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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)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO  
LITIGATIONS 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**”) on a voluntary basis.

**IMPORTANT NOTICE:**

- Litigation stage of litigation I (“**Litigation I**”) and litigation II (“**Litigation II**”, together with Litigation I, collectively referred to as the “**Litigations**”): The first hearing was completed
- Status of the subsidiary of the Company: Plaintiff
- Amount involved: The court ordered the defendants to:
  - (i) make the following payments to Shanghai Jiangxi Copper Trading Company Limited (上海江銅營銷有限公司) (“**Shanghai JCT**”), a wholly-owned subsidiary of the Company, in respect of Litigation I: the total principal amount of goods and legal fees amounted to RMB78,058,474.74; the total amount of interest payable on the default payment for late payment of goods for the period from May 2014 to 30 June 2017 amounted to

RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the benchmark interest rate for bank loans during the same period (“LPR”), and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment;

(ii) make the following payments to Shanghai JCT in respect of Litigation II: the total principal amount of goods and legal fees amounted to RMB191,194,357.93; the total amount of interest payable on the default payment for late payment of goods for the period from 1 November 2016 to 30 June 2017 amounted to RMB9,160,568.88; using RMB186,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest rate shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment.

- Impact of the Litigations on the Company’s profits for the current period or subsequent periods: At present, only the first hearing was completed for the Litigations, and the defendants may file appeals. There is still uncertainty about the results of the Litigations, therefore, the impact on the Company’s profits for the current period or subsequent periods cannot be ascertained at the present stage.

## **1. LITIGATION I**

### **I. Basic Information**

(I) Court acceptance time: 18 September 2019

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

(III) Parties to Litigation I

1. Plaintiff: Shanghai JCT

Domicile: Room 7F-1, No. 727, Zhangjiang Road, Pilot Free Trade Zone, Shanghai

Legal Representative: Xu Wei

2. Defendant 1: Shanghai Zhimaiyuanhe Industrial Co., Ltd. (上海智脈源和實業有限公司) (“**Zhimai Company**”)

Domicile: Room 1311, No. 306, Taopu Road, Putuo District, Shanghai

Legal Representative: He Qiujun

3. Defendant 2: Qi Jianping (“**Ms. Qi**”), female, Han nationality

4. Defendant 3: Jin Lei (“**Mr. Jin**”), male, Han nationality

5. Defendant 4: Shi Huixia (“**Ms. Shi**”), female, Han nationality

6. Defendant 5: Zhejiang Honglei Southeast Real Estate Development Co., Ltd. (浙江宏磊東南房地產開發有限公司) (“**Zhejiang Honglei Company**”)

Domicile: No. 123, Wangyun Road, Jiyang Street, Zhuji City, Zhejiang Province

Legal Representative: Wang Zhaowu

7. Defendant 6: Yingtan City Luzhou Real Estate Co., Ltd. (鷹潭市綠洲置業有限公司) (“**Luzhou Company**”)

Domicile: Wuhu Economic Development Zone, Yujiang County, Yingtan City, Jiangxi Province

Legal Representative: Ms. Qi

8. Defendant 7: Zunyi Honglei Real Estate Development Co., Ltd. (遵義宏磊房地產開發有限公司) (“**Zunyi Honglei Company**”)

Domicile: Sales Department of Jinlin Mansion, East Capital, Gongqing 2<sup>nd</sup> Road, Longkeng Road Sub-district Office, New South District, Zunyi City, Guizhou Province

Legal Representative: Qi Jiansheng

## II. Facts, Reasons and Claims

### *(I) Facts and Reasons*

On 5 May 2014, Shanghai JCT and Zhimai Company entered into a 2014 annual sales contract and agreed that Zhimai Company (the purchaser) shall purchase 8,000 tonnes/year (estimated) of 8.0 mm electrical round copper wire billets and 8,000 tonnes/year (estimated) of 2.6 mm electrical round copper wire from Shanghai JCT (the seller).

