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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: 00661)**

## **REVISION OF TERMS AND ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

References are made to the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular in relation to, among others, the entering into of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement, and the Existing Annual Caps. Under the Yangxin Hongsheng Purchase Framework Agreement, the Group will purchase certain products from Yangxin Hongsheng, including, among others, anode scrap, and other products as agreed by the parties from time to time during the term thereof. Under the Parent Group Sales Framework Agreement, the Group will supply copper cathodes and certain other products to the Parent Group, which includes Huangshi Shengxiang.

On September 12, 2023, the Company and Yangxin Hongsheng reached an agreement to revise certain terms to the Yangxin Hongsheng Purchase Framework Agreement as to the list of products to be supplied by Yangxin Hongsheng to include anode plates, the relevant pricing policies, as well as the notice address of the Company.

The amount of anode scrap and anode plates to be purchased by the Group from Yangxin Hongsheng and the amount of copper cathodes to be supplied by the Group to the Parent Group are expected to increase, leading to an increase in the transaction amount under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement, respectively. Accordingly, the Board envisages that the Existing Annual Caps will not be sufficient to fulfill the additional previously unforeseen transactions that may take place under each of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement for the financial years ending December 31, 2023, 2024 and 2025, respectively.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions.

As at the date of this announcement, China Times directly held 11,962,999,080 Shares, representing approximately 66.85% of the issued share capital of the Company, and is a wholly owned subsidiary of the Parent Company. Accordingly, the Parent Company is a controlling shareholder of the Company indirectly interested in approximately 66.85% of the issued share capital of the Company, and CNMC is the controlling shareholder of the Parent Company holding approximately 57.99% of the equity interests in the Parent Company. Therefore, each of China Times, the Parent Company and CNMC is a connected person of the Company. Yangxin Hongsheng is owned by Daye Metal as to 52.00%, China No. 15 Metallurgical (a wholly-owned subsidiary of CNMC) as to 24%, Huangshi Xingang Development as to 16% and Huangshi State-owned Assets Management as to 8%, respectively. Accordingly, Yangxin Hongsheng is a connected subsidiary of the Company. As a result, the transactions contemplated under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Revised Annual Caps exceeds 5%, the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the adoption of Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the adoption of Revised Annual Caps; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before October 4, 2023 in compliance with the Listing Rules.

## **REVISION OF TERMS AND ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

References are made to the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular in relation to, among others, the entering into of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement, and the Existing Annual Caps. Under the Yangxin Hongsheng Purchase Framework Agreement, the Group will purchase certain products from Yangxin Hongsheng, including, among others, anode scrap, and other products as agreed by the parties from time to time during the term thereof. Under the Parent Group Sales Framework Agreement, the Group will supply copper cathodes and certain other products to the Parent Group, which includes Huangshi Shengxiang.

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The amount of anode scrap and anode plates to be purchased by the Group from Yangxin Hongsheng and the amount of copper cathodes to be supplied by the Group to the Parent Group are expected to increase, leading to an increase in the transaction amount under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement, respectively. Accordingly, the Board envisages that the Existing Annual Caps will not be sufficient to fulfill the additional previously unforeseen transactions that may take place under each of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement for the financial years ending December 31, 2023, 2024 and 2025, respectively.

## ***Yangxin Hongsheng Purchase Framework Agreement***

The New Copper Cathode Production Plant of Yangxin Hongsheng has commenced production since October 2022 and its production capacity is gradually increasing. Currently, the annual production capacity of copper cathodes of Yangxin Hongsheng is approximately 300,000 tonnes and is expected to reach 450,000 tonnes in 2024. As disclosed in the Continuing Connected Transactions Circular, Yangxin Hongsheng's own smelting furnace for anode scrap was originally expected to be put into operation in June 2023. Due to the adjustments in production process, it would only reach its production capacity and standard in December 2023 as currently expected. As Yangxin Hongsheng does not have the ability to process anode scrap before its smelting furnace comes into operation, approximately an extra 7,000 tonnes of anode scrap per month for the period from June to December 2023 that was originally expected to be processed by Yangxin Hongsheng would be sold to the Group for processing. Upon the completion of Yangxin Hongsheng's smelting furnace, the volume of intermediate products in the production process of copper cathodes, in particular anode plates, produced by Yangxin Hongsheng would increase. It is expected that there would be an excess of anode plates produced by Yangxin Hongsheng which was previously unforeseen due to an increase in the utilization rate of anode scrap. Provided that Yangxin Hongsheng's own needs for anode plates in electrolysis for production of copper cathodes are satisfied, the anode plates that are in excess would be sold to the Group.

