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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 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION EXCEEDING DE MINIMIS THRESHOLD

INTRODUCTION

On 22 November 2022, the Company and CNMC entered into the CNMC Group Sales Framework Agreement in relation to the supply of certain products by the Group to CNMC Group.

As each of the Original Annual Caps under the Continuing Connected Transactions for the years ending 31 December 2023 to 2025 were not more than HK\$3 million, and the highest applicable percentage ratio under Rule 14.07 of the Listing Rules was less than 5%, the Original Annual Caps in respect of the Continuing Connected Transactions under the CNMC Group Sales Framework Agreement constituted a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and was fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

On 28 July 2025, the Company has been informed that, as a result of a one-off order of cathode copper by CNMC Group on 28 July 2025, the transaction amount of which is approximately RMB8 million, the aggregate transaction amount under the CNMC Group Sales Framework Agreement is expected to exceed the Original Annual Cap set for the year ending 31 December 2025.

As the highest applicable percentage ratio in respect of the Revised Annual Cap is expected to be more than 0.1% but less than 5%, the CNMC Group Sales Framework Agreement is subject to the reporting, announcement and annual review requirements, but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CNMC GROUP SALES FRAMEWORK AGREEMENT

The principal terms of the CNMC Group Sales Framework Agreement are as follows:

Date: 22 November 2022

Parties: (1) the Company

(2) CNMC

Nature of transactions:	The Group will supply certain products to the CNMC Group, including gold, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, auxiliary equipment, supporting materials, spare part materials, production equipment, tools, sulfuric acid, dump truck, waste materials and such other products as agreed by the parties from time to time.
Term:	1 January 2023 to 31 December 2025.
Time and method of payment:	Based on market practice.
Pricing mechanism:	Based on: (i) the government-prescribed price; or (ii) if there is no applicable government-prescribed price, 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 products will be determined by the parties on the following basis:	
Gold:	With reference to the market price of gold as quoted on (i) the Shanghai Gold Exchange; or, for gold for export, (ii) the London Bullion Market Association (adjusted with reference to the premium or discount quoted by Reuters) (as applicable).
Silver:	With reference to the market price of silver as quoted on (i) the Shanghai Gold Exchange; (ii) the Shanghai Huatong Silver Exchange; or, for silver for export, (iii) the London Bullion Market Association (adjusted with reference to the premium or discount quoted by Reuters) (as applicable).
Copper cathodes:	With reference to the market price of copper as quoted on (i) the Shanghai Futures Exchange (adjusted with reference to the premium or discount quoted on metal spot websites) or, for copper cathodes for export, (ii) the London Metal Exchange (adjusted with reference to the premium or discount quoted by Reuters).

Copper concentrate:	With reference to (as applicable): (i) the market price of gold as quoted on the London Bullion Market Association (adjusted with reference to the premium or discount quoted by Reuters); (ii) the market price of silver as quoted on the London Bullion Market Association (adjusted with reference to the premium or discount quoted by Reuters); or (iii) the market price of copper as quoted on the London Metal Exchange (adjusted with reference to the premium or discount quoted by Reuters as applicable), and the smelting and processing costs of the copper concentrate.
Natural gas:	With reference to the price of natural gas prescribed by the competent government price authority, currently with reference to the price of natural gas prescribed by Huangshi Price Bureau* (黃石市物價局). The selling price shall be adjusted accordingly in case of adjustment in the government guidance price.
Residual heat power generation:	With reference to the price guidance documents issued by the competent government authority, currently with reference to the price of electricity prescribed by Hubei Province Price Bureau (湖北省物價局). The selling price will be updated in case of adjustment in the government guidance price.
Water:	With reference to the price guidance documents issued by the competent government authority, currently with reference to the price of water prescribed by Huangshi Price Bureau* (黃石市物價局). The selling price will be updated in case of adjustment in the government guidance price.
Electricity:	With reference to the price guidance documents issued by the competent government authority, currently with reference to the price of electricity prescribed by Hubei Province Price Bureau (湖北省物價局). The selling price will be updated in case of adjustment in the government guidance price.
Raw materials, auxiliary equipment, supporting materials, spare part materials, production equipment and tools:	With reference to the tender prices and the overall market condition. The Group will conduct competitive tender, prepare tender document and publish the tender document on the Group's purchase tender e-commerce platform (http://ecp.cnmc.com.cn). The Group will invite at least three qualified buyers (including the CNMC Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made based on price offered according to the tender document. Such offer price will be the final settlement price.
Sulfuric acid:	With reference to market price of sulfuric acid chemical products quoted on the industry-related website, which is currently Baiinfo website, and the overall market condition.

