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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)**

## **CONTINUING CONNECTED TRANSACTION – CCIA SERVICES FRAMEWORK AGREEMENT**

The Board is pleased to announce that, on 30 May 2024, the Company and CCIA entered into the CCIA Services Framework Agreement in relation to the supply of certain services by the Group to CCIA.

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.

CCIA is a non-wholly owned subsidiary of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd., which is owned by CNMC as to 33.34%. Accordingly, CCIA is an associate of CNMC and a connected person of the Company. Therefore, the CCIA Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 5%, the CCIA Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among others, (i) further details of the CCIA Services Framework Agreement and the Proposed Annual Caps; (ii) the letter of advice from the independent financial adviser; (iii) the letter of recommendation from the independent board committee; (iv) the notice of the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 21 June 2024 in accordance with the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that, on 30 May 2024, the Company and CCIA entered into the CCIA Services Framework Agreement in relation to the supply of certain services by the Group to CCIA.

## CCIA SERVICES FRAMEWORK AGREEMENT

The principal terms of the CCIA Services Framework Agreement are as follows:

Date:	30 May 2024
Parties:	(1) the Company (2) CCIA
Nature of transactions:	The Group will supply certain services to CCIA, including commissioning guidance services, pre-job training services, operation and maintenance services and such other services as agreed by the parties from time to time.
Term:	29 May 2024 to 31 December 2025.
Time and method of payment:	Based on market practice.
Pricing mechanism:	Based on the Market Price or a price determined by the internal documents of the Group developed with reference to the Market Price.  If the prices and charges are determined based on or with reference to prices, exchange rates or tax rates stated in specific government documents, internal documents of the Group, exchanges or industry-related websites, the effective aforementioned documents, prices and rates at the time of the entry into of specific transaction agreements by the parties shall prevail.

As at the date of this announcement, prices for the supply of the relevant services will be determined by the parties on the following basis:

Commissioning guidance services, pre-job training services, operation and maintenance services	With reference to the actual workload and service quality demand of the project owner, the technical service fee standards of other overseas-funded enterprises in the CNMC Group, as well as the actual expenditure cost of the project, and is negotiated and priced by the parties based on the technical level of the participating technical service personnel (which ranges from approximately RMB429,000 to RMB877,000 per person per annum).
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## PROPOSED ANNUAL CAPS

The Group has not previously engaged in any transaction of provision of services to CCIA prior to the entering into of the CCIA Services Framework Agreement.

The table below sets out the Proposed Annual Caps for the CCIA Services Framework Agreement:

<b>Year ending 31 December 2024 Proposed annual cap (RMB'000)</b>	<b>Year ending 31 December 2025 Proposed annual cap (RMB'000)</b>
<u>56,000</u>	<u>96,000</u>

The above Proposed Annual Caps have been determined with reference to: (i) the historical service fees received by the Group from other purchasers for similar services provided; (ii) the expected volume of services to be provided to CCIA; and (iii) the expected amount of service fees to be received by the Group in the two years ending 2025.

## REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors consider that the entering into of the CCIA Services Framework Agreement will facilitate the Group to fully utilize the capability of its technical know-how and technical team, increase the revenue of the Group and diversify the revenue base of the Group.

The Directors (excluding the independent non-executive Directors, whose view will be expressed after receiving advice from the independent financial adviser) are of the view that the CCIA Services Framework Agreement has been entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and together with the Proposed Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 CCIA Services Framework Agreement and the transactions contemplated thereunder.

## 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.

### CCIA

CCIA is a limited liability company incorporated in the PRC and principally engaged in development of non-ferrous metal resources, concurrently engaged in engineering contracting, technical services and trading. CCIA is owned by China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd.\* (中國有色金屬建設股份有限公司) as to 55%, which is in turn owned by CNMC as to 33.34%. CNMC is a PRC state-owned enterprise directly administered by the State-owned Assets Supervision and Administration Commission of the State Council.

## **IMPLICATIONS UNDER THE LISTING RULES**

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.

CCIA is a non-wholly owned subsidiary of China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd., which is owned by CNMC as to 33.34%. Accordingly, CCIA is an associate of CNMC and a connected person of the Company. Therefore, the CCIA Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 5%, the CCIA Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **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 monthly 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 CCIA Services Framework Agreement is subject to the reporting requirements and the annual review by the independent non-executive Directors and the auditors of the Company to ensure that the transactions are conducted in accordance with its terms as set out in the CCIA Services Framework Agreement.

The Board is of the view that the above internal control measures can ensure that the continuing connected transactions of the Group under the CCIA Services Framework Agreement are conducted on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **SPECIAL GENERAL MEETING**

An SGM will be convened for the purpose of considering, and if thought fit, approving by poll the CCIA Services Framework Agreement and the Proposed Annual Caps. The Parent Company, CNMC and their respective associates will abstain from voting on the resolutions approving the CCIA Services Framework Agreement, the transactions contemplated thereunder and the Proposed Annual Caps at the SGM.

Amasse Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the independent financial adviser to advise the independent board committee and the Independent Shareholders regarding the CCIA Services Framework Agreement and the Proposed Annual Caps. An independent board committee, comprising all three of the independent non-executive Directors, has also be formed to advise the Independent Shareholders on whether or not the CCIA Services Framework Agreement (together with the Proposed Annual Caps) are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

A circular containing, among others, (i) further details of the CCIA Services Framework Agreement and the Proposed Annual Caps; (ii) the letter of advice from the independent financial adviser; (iii) the letter of recommendation from the independent board committee; (iv) the notice of the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 21 June 2024 in accordance with the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“CCIA”	China Color International Alumina Development Co., Ltd.* (中色國際氧化鋁開發有限公司), a limited liability company incorporated in the PRC
“CCIA Services Framework Agreement”	the services framework agreement dated 30 May 2024 entered into between the Company and CCIA, the details of which are set out in this announcement
“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
“CNMC Group”	CNMC and its subsidiaries
“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
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders 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
“Market Price”	means such price(s) that: (i) the contracting party (as the supplier of services) provides such services to independent third parties for the same or similar services; (ii) any independent third parties provide such services to other independent third parties for the same or similar services; or (iii) as determined by industry standards or practice for the same or similar services

“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
“percentage ratio”	has the meaning ascribed to it under Chapter 14 of the Listing Rules
“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
“Proposed Annual Caps”	the proposed annual caps for each of the two years ending 31 December 2025 of the CCIA Services Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be held to consider and if thought fit, approve the CCIA Services Framework Agreement and the Proposed Annual Caps
“Share(s)”	the 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
“%”	per cent

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

Hong Kong, 30 May 2024

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Xiao Shuxin, Mr. Zhang Jinzhong, Ms. Zhang Aijun and Mr. Chen Xuewen; and three independent non-executive directors, namely Ms. Liu Fang, Mr. Wang Qihong and Mr. Liu Jishun.*

\* For identification purpose only