The anode scrap and anode plates produced by Yangxin Hongsheng would be able to further fulfill the Group's demand for anode scrap and anode plates sourced externally. To further maximize the efficiency of production and utilization of inventory of both the Group and Yangxin Hongsheng, and to secure the cash flow necessary for production, the Group expects that the amount of anode scrap and anode plates to be purchased by the Group from Yangxin Hongsheng during the years ending December 31, 2023, 2024 and 2025 will increase.

### ***Revision of Terms***

As a result of the foregoing, on September 12, 2023, the Company and Yangxin Hongsheng reached an agreement to revise certain terms to the Yangxin Hongsheng Purchase Framework Agreement as to the list of products to be supplied by Yangxin Hongsheng to include anode plates, and the relevant pricing policies. The notice address of the Company was also updated. Details of the revised major terms are set out in the section headed “– Pricing Policy” below.

### ***Pricing Policy***

References are made to the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular in relation to, among others, the entering into of the Yangxin Hongsheng Purchase Framework Agreement.

Pursuant to the revised Yangxin Hongsheng Purchase Framework Agreement, Yangxin Hongsheng will supply certain products to the Group, including copper concentrate, anode scrap, anode plates, anode mud and such other products as agreed by the parties from time to time. The prices for the supply of anode scrap, anode plates and anode mud will be determined by the parties on the following basis:

Anode scrap:	With reference to (as applicable): (i) the daily weighted average price or instant trading price of copper as quoted on the Shanghai Futures Exchange for the current month or the following month, taking into account relevant processing costs of blister copper of the purchaser as agreed under contract for the same period; (ii) the market price of gold as quoted on the Shanghai Gold Exchange; or (iii) the market price of silver as quoted on the Shanghai Huatong Silver Exchange, and taking into account the corresponding grades of gold or silver respectively.
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Anode plates: With reference to (as applicable): (i) the daily weighted average price or instant trading price of copper as quoted on the Shanghai Futures Exchange for the current month or the following month, taking into account relevant processing costs of anode plates of the purchaser as agreed under contract for the same period; (ii) the market price of gold as quoted on the Shanghai Gold Exchange; or (iii) the market price of silver as quoted on the Shanghai Huatong Silver Exchange, and taking into account the corresponding grades of gold or silver respectively.

Anode mud: With reference to (as applicable): (i) the market price of copper as quoted on the Shanghai Futures Exchange; (ii) the market price of silver as quoted on the Shanghai Huatong Silver Exchange; (iii) the market price of gold as quoted on the Shanghai Gold Exchange; (iv) the market price of selenium as quoted on Shanghai Metals Market (SMM); or (v) the market price of palladium as quoted on Shanghai Metals Market (SMM), and taking into account the corresponding grades of copper, silver, gold, selenium or palladium respectively.

Save as disclosed above, the terms of the Yangxin Hongsheng Purchase Framework Agreement have not been changed or modified in any way and other major terms (including the pricing policy for the supply of copper concentrate) are set out in the section headed “A. Major Transaction And Continuing Connected Transactions – 9. Yangxin Hongsheng Purchase Framework Agreement” in the Continuing Connected Transactions Announcement and the section headed “II. Major Transaction And Continuing Connected Transactions – 6. Yangxin Hongsheng Purchase Framework Agreement” in the Letter from the Board in the Continuing Connected Transactions Circular.

#### *Historical Transaction Amount*

For the eight months ended August 31, 2023, the transaction amount incurred in respect of the transactions under the Yangxin Hongsheng Purchase Framework Agreement was approximately RMB5,449.85 million (unaudited). The Company also confirms that as at the date of this announcement, the actual transaction amount has not exceeded the existing annual caps under the Yangxin Hongsheng Purchase Framework Agreement.

