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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)

**CONTINUING CONNECTED TRANSACTIONS —
SALES FRAMEWORK AGREEMENT AND
PURCHASE FRAMEWORK AGREEMENT**

On 29 March 2016, Daye Metal (a non-wholly subsidiary of the Company) and Huangshi Hongbo entered into the Sales Framework Agreement, pursuant to which Daye Metal will supply certain products to Huangshi Hongbo subject to the terms of the Sales Framework Agreement.

On 29 March 2016, Daye Metal (a non-wholly subsidiary of the Company) and Huangshi Hongbo entered into the Purchase Framework Agreement, pursuant to which Daye Metal will purchase certain products from Huangshi Hongbo subject to the terms of the Purchase Framework Agreement.

Huangshi Hongbo is indirectly held as to 34% by the Parent Company and is therefore an associate of the Parent Company and a connected person of the Company. Therefore, the transactions contemplated under each of the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed caps under each of the Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

A. SALES FRAMEWORK AGREEMENT

On 29 March 2016, Daye Metal (a non-wholly subsidiary of the Company) and Huangshi Hongbo entered into the Sales Framework Agreement, pursuant to which Daye Metal will supply certain products to Huangshi Hongbo subject to the terms of the Sales Framework Agreement.

The principal terms of the Sales Framework Agreement are set out below:

Date: 29 March 2016

Parties: (1) Daye Metal
(2) Huangshi Hongbo

Nature of transactions: Daye Metal will supply certain products to Huangshi Hongbo, including copper cathodes and such other products as agreed by the parties from time to time subject to the terms of the Sales Framework Agreement.

Term: 1 April 2016 to 31 December 2016

Pricing Mechanism: Based on the Market Price.

The selling price of copper cathodes will be determined by the parties with reference to (i) the price of copper futures as quoted on the Shanghai Futures Exchange; and (ii) the premium or discount for copper cathodes as published on website of Shanghai Metals Market (<http://www.smm.cn/>).

Proposed Cap

The proposed cap regarding the Sales Framework Agreement for the year ending 31 December 2016 is RMB90,000,000, which has been determined with reference to: (i) the estimated purchase orders for copper cathodes to be placed by Huangshi Hongbo for the year ending 31 December 2016; and (ii) the average historical market price for the copper cathodes over the past two years.

B. PURCHASE FRAMEWORK AGREEMENT

On 29 March 2016, Daye Metal (a non-wholly subsidiary of the Company) and Huangshi Hongbo entered into the Purchase Framework Agreement, pursuant to which Daye Metal will purchase certain products from Huangshi Hongbo subject to the terms of the Purchase Framework Agreement.

The principal terms of the Purchase Framework Agreement are set out below:

Date: 29 March 2016

Parties: (1) Daye Metal
(2) Huangshi Hongbo

Nature of transactions: Daye Metal will purchase certain products from Huangshi Hongbo, including copper concentrate, blister copper, high-purity silica sand and such other products as agreed by the parties from time to time subject to the terms of the Purchase Framework Agreement.

Term: 1 April 2016 to 31 December 2016

Pricing Mechanism: Based on the Market Price.

Purchase prices of copper concentrate, blister copper and high-purity silica sand will be determined by the parties on the following basis:

(a) Copper Concentrate

- (i) Copper concentrate containing copper: with reference to the market price of copper as quoted on Shanghai Futures Exchange;
- (ii) Copper concentrate containing gold: with reference to the market price of gold as quoted on Shanghai Gold Exchange; and
- (iii) Copper concentrate containing silver: with reference to the market price of silver as quoted on Shanghai White Platinum & Silver Exchange.

(b) Blister Copper

- (i) Blister copper containing copper: with reference to the market price of copper as quoted on the Shanghai Futures Exchange;
- (ii) Blister copper containing gold: with reference to the market price of gold as quoted on Shanghai Gold Exchange; and
- (iii) Blister copper containing silver: with reference to the market price of silver as quoted on Shanghai White Platinum & Silver Exchange.

(c) High-purity Silica Sand

The purchase price of high-purity silica sand will be determined after a tendering process. Daye Metal will invite tenderers for its procurement of high-purity silica sand for smelting and production in 2016. Tenderers will be selected upon the comprehensive assessment of Daye Metal based on a number of criteria, including the qualification, experience, track record of supply capacity, supply arrangement and reputation. The final decision is subject to the prices offered by the tenderers.

