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**中國大冶有色金屬礦業有限公司**

**China Daye Non-Ferrous Metals Mining Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 661)**

## **CAPITAL INJECTION AGREEMENT BETWEEN SHAREHOLDERS OF THE PARENT COMPANY**

On 9 March 2015, the Board was informed by the Parent Company that Hubei SASAC entered into the Capital Injection Agreement with CNMC on 9 March 2015. Pursuant to the Capital Injection Agreement, CNMC and Hubei SASAC agreed to inject capital into the Parent Company in an amount of approximately RMB2.7 billion based on the audited or evaluated net asset value of the Parent Company as at 30 September 2014.

Immediately following the completion of the Capital Injection, the shareholding of CNMC in the Parent Company will increase from 49% to over 50%, and the shareholding of Hubei SASAC in the Parent Company will decrease from 51% to below 50%. The final shareholding interest of each party is subject to the audit or valuation of their respective actual capital to be injected.

### **CAPITAL INJECTION AGREEMENT**

#### **Subject Matter**

On 9 March 2015, the Board was informed by the Parent Company that Hubei SASAC entered into the Capital Injection Agreement with CNMC on 9 March 2015. Pursuant to the Capital Injection Agreement, CNMC and Hubei SASAC agreed to inject capital into the Parent Company in an amount of approximately RMB2.7 billion based on the audited or evaluated net asset value of the Parent Company as at 30 September 2014. The details are as follows:

- CNMC shall inject into the Parent Company RMB2.0 billion in cash and relevant audited and evaluated assets of this Capital Injection.
- Hubei SASAC, for itself and on behalf of the local government, shall inject approximately RMB700 million in cash and assets into the Parent Company.

Upon completion of the above Capital Injection, the shareholding of CNMC in the Parent Company will increase to over 50%. The final shareholding interests of CNMC and Hubei SASAC in the Parent Company shall be determined based on their respective actual capital to be injected.

### **Settlement of Capital Injection**

Pursuant to the Capital Injection Agreement, the Capital Injection shall be settled in the following manner:

- Within ten working days from the signing of the Capital Injection Agreement, CNMC shall inject into the Parent Company the sum of RMB2.0 billion as a deposit in respect of the Capital Injection.
- Within ten working days from the completion of audit or valuation on the assets worth approximately RMB700 million already injected into the Parent Company by Hubei SASAC but not yet credited as equity, CNMC shall convert the sum of RMB2.0 billion and the project funding for the protection of the ability for safe production and construction (安全生產保障能力建設專項資金) amounting to RMB53.38 million as capital injection into the Parent Company.

Upon completion of the above Capital Injection, the Parent Company shall modify its constitution and effect the necessary registration for changes with the relevant industrial and commercial administration department.

### **Board Composition of the Parent Company**

Pursuant to the Capital Injection Agreement, the board composition of the Parent Company shall remain unchanged and shall consist of seven directors, of which CNMC may nominate four and Hubei SASAC may nominate three. However, CNMC is entitled to nominate the chairman of the board of the Parent Company and Hubei SASAC is entitled to nominate the deputy chairman.

### **Undertakings from the Parties**

Pursuant to the Capital Injection Agreement, CNMC shall provide the following undertakings:

- CNMC shall position the Parent Company as an entity principally operating in the resource development segment and a base for the integration of the copper industry as well as circular economy and if conditions and opportunities are ripe, support the Parent Company's future development by allocating upstream and downstream quality mines and metallurgical assets to the Parent Company, in particular the copper resources controlled by CNMC both onshore and offshore, or by assigning the development of CNMC's resource projects both onshore and offshore to the Parent Company.

- CNMC shall as soon as practicable come up with a plan in support of the mid-to long-term development of the Parent Company, focusing on the deep processing of non-ferrous metals in high value-added industries in Hubei; expediting the achievement of the Parent Company's development goals laid down by the Thirteenth Five-year Plan; and providing full support to the Parent Company for achieving annual growth in profits.
- The company name, place of domicile and tax jurisdiction of the Parent Company shall remain unchanged and its corporate headquarters and asset base shall remain in Hubei.
- CNMC shall maintain the stability of the management and staff of the Parent Company and avoid large-scale dismissal.

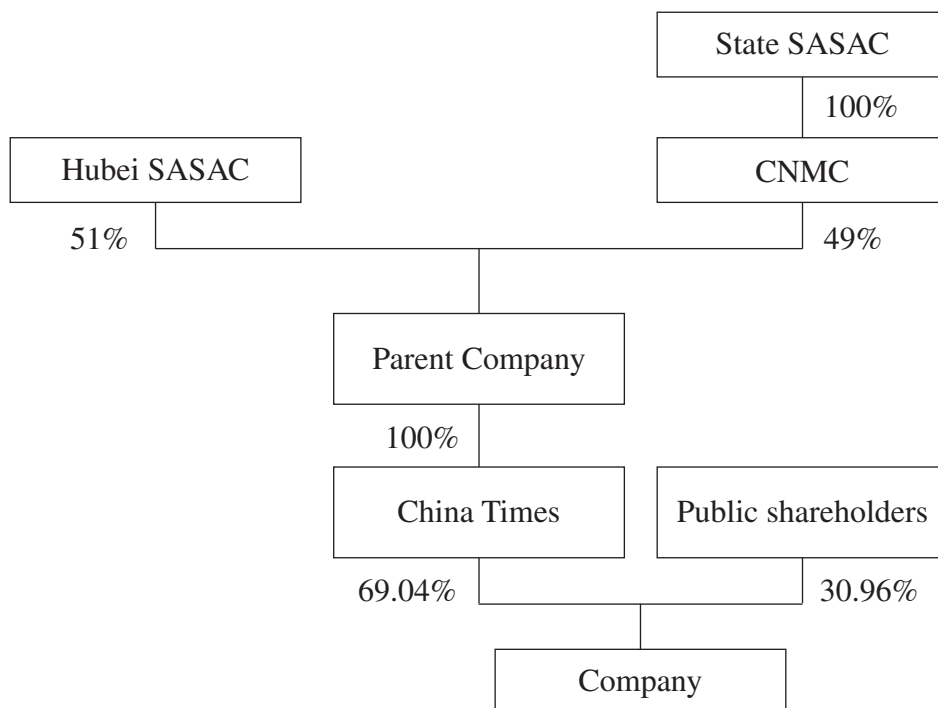
Pursuant to the Capital Injection Agreement, Hubei SASAC shall provide the following undertakings:

- Under the leadership of the party committee and provincial government of Hubei Province, the operating environment of the Parent Company shall be further improved and coordination in terms of public utilities available to the Parent Company shall be strengthened.
- Efforts shall be made to coordinate different government authorities within Hubei Province to timely allocate the non-ferrous metal-related resources to the Parent Company by way of equity participation or transfer at a consideration.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

Assuming that no Shares will be issued under the China Times Convertible Notes, as at the date of this announcement, China Times, the direct controlling shareholder of the Company, holds 11,962,999,080 Shares, representing approximately 69.04% of the entire issued share capital of the Company. The equity interest of China Times is wholly-owned by the Parent Company, which in turn is owned as to 49% and 51% by CNMC and Hubei SASAC respectively.

As at the date of this announcement and immediately prior to the completion of the Capital Injection, the shareholding structure of the Company is as follows:



Immediately following the completion of the Capital Injection, the shareholding of CNMC in the Parent Company will increase from 49% to over 50%, and the shareholding of Hubei SASAC in the Parent Company will decrease from 51% to below 50%. The final shareholding interest of each party is subject to the audit or valuation of their respective actual capital to be injected.

## **INFORMATION REGARDING THE PARTIES INVOLVED IN THE CAPITAL INJECTION AGREEMENT**

The Company is a company incorporated in Bermuda with limited liability, and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the exploitation of mineral resources, the mining and processing of mineral ores and the trading of metal products.

The Parent Company is a leading non-ferrous metal enterprise in Hubei Province principally engaged in the mining and processing of copper. The eight business segments of the Parent Company include: (i) development and production of copper and precious metals, which is mainly operated by the Company; (ii) rare metals segment, which principally involves the development and production of rare metals; (iii) deep processing of copper product segment, which principally involves the production of copper products such as copper rods; (iv) environmental protection segment, which principally involves the recycling of metal products; (v) commercial trading segment, which principally involves regional commercial trading activities; (vi) construction segment, which principally involves the construction of factories and other properties; (vii) equipment manufacturing segment, which principally involves the manufacturing of equipment; and (viii) services segment, which principally

involves the research of ecological agriculture technologies and provision of logistic services. The Company is the major platform of the Parent Company for the development and production of copper and precious metals.

CNMC is a state-owned enterprise wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council of People's Republic of China\* (中華人民共和國國務院國有資產監督管理委員會), and has extensive experience in the non-ferrous industry.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE**

The Board was informed by CNMC that it has applied to the SFC for a ruling that the Capital Injection will not trigger a mandatory general offer obligation for the Shares of the Company under Rule 26.1 of the Takeovers Code. As at the date of this announcement, the SFC has not yet issued the above ruling. CNMC has confirmed that the actual settlement and completion of the Capital Injection shall be subject to the ruling from the SFC, and it shall duly comply with the requirements of the Takeovers Code. CNMC shall also inform the Company of the progress of such application in a timely manner.

The Company will make further announcement(s) in due course if there is any further material development in relation to the above matters.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Capital Injection”	the capital injection transactions contemplated under the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement dated 9 March 2015 entered into between Hubei SASAC and CNMC in respect of the Parent Company
“China Times”	China Times Development Limited, a company incorporated in the British Virgin Islands and the direct controlling shareholder of the Company
“China Times Convertible Notes”	convertible notes in the aggregate amount of HK\$1,003,836,048 issued by the Company to China Times
“CNMC”	中國有色礦業集團有限公司 (China Non-ferrous Metal Mining (Group) Co., Ltd*), a company established in the PRC with limited liability and wholly-owned by State SASAC

“Company”	China Daye Non-Ferrous Metals Mining Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hubei SASAC”	湖北省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Hubei Provincial People’s Government*)
“Parent Company”	大冶有色金屬集團控股有限公司 (Daye Non-ferrous Metals Corporation Holdings Limited*), a company established in the PRC with limited liability and owned as to 51% by Hubei SASAC and 49% by CNMC as at the date of this announcement
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and the Macau Special Administrative Region for the purposes of this announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“State SASAC”	中華人民共和國國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council of People’s Republic of China*)
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

\* For identification purposes only

By Order of the Board of  
**China Daye Non-Ferrous Metals Mining Limited**  
**Zhang Lin**  
*Chairman of the Board*

Hong Kong, 9 March 2015

*As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Zhang Lin (Chairman of the Board), Mr. Long Zhong Sheng, Mr. Zhai Baojin and Mr. Tan Yaoyu; and three independent non-executive Directors, namely Mr. Wang Qihong, Mr. Wang Guoqi and Mr. Liu Jishun.*