#### *Revised Annual Caps of the Yangxin Hongsheng Purchase Framework Agreement*

Accordingly, the Board resolved to revise the annual caps for the years ending December 31, 2023, 2024 and 2025 for the transactions as contemplated under the Yangxin Hongsheng Purchase Framework Agreement as follows:

## *Transactions under the Yangxin Hongsheng Purchase Framework Agreement*

	<b>Year ending December 31, 2023</b>	<b>Year ending December 31, 2024</b>	<b>Year ending December 31, 2025</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Existing annual caps	6,361,261	5,648,630	6,054,003
Revised annual caps	11,287,354	10,672,780	10,927,565

The above revised annual caps are determined with reference to (i) the projected increase of future orders based on the expected amount of, among others, copper concentrates, anode mud, anode scrap and anode plates to be purchased from Yangxin Hongsheng; (ii) historical purchase orders placed by the Group with other suppliers for the relevant products; and (iii) average historical market price and the anticipated future market price for the relevant products.

## ***Parent Group Sales Framework Agreement***

In 2023, Huangshi Shengxiang (a non-wholly owned subsidiary of the Parent Company) experienced a significant increase in sales of copper rods in the East China. As of the end of July 2023, the annual production volume of copper rods by Huangshi Shengxiang reached approximately 109,000 tonnes and it is expected to reach approximately 200,000 tonnes by the end of 2023. With the continuing growth in the business of Huangshi Shengxiang, it is expected that the annual production volume of copper rods will be reaching approximately 280,000 tonnes and 300,000 tonnes for the two years ending December 31, 2024 and 2025 respectively.

As a result of the foregoing, the Parent Group will be purchasing more copper cathodes as raw materials from the Group for the production of copper rods for the three years ending December 31, 2023, 2024 and 2025.

## *Pricing Policy*

The terms of the Parent Group Sales Framework Agreement have not been changed or modified in any way and the major terms (including the pricing policy) are set out in the section headed “A. Major Transaction And Continuing Connected Transactions – 1. Parent Group Sales Framework Agreement” in the Continuing Connected Transactions Announcement and the section headed “II. Major Transaction And Continuing Connected Transactions – 2. Parent Group Sales Framework Agreement” in the Letter from the Board in the Continuing Connected Transactions Circular.

## *Historical Transaction Amount*

For the eight months ended August 31, 2023, the transaction amount incurred in respect of the transactions under the Parent Group Sales Framework Agreement was approximately RMB8,750.55 million (unaudited). The Company also confirms that as at the date of this announcement, the actual transaction amount has not exceeded the existing annual caps under the Parent Group Sales Framework Agreement.

## *Revised Annual Caps of the Parent Group Sales Framework Agreement*

Accordingly, the Board resolved to revise the annual caps for the years ending December 31, 2023, 2024 and 2025 for the transactions as contemplated under the Parent Group Sales Framework Agreement as follows:

### *Transactions under the Parent Group Sales Framework Agreement*

	<b>Year ending December 31, 2023</b>	<b>Year ending December 31, 2024</b>	<b>Year ending December 31, 2025</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Existing annual caps	14,849,212	22,793,246	23,515,155
Revised annual caps	17,995,212	31,586,706	33,624,255

The above revised annual caps are determined with reference to (i) existing purchase orders placed by the Parent Group; (ii) projected further orders based on the expected increase in copper cathodes to be sold to the Parent Group as a result of the expected growth in the business of the Parent Group, including Huangshi Shengxiang; and (iii) average historical market price and the anticipated future market price for the relevant products, including but not limited to copper cathodes.

## **REASONS FOR AND BENEFITS OF THE ADOPTION OF REVISED ANNUAL CAPS**

In view of the reason as set out below, the amount of anode scrap and anode plates to be purchased by the Group from Yangxin Hongsheng and the amount of copper cathodes to be supplied by the Group to the Parent Group, and the transaction amount under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement are expected to increase, and the Board envisages that the Existing Annual Caps will not be sufficient to fulfill the additional previously unforeseen transactions that may take place under each of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement for the financial years ending December 31, 2023, 2024 and 2025.

### ***Yangxin Hongsheng Purchase Framework Agreement***

The New Copper Cathode Production Plant of Yangxin Hongsheng has commenced production since October 2022 and its production capacity is gradually increasing. Currently, the annual production capacity of copper cathodes of Yangxin Hongsheng is approximately 300,000 tonnes and is expected to reach 450,000 tonnes in 2024. As disclosed in the Continuing Connected Transactions Circular, Yangxin Hongsheng's own smelting furnace for anode scrap was originally expected to be put into operation in June 2023. Due to the adjustments in production process, it would only reach its production capacity and standard in December 2023 as currently expected. As Yangxin Hongsheng does not have the ability to process anode scrap before its smelting furnace comes into operation, approximately an extra 7,000 tonnes of anode scrap per month for the period from June to December 2023 that was originally expected to be processed by Yangxin Hongsheng would be sold to the Group for processing. Upon the completion of Yangxin Hongsheng's smelting furnace, the volume of intermediate products in the production process of copper cathodes, in

particular anode plates, produced by Yangxin Hongsheng would increase. It is expected that there would be an excess of anode plates produced by Yangxin Hongsheng which was previously unforeseen due to an increase in the utilization rate of anode scrap. Provided that Yangxin Hongsheng's own needs for anode plates in electrolysis for production of copper cathodes are satisfied, the anode plates that are in excess would be sold to the Group.