In order to guarantee the performance of the obligations under the abovementioned sales contract, Shanghai JCT (the mortgagee) and Ms. Qi (the mortgagor) entered into maximum amount mortgage agreements on 1 November 2016 and 29 November 2016, respectively, whereby the latter provided a mortgage of a maximum amount of RMB120,100,000 for 8 housing ownerships and corresponding land use rights located at Xueyuan Road, Xihu District, Hangzhou City, Zhejiang Province and a mortgage of a maximum amount of RMB106,620,000 for a total of 14 housing ownerships and corresponding land use rights located at No. 123, Wangyun Road, Taozhu Street, Zhuji City, Zhejiang Province. Both parties subsequently registered the mortgages.

On 23 November 2016, Shanghai JCT (the mortgagee) and Mr. Jin (the mortgagor) entered into a maximum amount mortgage agreement, whereby the latter provided a mortgage of a maximum amount of RMB56,170,000 for a total of 15 housing ownerships and corresponding land use rights located at Building 1, Hongding Huating Fengrun Garden, No. 199, Huancheng South Road, Jiyang Street, Zhuji City, Zhejiang Province. Both parties subsequently registered the mortgages.

On 7 February 2018, Shanghai JCT (the mortgagee) and Ms. Shi (the mortgagor) entered into a maximum amount mortgage agreement, whereby the latter provided a mortgage of a maximum amount of RMB23,250,000 for 2 housing ownerships and corresponding land use rights located at Building 18, Genyuan • Fortune Hui, Desheng West Road North, Desheng Commercial and Residential District, Helan County, Yinchuan City, Ningxia Hui Autonomous Region. Both parties subsequently registered the mortgages.

The four maximum amount mortgage agreements (the “**Four Maximum Amount Mortgages**”) mentioned above all stipulated that the mortgagee shall dispose of the mortgaged properties in accordance with the law, but if the proceeds from the auction and disposal of the

mortgaged properties are not sufficient to pay off all the debts or the discounted amount of the mortgaged properties is not sufficient to pay off all the debts, Zhejiang Honglei Company shall unconditionally assume joint and several liabilities for the outstanding debts.

On 14 November 2016, Shanghai JCT and Zhejiang Honglei Company entered into an equity pledge contract (the “**Zhejiang Honglei Company Equity Pledge**”), whereby the latter provided a pledge of a maximum amount of RMB45,000,000 of its 4.8% equity interests (corresponding to the capital contribution of RMB19.2 million) and corresponding rights and other rights and interests such as dividends, bonuses and bonus issue in Zhuji Hongrun Small Loan Co., Ltd., and completed the corresponding registration.

In addition, on 1 January 2014, each of Luzhou Company and Zunyi Honglei Company issued letters of guarantee (the “**Luzhou and Zunyi Honglei Guarantee**”) to Shanghai JCT, respectively, to provide joint and several liability guarantee in respect of the payment obligations under the abovementioned sales contract with a maximum liability of RMB1,500,000,000. On 18 December 2015, Ms. Qi issued a letter of guarantee (together with the Luzhou and Zunyi Honglei Guarantee, collectively referred to as the “**Guarantees**”) to Shanghai JCT, to provide joint and several liability guarantee in respect of the payment obligations under the abovementioned sales contract with a maximum liability of RMB1,000,000,000.

After the execution of the sales contract, from 7 May 2014 to 2 September 2014, Shanghai JCT transferred a total of 15,200.309 tonnes of copper rods to Zhimai Company. On 28 December 2016, Shanghai JCT transferred a total of 1,328.774 tonnes of copper rods to Zhimai Company. Shanghai JCT had invoiced a total of RMB171,217,159.83.

## ***(II) Claims***

1. To order Zhimai Company to pay Shanghai JCT the total amount of goods of RMB77,983,474.74;
2. To order Zhimai Company to pay interest of RMB135,920,475.63 (interest was provisionally accrued until 31 July 2019, and the subsequent interest shall be accrued at an annualised rate of 10% based on the amount owed until the date of payment);
3. To order Zhimai Company to pay RMB150,000 legal fees and RMB100,000 for preservation guarantee fees;