Proposed Cap

The proposed cap regarding the Purchase Framework Agreement for the year ending 31 December 2016 is RMB87,640,000, which has been determined with reference to: (i) the historical purchases made by the Group with other suppliers for the relevant products; and (ii) the average historical market price for such products over the past two years.

C. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors consider that the Sales Framework Agreement will broaden the revenue base of the Group, increase the revenue of the Group and allow it to leverage on the sales network of Huangshi Hongbo in the PRC.

The Directors consider that the Purchase Framework Agreement will (i) allow the Group to leverage on the competitive advantages of Huangshi Hongbo to obtain many of the products which the Group requires for its production and operations; and (ii) assist the Group in ensuring a cost-effective, timely and stable source of supply of products and materials required for its operations.

Considering the clear pricing policies and procedures as described above, the Directors are of the view that the transactions under the Agreements will be conducted on normal commercial terms and not prejudicial to the interest of the Company and its minority shareholders.

The Directors (including the independent non-executive Directors) consider that the each of Agreements has been negotiated on an arm's length basis and on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Zhang Lin and Mr. Zhai Baojin, who are executive Directors, are also directors of the Parent Company. As such, each of Mr. Zhang Lin and Mr. Zhai Baojin is deemed to have a material interest in, and they have abstained from voting on, the resolutions passed by the Board to approve the Agreements. Save as disclosed above, none of the Directors has any material interest in, or is required to abstain from voting on the resolutions passed by the Board to approve the Agreements.

D. LISTING RULES IMPLICATIONS

Huangshi Hongbo is indirectly held as to 34% by the Parent Company and is therefore an associate of the Parent Company and a connected person of the Company. Therefore, the transactions contemplated under each of the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed caps under each of the Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

E. GENERAL INFORMATION

The Group

The Group is principally engaged in the exploitation of mineral resources, the mining and processing of mineral ores and the trading of metal products.

Daye Metal

Daye Metal is a limited liability company established in the PRC and principally engaged in mining and processing of mineral ores and trading of metal concentrates. It is indirectly held as to 95.35% by the Company and is a non-wholly owned subsidiary of the Company.

Huangshi Hongbo

To the best knowledge, information and belief of the Directors and after making reasonable enquiries, Huangshi Hongbo is a limited liability company established in the PRC and principally engaged in sales of non-ferrous metals and related products, ferrous metals and related products, minerals, electrical and mechanical equipment, machines, gauges, fuel oil and coal (except dangerous goods) as well as import and export of goods and technologies. It is indirectly held as to 34% by the Parent Company.

G. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreements”	collectively, the Sale Framework Agreement and the Purchase Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Daye Non-Ferrous Metals Mining Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Daye Metal”	大冶有色金屬有限責任公司 (Daye Non-ferrous Metals Co., Ltd.), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
“Director(s)”	directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi Hongbo”	黃石市宏博有色金屬貿易有限公司 (Huangshi Hongbo Non-ferrous Metals Trading Company Limited*), a limited liability company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Market Price”	means such price(s): <ul style="list-style-type: none"> (i) that an independent third party may obtain from the contracting party providing such products for the same or similar products in the relevant market; (ii) that an independent third party may obtain from another independent third party for the same or similar products in the relevant market; or (iii) as determined with reference to industry standards or common practice for the same or similar products in the relevant market.
“Parent Company”	大冶有色金屬集團控股有限公司 (Daye Nonferrous Metals Group Holding Co., Ltd.*), a limited liability company incorporated in the PRC and a controlling shareholder of the Company
“percentage ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“Purchase Framework Agreement”	the purchase framework agreement dated 29 March 2016 entered into between Daye Metal and Huangshi Hongbo
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administration of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Framework Agreement”	the sales framework agreement dated 29 March 2016 entered into between Daye Metal and Huangshi Hongbo
“Shanghai Metals Market”	上海有色網信息科技股份有限公司(Shanghai Metals Market Information & Technology Co., Ltd.*), a metals information provider in the PRC

“Shareholder(s)” holder(s) of the share(s) of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 29 March 2016

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.

** for identification purpose only*