Province for the application of bankruptcy. The Company will pay close attention to the bankruptcy and liquidation process of the above enterprises, and will take all legal means to safeguard the interests of the Company.

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

As of 31 May 2021, in accordance with the requirements of relevant accounting standards, the Company has made provision for bad debts for the principal amount of the goods of RMB628,445,300. At present, only the first hearing was completed for the Litigation, and the defendant may file an appeal; there is uncertainty about the results of the Litigation; therefore, the impact on the Company's profits for the current period or subsequent periods cannot be ascertained at the present stage.

The Company will perform its information disclosure obligations in a timely manner according to the progress of the Litigation.

V. DOCUMENT FOR INSPECTION

1. The Civil Judgment from Shanghai No. 1 Intermediate People's Court (《上海市第一中級人民法院民事判決書》)

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

Nanchang, Jiangxi, PRC, 2 July 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 are Mr. Liu Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.