4. To order Shanghai JCT, as the mortgagee, to receive a prioritised compensation of the discounted mortgaged properties of Ms. Qi's 8 housing ownerships and corresponding land use rights located at Xueyuan Road, Xihu District, Hangzhou City, Zhejiang Province or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB120,100,000, as settlement for the amount of the first, second and third claims;
5. To order Shanghai JCT, as the mortgagee, to receive a prioritised compensation of the discounted mortgaged properties of Ms. Qi's 14 housing ownerships and corresponding land use rights located at No. 123, Wangyun Road, Taozhu 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 RMB106,620,000, as settlement for the amount of the first, second and third claims;
6. To order Shanghai JCT, as the mortgagee, to receive a prioritised compensation of the discounted mortgaged properties of Mr. Jin's 15 housing ownerships and corresponding land use rights located at Building 1, Hongding Huating Fengrun 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 RMB56,170,000, as settlement for the amount of the first, second and third claims;
7. To order Shanghai JCT, as the mortgagee, to receive a prioritised compensation of the discounted mortgaged properties of Ms. Shi's 2 housing ownerships and corresponding land use rights located at Building 18, Genyuan • Fortune Hui, Desheng West Road North, Desheng Commercial and Residential District, Helan County, Yinchuan City, Ningxia Hui Autonomous Region or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB23,250,000, as settlement for the amount of the first, second and third claims;
8. To order Zhejiang Honglei Company to assume responsibility for any outstanding payment in the event that the proceeds from the auctioning or disposal of the mortgaged properties or discounted mortgaged properties mentioned in the fourth and fifth claims above are insufficient to pay off the first, second and third claims;

9. To order Shanghai JCT, as the pledgee, to receive a prioritised compensation of the discounted amount of Zhejiang Honglei Company's 4.8% equity interests in Zhuji Hongrun Small Loan Co., Ltd. (corresponding to the capital contribution of RMB19.2 million) and the corresponding rights and other rights and interests such as dividends, bonuses and bonus issue or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000, as settlement for the amount of the first, second and third claims;
10. To order Luzhou Company to assume joint and several guarantee liabilities for the abovementioned first, second and third claims within the scope of the maximum claim amount of RMB1,500,000,000;
11. To order Zunyi Honglei Company to assume joint and several guarantee liabilities for the abovementioned first, second and third claims within the scope of the maximum claim amount of RMB1,500,000,000;
12. To order Ms. Qi to assume joint and several guarantee liabilities for the abovementioned first, second and third claims within the scope of the maximum claim amount of RMB1,000,000,000;
13. The litigation costs to be borne jointly by the defendants.

### III. Judgement

Recently, Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 296) (《民事判決書》((2019)滬01民初296號)) (the "**Civil Judgement of Litigation I**"). The details of the judgement are as follows:

- (1) Zhimai Company shall pay Shanghai JCT the total amount of goods of RMB77,983,474.74 within 10 days from the effective date of the judgement;
- (2) Zhimai Company shall pay default payment for late payment to Shanghai JCT within 10 days from the effective date of the judgement: among which, the total interest payable on the amount of goods from May 2014 to 30 June 2017 shall be RMB103,845,524.25; using RMB77,983,474.74 as the base amount, from 1 July 2017 to 19 August 2018, interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment;

- (3) Zhimai Company shall pay RMB75,000 legal fees to Shanghai JCT within 10 days from the effective date of the judgement;
- (4) If Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT may agree with Ms. Qi to receive a prioritised compensation of the discounted mortgaged properties of the 8 housing ownerships and corresponding land use rights located at Xueyuan Road, Xihu District, Hangzhou City, Zhejiang Province and a total of the 14 housing ownerships and corresponding land use rights located at No. 123 Wangyun Road, Taozhu Street, Zhuji City, Zhejiang Province or the proceeds through auctioning and disposal of such mortgaged properties, within the scope of the maximum claim amount of RMB226,720,000. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to Ms. Qi, while the outstanding amount will be continuously settled by Zhimai Company. Ms. Qi has the right to claim against Zhimai Company after Shanghai JCT has realised its mortgage rights;
- (5) If Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT may agree with Mr. Jin to receive a prioritised compensation of the discounted mortgaged properties of the 15 housing ownerships and corresponding land use rights located at Building 1, Hongding Huating Fengrun 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 RMB56,170,000. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to Mr. Jin, while the outstanding amount will be continuously settled by Zhimai Company. Mr. Jin has the right to claim against Zhimai Company after Shanghai JCT has realised its mortgage rights;
- (6) If Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT may agree with Ms. Shi to receive a prioritised compensation of the discounted mortgaged properties of the 2 housing ownerships and corresponding land use rights located at Building 18, Genyuan • Fortune Hui, Desheng West Road North, Desheng Commercial and Residential District, Helan County, Yinchuan City, Ningxia Hui Autonomous Region or the proceeds through auctioning or disposal of such mortgaged properties, within the scope of the maximum