The anode scrap and anode plates produced by Yangxin Hongsheng would be able to further fulfill the Group's demand for anode scrap and anode plates sourced externally. Due to the aforementioned factors, the amount of anode scrap and anode plates to be purchased by the Group from Yangxin Hongsheng is expected to exceed the initial estimate for the years ending December 31, 2023, 2024 and 2025.

The Board is of the view that the revised annual caps of the Yangxin Hongsheng Purchase Framework Agreement will (i) allow the Group to secure cash flow necessary for production as the Group would be able to obtain anode plates with relatively stable price and a steady source of supply, and to produce copper cathodes with the anode plates and anode scrap for sale; (ii) allow the Group to obtain the anode scrap and anode plates which the Group requires for its production and operations with more favourable terms and better and more efficient communication as Yangxin Hongsheng is an intra-group supplier; (iii) assist the Group in ensuring a cost-effective, timely and stable source of supply of anode scrap and anode plates required for its operations considering the intra-group relationship and the close geographical proximity of the respective operations of the Group and Yangxin Hongsheng; and (iv) maximize the efficiency of production and utilization of inventory of both the Group and Yangxin Hongsheng.

### ***Parent Group Sales Framework Agreement***

In 2023, Huangshi Shengxiang experienced a significant increase in its sales of copper rods in the East China. The increase is mainly due to the (i) reduction of transportation costs and increase of areas of sales by improvement in packaging and shipping of goods via waterways; (ii) setting up of sales outlet in East China and arranging of personnel to find downstream manufacturers to expand its market; and (iii) improvement in the quality of copper rods produced. As of the end of July 2023, the annual production volume of copper rods of Huangshi Shengxiang reached 109,000 tonnes, and it is expected to reach 200,000 tonnes by the end of 2023. With the continuing growth in the business of Huangshi Shengxiang, it is expected that the annual production volume of copper rods will be reaching approximately 280,000 tonnes and 300,000 tonnes for the two years ending December 31, 2024 and 2025 respectively.

As the production of copper rods by Huangshi Shengxiang requires raw materials of high quality, the Parent Group has to purchase copper cathodes to satisfy its production needs. Given the long-term business relationship of the Parent Group and the Group and the close geographical proximity of their respective operations, the administrative costs, transportation costs and time costs involved for such sales could be minimized. As a result of the foregoing, the Parent Group will be purchasing more copper cathodes from the Group for production of copper rods for the three years ending December 31, 2023, 2024 and 2025 and the amount of copper cathodes to be supplied by the Group to the Parent Group are expected to exceed the initial estimates for the years ending December 31, 2023, 2024 and 2025.

The Board is of the view that the revised annual caps of the Parent Group Sales Framework Agreement will (i) allow the Group to continue to serve as a reliable back-up source of supply of the relevant products, including but not limited to copper concentrates, to the Parent Group, catering for any unforeseen surge of demands or other contingencies on the part of the Parent Group; and (ii) broaden the revenue base of the Group and allow it to leverage on the sales network of the Parent Group in places including the PRC.

The Directors (excluding the independent non-executive Directors whose view will be expressed after receiving advice from the Independent Financial Adviser) consider that the proposed Revised Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

The Company has established the connected transactions management committee, which is the discussion and decision-making body for the connected transactions management, and is led by the Board which directly and comprehensively manages the relevant matters of the connected transactions.

The Company has implemented stringent measures to monitor the pricing standards for the continuing connected transactions of the Group. The department heads of the relevant business departments are responsible for the initial price determination of the proposed connected transactions of the Group. Such initial price determination will be reported to and approved by the finance department of the Company. Then, these prices will be reported to the legal department of the Company, which is responsible for collating from the various business departments such information regarding the proposed connected transactions of the Group, and ensuring that the terms of any such proposed connected transactions are in compliance with applicable laws, rules and regulations. After all these review processes, the legal representative or authorized representative of the Company will execute such connected transactions on behalf of the Company. The capital operation department, finance department and legal department of the Company are responsible for monitoring each of the connected transactions of the Group to ensure that they are conducted in accordance with its terms, including the relevant pricing mechanism and the periodic reporting of the relevant transaction amounts.