Dump truck:	With reference to the value of the vehicle in the vehicle valuation report, which is determined according to the relevant laws and measures issued by the government authorities and with reference to the service life, and newness of the equipment of the vehicle.
Waste materials:	With reference to the market price determined through price inquiries and the market price of copper futures contract as quoted on the Shanghai Futures Exchange.

Original Annual Caps

The table below sets out the Original Annual Caps for the CNMC Group Sales Framework Agreement:

Year ended 31 December 2023 Original annual cap (RMB'000)	Year ended 31 December 2024 Original annual cap (RMB'000)	Year ended 31 December 2025 Original annual cap (RMB'000)
1,204	1,204	1,204

The above Original Annual Caps have been determined with reference to the: (i) existing purchase orders placed by the CNMC Group; (ii) projected future orders based on the expected increase in the products to be sold to the CNMC Group as a result of the expected growth in the business of the CNMC Group; and (iii) the average historical market price and the anticipated future market price for the relevant products.

Reasons for the transaction

The Directors considered that the CNMC Group Sales Framework Agreement would broaden the revenue base of the Group and allow it to leverage on the sales network of the CNMC Group in the PRC and Hong Kong.

Historical Transaction Amount

The historical transaction amount under the CNMC Group Sales Framework Agreement for the six months ended 30 June 2025 was approximately RMB40,000. The Company also confirms that as at the date of this announcement, the actual transaction amount under the CNMC Group Sales Framework Agreement has not exceeded the Original Annual Cap.

REVISION OF ANNUAL CAP

The Board resolved to revise the annual cap for the year ending 31 December 2025 for the transactions contemplated under the CNMC Group Sales Framework Agreement as follows:

	Year ended 31 December 2025 (RMB'000)
Original Annual Cap	1,204
Revised Annual Cap	11,000

The above Revised Annual Cap has been determined based on a one-off order of cathode copper by CNMC Group on 28 July 2025. The transaction amount of such order is approximately RMB8 million.

REASONS FOR AND BENEFITS OF ADOPTING THE REVISED ANNUAL CAP

The Directors consider that revising the Original Annual Cap in respect of such sale of cathode copper by the Group to CNMC Group will allow the Group to leverage the locational advantages of subsidiary of the CNMC Group in Hong Kong and can further expand its export channels for cathode copper products, which will help the Company to seize export window opportunities more flexibly and improve product sales efficiency.

The Directors (including the independent non-executive Directors) are of the view that the CNMC Group Sales 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 Revised Annual Cap, are fair and reasonable and in the interests of the Company 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.

Price determination

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 authorised 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 summarise 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 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.

Scope of connected persons

The enterprise development department of the Company has, on a quarterly basis, counterchecked with each party in the transaction parties list to ascertain whether they are connected persons of the Company, so as to maintain the connected person list for the staff members to identify transactions constituting connected transactions of the Company. Any alteration to the connected person list could only be made after checking with the counterparty to ascertain the relationship with the Company, in the case of addition to the connected person list, evidence such as organisation chart will have to be obtained, and in the case of removal from the connected person list, evidence will have to be obtained to confirm the date of the relevant party ceasing to be a connected person of the Company. Whenever there is an update to the connected person list, it must be reported and approved by the management of the Group to ensure the management is aware of such update.