claim amount of RMB23,250,000. After the mortgaged properties are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to Ms. Shi, while the outstanding amount will be continuously settled by Zhimai Company. Ms. Shi has the right to claim against Zhimai Company after Shanghai JCT has realised its mortgage rights;

- (7) If Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT may agree with Zhejiang Honglei Company to receive a prioritised compensation of the discounted equity interests of RMB19.2 million of Zhuji Hongrun Small Loan Co., Ltd. pledged by Zhejiang Honglei Company or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB45,000,000. After the pledged interests are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to Zhejiang Honglei Company, while the outstanding amount will be continuously settled by Zhimai Company. Zhejiang Honglei Company has the right to claim against Zhimai Company after Shanghai JCT had realised its mortgage rights;
- (8) The remaining claims initiated by Shanghai JCT were rejected.

The case acceptance fee is RMB1,112,569.75, the preservation fee is RMB5,000, all of which are borne by Zhimai Company.

## **2. LITIGATION II**

### **I. Basic Information**

- (I) Court acceptance time: 18 September 2019
- (II) Name of court: Shanghai No. 1 Intermediate People's Court
- (III) Parties to the Litigation II:
1. Plaintiff: Shanghai JCT
  2. Defendant 1: Zhimai Company
  3. Defendant 2: Ms. Qi
  4. Defendant 3: Mr. Jin

5. Defendant 4: Ms. Shi
6. Defendant 5: Zhejiang Honglei Company
7. Defendant 6: Zhejiang Hongtian Copper Company Limited (浙江宏天銅業有限公司) (“**Hongtian Company**”)

Domicile: No. 62 Zhancheng Avenue, Taozhu Street, Zhuji City, Zhejiang Province

Legal Representative: Wang Keji

8. Defendant 7: Luzhou Company
9. Defendant 8: Zunyi Honglei Company

## **II. Facts, Reasons and Claims**

### ***(I) Facts and Reasons***

On 1 November 2016, Shanghai JCT entered into a 2016 annual sales contract with Zhimai Company, pursuant to which it was agreed that Zhimai Company (the purchaser) would purchase 28,000 tonnes/year (estimated) of 8.0 mm electrical round copper wire billets from Shanghai JCT (the seller).

Shanghai JCT (the seller) and Zhimai Company (the purchaser) entered into copper rod and wires sale and purchase contracts on 18 November 2016 and 22 November 2016, respectively, and agreed to the sale and purchase of 1,100 tonnes and 218 tonnes of 8mm copper rod and wire (being product name and specification), with a total amount of RMB50,338,500 and RMB10,099,940 respectively (the delivery under the contracts had been completed).

To guarantee the performance of obligations under the above sales contracts, in addition to the Four Maximum Amount Mortgages, the Zhejiang Honglei Company Equity Pledge and the Guarantees mentioned in the Litigation I section (details of which are set out in the section of Litigation I headed “II. Facts, Reasons and Claims – (I) Facts and Reasons” of this announcement), Shanghai JCT also entered into an equity pledge contract with Hongtian Company, whereby the latter provided a pledge of a maximum amount of RMB87 million of its 8% equity interests in Zhuji Hongrun Small Loan Co., Ltd. (corresponding

to the capital contribution of RMB26.43 million) and corresponding rights and other rights and interests, such as dividends, bonuses and bonus issue, and completed the corresponding registration.

After the execution of the sales contracts mentioned above, from 8 November 2016 to 1 September 2017, Shanghai JCT delivered a total of 6,031.316 tonnes of copper products to Zhimai Company; from 30 August to 1 September 2017, Shanghai JCT delivered 95.551 tonnes of copper products.