The enterprise development department and the finance department of the Company will monitor the continuing connected transactions and summarize the transaction amounts incurred under each of the connected transaction framework agreements regularly on a monthly basis, and reports will be submitted to the Board for its quarterly review. In the event that the actual transaction amount reaches 80% of the relevant annual cap, a re-assessment will be conducted. If it is determined after such re-assessment that the annual cap may be exceeded, the enterprise development department of the Company would initiate the procedures for a board meeting and/or shareholders' meeting (as and when required) to increase the annual cap as soon as practicable.

Further, the transactions under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement are subject to the reporting requirements and the independent non-executive Directors will review the transactions annually to assess whether such transactions are conducted in accordance with the terms (including the pricing mechanism) as set out in the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement.

The Directors consider that the internal control system of the Group is adequate to ensure that the transactions will be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **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.

Yangxin Hongsheng is a limited liability company established in the PRC and principally engaged in the manufacturing and sale of metal materials and chemicals, and the sale of nonferrous alloys and bullion products. It is a non-wholly owned subsidiary of the Company, owned by Daye Metal as to 52.00%, China No. 15 Metallurgical (a wholly-owned subsidiary of CNMC) as to 24%, Huangshi Xingang Development as to 16% and Huangshi State-owned Assets Management as to 8%, respectively.

### **The Parent Group**

The Parent Company is a state-owned conglomerate in the PRC. Its controlling shareholder is CNMC, a state-owned enterprise established in the PRC. The principal business of the Parent Group is copper mining and processing. The Parent Group has a fully integrated operation which enables it to undertake the different stages of copper production from mining, processing, smelting and plating, research and development, design to sales and trading.

China Times is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. It is the immediate controlling Shareholder and is a wholly-owned subsidiary of the Parent Company.

Huangshi Shengxiang is a company incorporated in the PRC with limited liability and a non-wholly owned subsidiary of the Parent Company. The principal business of Huangshi Shengxiang is the manufacturing of copper rods.

## **LISTING RULES IMPLICATIONS**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions.

As at the date of this announcement, China Times directly held 11,962,999,080 Shares, representing approximately 66.85% of the issued share capital of the Company, and is a wholly owned subsidiary of the Parent Company. Accordingly, the Parent Company is a controlling shareholder of the Company indirectly interested in approximately 66.85% of the issued share capital of the Company, and CNMC is the controlling shareholder of the Parent Company holding approximately 57.99% of the equity interests in the Parent Company. Therefore, each of China Times, the Parent Company and CNMC is a connected person of the Company. Yangxin Hongsheng is owned by Daye Metal as to 52.00%, China No. 15 Metallurgical (a wholly-owned subsidiary of CNMC) as to 24%, Huangshi Xingang Development as to 16% and Huangshi State-owned Assets Management as to 8%, respectively. Accordingly, Yangxin Hongsheng is a connected subsidiary of the Company. As a result, the transactions contemplated under the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the Revised Annual Caps exceeds 5%, the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 adoption of Revised Annual Caps.

## **GENERAL**

An SGM will be convened and held at which the Independent Shareholders will consider, and, if thought fit, approve the adoption of Revised Annual Caps.

In view of the potential interests of China Times in the adoption of Revised Annual Caps, China Times will abstain from voting in relation to the adoption of Revised Annual Caps at the SGM. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, save and except China Times, no other Shareholder has a material interest in the adoption of Revised Annual Caps, therefore, no other Shareholder will be required to abstain from voting at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the fairness and reasonableness of the adoption of Revised Annual Caps, after taking into account the recommendations of the Independent Financial Adviser. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the adoption of Revised Annual Caps; (ii) a letter of recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the adoption of Revised Annual Caps; and (iv) a notice convening the SGM will be despatched to the Shareholders on or before October 4, 2023 in compliance with the Listing Rules.

