

Provision for Courts' enforcement cases

Appendix 1 (b)

SN	Enforcement Case Number	Parties involved	Enforcement amount (RMB)	Judgement on Litai (per detail court rulings)	Provision (RMB)
1	(2020) 川0112执 751号	9 parties (of which Litai and Mr Xu Youcai are among them)	2,053,700	This is related to mediation case number (2019) 川0112民初7298号 of which Litai, Xu Youcai and 7 other parties were ordered to bear RMB 2,053,700. This amount may be partially settled. Per SN 9 below, the outstanding unsettled amount is RMB 735,938. On grounds of prudence, the Group provides RMB735,938.	-
2	(2020) 川0112 执862号 (same	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019) 川0112民初7298号 of which Litai, Xu Youcai and 7 other parties were ordered to bear RMB 2,053,700 as above. No further provision is required.	-
3	(2020)川 0112 执1101号 (same case as S/N 4)	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019) 川0112民初7298号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	-
4	(2020)川0112 执 1248号 (same case as S/N 2)	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019) 川0112民初7298号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	-
5	(2020) 川 0112 执1249号	9 parties (of which Litai and Mr Xu Youcai are among them)	2,053,700	This is related to mediation case number (2019) 川0112民初7299号 of which Litai, Xu Youcai and 7 other parties are orderd to to bear RMB 2,053,700 as above. This may be related to mediation case number (2019) 川0112民初7298号 above. However, on grounds of prudence, the Group provides RMB 2,053,700.	2,053,700
6	(2020) 川 0112 执1635号	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019) 川0112民初7298号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	-
7	(2021)川 0112执 1636号 (maybe same case as S/N 5)	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019) 川0112民初7299号 of which Litai, Xu Youcai and 7 other parties are orderd to bear RMB 2,053,700 as above. No further provision is required.	-

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8	(2020)川0112执2181号	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019)川0112民初7299号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	-
9	(2020)川0112执2468号	9 parties (of which Litai and Mr Xu Youcai are among them)	735,938	This is related to mediation case number (2019)川0112民初7298号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	735,938
10	(2020)川0112执2469号	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This may be related to mediation case number (2019)川0112民初7299号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 1,000,000. To be prudent and assuming other parties have no funds to settle the amount, the Group shall provide RMB 1 million.	1,000,000
11	(2020)川0112执2179号	9 parties (of which Litai and Mr Xu Youcai are among them)	1,000,000	This is related to mediation case number (2019)川0112民初7298号 of which Litai, Xu Youcai and 7 other parties are ordered to bear RMB 2,053,700 as above. No further provision is required.	-
12	(2020)苏0213执3925号 (Judgement Document:(2020)苏0213民初864号)	Litai, Xu Youcai and 2 other parties (江阴利泰装饰材料有限公司、徐友才、胡秀珍、江阴盛通铝业有限公司)	12,292,283	This case should be related to short term loans from Bank of China of RMB7.00 million and 4.43 million, secured against leasedhold buildings and land use rights with net carrying amount of about RMB 2.58 million and RMB 1.11 million, respectively. The two loans have been recorded in books of Litai. Per detail court's rulings, enforcement judgement amounted to RMB 12,292,283 (which include interest, legal fees and penalty totaled RMB 863,443). The bank is entitled to auction off the fixed assets pledged under security numbers (2019)江阴市不动产证明 0004319, 0004320 and 0004321. Therefore, the addition provision for litigation should be RMB 863,443.	863,443
13	(2020)津0116执8412号 (Judgement Document:(2020)津0116民初11915号)	Litai and Xu Youcai	1,238,358	This case is related to trade payable due to PPG of RMB1,192,756 (per Litai's books). Per detailed court's rulings, the enforcement judgement of RMB 1,238,358 includes legal fees of RMB 45,602. The additional provision for litigation should be RMB 45,602	45,602
14	(2021)苏1204执83号 (Judgement Document:(2020)苏1204民初3627号)	Litai (江阴利泰装饰材料有限公司)	1,050,138	Maozhan Co. Ltd (泰州市隆鑫毛毡有限公司), of RMB 1,038,007 as at 31 December 2020. Therefore, the Group provides for court and legal charges of RMB 12,131.	12,131

SN	Enforcement Case Number	Parties involved	Enforcement amount (RMB)	Judgement on Litai (per detail court rulings)	Provision (RMB)
3	(2020)苏0281执6172号 (Judgement Document:(2019)苏0281民初16262号)	Litai and one related party, Jiangyin Comat Metal Products Co. Ltd ("Comat") (江阴利泰装饰材料有限公司、江阴科玛金属制品有限公司)	11,078,400	This case is related to the prepayment of RMB 11,000,000 made by the enforcement applicant, Hangzhou Xiaoshan Jiangnan Iron Printing & Cans Manufacturing Co., Ltd(杭州萧山江南印铁制罐有限公司), to Comat (a company controlled by Mr Xu Youcai) in Jul 2019 for the purchase of raw materials under a customised processing contract between the two parties. Litai has provided a guarantee letter, without the knowledge and approval of the Board, to the enforcement applicant for the purpose of this customised processing contract as the enforcement applicant has requested for such guarantee on worries that Comat may not be able to fulfill the contract. It has been noted in the court's enforcement ruling that Litai has defended itself in court that it was not aware that it has provided the guarantee letter. However, the court noting that the guarantee letter contains corporate stamp of Litai, legal representative stamp and signature of Mr Xu Youcai, ruled that Litai shall be liable to the prepayment of RMB11,000,000 (related interests and legal fees) should Comat fails to settle the prepayment. Even though this guarantee has not been	5,500,000
4	(2021)浙01执17号 (Judgement Document:(2019)浙01民初4385号)	Litai, Xu Youcai and 12 other parties, namely Jiangsu Haida, Jiangyin East-China, Haida Caitu, Comat, Jiangyin FuAoTe International Trade Co. Ltd (江阴福奥特国际贸易有限公司)("FuAoTe"), Zhao Hongyan(赵红艳), Jiangsu Xufeng Investment Partnership (江苏徐丰投资合伙企业)("Xufeng"), Jiangyin Wenwenli International Trade Co. Ltd (江阴艾文利国际贸易有限公司)("Wenwenli"), Xu Qiang (徐强), Jiangsu Heji Environtech Co. Ltd (江苏和吉环保科技有限公司)("Heji"), and Wu Jifang(吴纪芳).	63,770,836	This case is related to a maximum guranteed loan contract, signed in August 2019, btween the enforcement applicant, Ms Yu Hongxia ("Lender") and the enforced parties, namely: Jiangsu Haida, Jiangyin East-China, Haida Caitu, Comat, FuAoTe, Litai, Zhao Hongyan(赵红艳), XuFeng, Wenwenli, Xu Qiang (徐强), Heji, Wu Jifang(吴纪芳) and Xu Youcai(徐友才), whereby Jiangsu Haida received funds amounting to RMB50,000,000 from the Lender. Based on minutes of the board meetings in 2019/2020, the Company believes that Litai has entered into this contract without its knowledge and approval. The Company noted that the court has ruled that 9 parties, including Litai, are liable to the amount of RMB50,000,000 (not including interest, legal fees, penalties etc). On grounds	5,600,000
Provision for other courts' enforcement cases (Total)					15,810,814