## ***(II) Claims***

1. To order Zhimai Company to pay Shanghai JCT the total amount of goods of RMB191,137,087.17;
2. To order Zhimai Company to pay default payment of RMB50,455,383.18 (the default payment was provisionally calculated up to 31 July 2019, and the subsequent interest shall be accrued continuously until the date of payment according to the interest rate stipulated in the contracts based on the amount owed);
3. To order Zhimai Company to pay legal fees of RMB150,000, preservation guarantee expenses of RMB105,000;
4. Other than the change of the amounts of claims to the amounts of claims mentioned in claims 1 to 3 of Litigation II above, other claims of Litigation II are the same as claims 4 to 12 of Litigation I;
5. To order Shanghai JCT, as the pledgee, to receive prioritised compensation of the discounted amount of Hongtian Company's 8% equity interests in Zhuji Hongrun Small Loan Co., Ltd. (corresponding to the capital contribution of RMB26.43 million) and corresponding rights and other rights and interests, such as dividends, bonuses, bonus issue or the proceeds through auctioning or disposal of such pledged interests within the scope of the maximum claim amount of RMB87,000,000, as settlement for the amount of the first, second and third claims;
6. The litigation costs to be jointly borne by the defendants.

### III. Judgement

Recently, Shanghai JCT received the civil judgement from Shanghai No. 1 Intermediate People's Court ((2019) Hu 01 Min Chu No. 295) (《民事判決書》((2019)滬01民初295號)) (The “**Civil Judgement of Litigation II**”). The details of the judgement are as follows:

- (1) Zhimai Company shall pay Shanghai JCT the total amount of goods of RMB191,119,357.93 within 10 days from the effective date of the judgement;
- (2) Zhimai Company shall pay default payment for late payment to Shanghai JCT within 10 days from the effective date of this judgement, among which, the total interest payable on the amount of goods from 1 November 2016 to 30 June 2017 shall be RMB9,160,568.88; using RMB186,449,444.86 as the base amount, from 1 July 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment; using RMB4,669,913.07 as the base amount, from 11 September 2017 to 19 August 2018, the interest shall be calculated at 1.2 times of the LPR, and calculated at 1.2 times of the LPR from 20 August 2018 to the date of actual payment;
- (3) Zhimai Company shall pay RMB75,000 legal fees within 10 days from the effective date of the judgement;
- (4) If Zhimai Company fails to perform the payment obligations and pay the litigation costs confirmed in judgements 1 to 3 above, Shanghai JCT may agree with Hongtian Company to receive a prioritised compensation of the discounted equity interests of RMB26.43 million of Zhuji Hongrun Small Loan Co., Ltd. pledged by Hongtian Company or the proceeds through auctioning or disposal of such pledged interests, within the scope of the maximum claim amount of RMB87,000,000. After the pledged interests are auctioned or disposed of, the part of the proceeds which exceed the secured indebtedness amount shall belong to Hongtian Company, the outstanding amount will be continuously settled by Zhimai Company. Hongtian Company has the right to claim against Zhimai Company after Shanghai JCT has realised its mortgage rights;
- (5) Apart from the change of the confirmed amount of payment obligation to the confirmed amount of payment obligations and the litigation costs mentioned in judgements 1 to 3 of Litigation II above, other judgements of Litigation II are the same as judgements 4 to 7 of Litigation I;

(6) The remaining claims initiated by Shanghai JCT were rejected.

The case acceptance fee is RMB1,251,037.35 and the preservation fee is RMB5,000, all of which shall be borne by Zhimai Company.

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

At present, only the first hearing was completed for the Litigations, and the defendants may file appeals. There is still uncertainty about the results of the Litigations, 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 Litigations.

### **4. DOCUMENTS FOR INSPECTION**

(I) The Civil Judgement of Litigation I; and

(II) The Civil Judgement of Litigation II.

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

Nanchang, Jiangxi, the People's Republic of China, 9 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 of the Company are Mr. Liu Erh Fei, Mr. Liu Xike, Mr. Zhu Xingwen and Mr. Wang Feng.*