## DEFINITION

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China No. 15 Metallurgical”	China No. 15 Metallurgical Construction Group Co., Ltd.* (中國十五冶金建設集團有限公司), a limited liability company established in the PRC and a wholly owned subsidiary of CNMC
“China Times”	China Times Development Limited, a company incorporated in the British Virgin Islands with limited liability and the immediate controlling Shareholder
“CNMC”	China Nonferrous Metal Mining (Group) Co., Ltd* (中國有色礦業集團有限公司), a limited liability company incorporated in the PRC and a controlling Shareholder
“Company”	China Daye Non-Ferrous Metals Mining Limited (Stock Code: 661), 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 subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions Announcement”	the announcement of the Company dated November 22, 2022 in relation to, among others, the entering into of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement and the Existing Annual Caps

“Continuing Connected Transactions Circular”	the circular of the Company dated December 23, 2022 in relation to, among others, the entering into of the Yangxin Hongsheng Purchase Framework Agreement and the Parent Group Sales Framework Agreement and the Existing Annual Caps
“Daye Metal”	Daye Non-ferrous Metals Co., Ltd.* (大冶有色金屬有限責任公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Existing Annual Caps”	the existing annual cap amount in respect of (i) the purchase of certain products by the Group from Yangxin Hongsheng under the Yangxin Hongsheng Purchase Framework Agreement and (ii) the supply of certain products by the Group to the Parent Group under the Parent Group Sales Framework Agreement for the financial years ending December 31, 2023, 2024 and 2025 as set out in the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi Shengxiang”	Huangshi Shengxiang Copper Co., Ltd. (黃石晟祥銅業有限公司), a limited liability company established in the PRC and a non-wholly owned subsidiary of the Parent Company
“Huangshi State-owned Assets Management”	Huangshi State-owned Assets Management Co., Ltd.* (黃石市國有資產經營有限公司), a limited liability company established in the PRC
“Huangshi Xingang Development”	Huangshi Xingang Development Co., Ltd.* (黃石新港開發有限公司), a limited liability company incorporated in the PRC, holding 16% equity interests of Yangxin Hongsheng
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders on the adoption of Revised Annual Caps
“Independent Financial Adviser”	Amasse Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the adoption of Revised Annual Caps

“Independent Shareholder(s)”	Shareholder(s) other than China Times, the Parent Company, CNMC and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Copper Cathode Production Plant”	a high purity copper cathode production plant owned by Yangxin Hongsheng located in Huangshi Xingang (Logistics) Industrial Park, Huangshi, Hubei, the PRC, with a production capacity of 400,000 tonnes per year in terms of rough smelting and a total site area of approximately 1 million square metres
“Parent Company”	Daye Nonferrous Metals Group Holdings Company Limited* (大冶有色金屬集團控股有限公司), a limited liability company incorporated in the PRC and a controlling Shareholder
“Parent Group”	the Parent Company and its subsidiaries
“Parent Group Sales Framework Agreement”	the sales framework agreement dated November 22, 2022 entered into between the Company and the Parent Company, the details of which are set out in the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Revised Annual Caps”	the revised annual cap amount in respect of (i) the purchase of certain products by the Group from Yangxin Hongsheng under the Yangxin Hongsheng Purchase Framework Agreement and (ii) the supply of certain products by the Group to the Parent Group under the Parent Group Sales Framework Agreement for the financial years ending December 31, 2023, 2024 and 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	a special general meeting of the Company to be held to consider and if thought fit, approve the adoption of Revised Annual Caps
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Yangxin Hongsheng Purchase Framework Agreement”	the purchase framework agreement dated November 22, 2022 entered into between the Company and Yangxin Hongsheng, the details of which are set out in the Continuing Connected Transactions Announcement and the Continuing Connected Transactions Circular, and the revised terms of which are set out in the section headed “Revision Of Terms And Annual Caps For Continuing Connected Transactions – Yangxin Hongsheng Purchase Framework Agreement – Pricing Policy” in this announcement
“Yangxin Hongsheng”	Yangxin Hongsheng Copper Industry Company Limited (陽新弘盛銅業有限公司), a non-wholly owned subsidiary of the Company
“%”	per cent

By order of the Board  
**China Daye Non-Ferrous Metals Mining Limited**  
**Xiao Shuxin**  
*Chairman*

Hong Kong, September 12, 2023

*As at the date of this announcement, the Board comprises five executive directors, namely Mr. Xiao Shuxin, Mr. Long Zhong Sheng, Mr. Zhang Jinzhong, Mr. Chen Zhimiao and Mr. Zhang Guangming; and three independent non-executive directors, namely Ms. Liu Fang, Mr. Wang Qihong and Mr. Liu Jishun.*

\* *For identification purpose only*