Monthly monitor of the aggregation of transactions

The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts under the continuing connected transactions from time to time and prepare a monthly report on the status of the aggregate transaction amounts which will be submitted to the financial person in charge of the Group for review. Before conducting any transactions with connected persons, the enterprise development department will confirm that the Group still has sufficient unused transaction amount for the annual caps for carrying out the relevant continuing connected transactions. The finance department would on a regular basis review the continuing connected transactions carried out during the period under review to assess the monthly transactions amount, the aggregate amount of transactions conducted during the relevant financial year and whether the relevant annual caps have been exceeded. In addition, the Company will also ensure that the aggregation principle under Rule 14A.81 of the Listing Rules will be strictly adhered by all levels of the Group to in the connected transactions management through mandatory internal trainings with its subsidiaries and business units, details of which are set out in the below section headed "*Internal trainings*".

Policy review and assessment

The Company's internal control unit will on a half-year basis review the monitoring policies and procedures of the continuing connected transactions to ensure the abovementioned policies and procedures are adequate and effective. Findings of the review will be reported by the head of internal control unit to the financial person in charge of the Company. The internal control unit regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and in compliance with the policies and procedures.

Non-compliance control

In the event of any non-compliance issue or inadequacy in the policies and procedures, the internal control unit will immediately report such matters to the executive directors of the Company and will take remedial actions.

In addition, as a compulsory disciplinary mechanism to prevent non-compliance and enhance the compliance awareness of each business unit, the Corporate Development Department, as the Group's performance appraisal office, has the discretion to include "compliance with the Listing Rules" as a performance indicator in the appraisal of relevant business units. If a business unit fails to notify the management of the Group regarding a non-compliance of the Listing Rules as regards connected transactions, points will be deducted from the relevant performance appraisal score, which then in turn affects wages as well as performance bonuses.

Internal trainings

In order to strengthen the process management, improve the connected transaction business level and compliance awareness of business staff of the Group as well as internal audit of connected transactions and the daily management of connected transactions, the Corporate Development Department of the Company will conduct, on a yearly basis, a connected transaction management training in accordance with "The China Daye Nonferrous Metals Mining Co., Ltd. Connected Transaction Management Measures". The training is expected to include the provision of reading materials, detailed case studies of past non-compliance incidents, explanations, Q&A session, and answering questions from time to time after the training. The training target audience shall include (i) relevant personnel from the Company's Finance Department and business personnel of individual subsidiaries; and (ii) relevant personnel from the Company's Legal and Compliance department, financial directors, financial personnel, and legal personnel of each business unit.

Review by independent non-executive Directors

Further, the transactions under the CNMC Group Sales Framework Agreement is 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 CNMC Group Sales Framework Agreement.

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.

The CNMC Group

CNMC is a PRC state-owned enterprise directly administered by the State-owned Assets Supervision and Administration Commission of the State Council. The CNMC Group is principally engaged in the development of non-ferrous metal resources, construction and engineering, as well as related trade and services, both in the PRC and overseas.

LISTING RULES IMPLICATIONS

As at the date of this announcement, China Times Development Limited, incorporated in the British Virgin Islands, 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, CNMC is a connected person of the Company and the transactions contemplated under the CNMC Group Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise any annual cap 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. According to Rule 14A.81 of the Listing Rules, if certain continuing connected transactions are entered into or completed within a 12-month period or are otherwise related, those continuing connected transactions are required to be aggregated.

As each of the Original Annual Caps under the Continuing Connected Transactions for the years ending 31 December 2023 to 2025 were not more than HK\$3 million, and the highest applicable percentage ratio under Rule 14.07 of the Listing Rules was less than 5%, the Original Annual Caps in respect of the Continuing Connected Transactions under the CNMC Group Sales Framework Agreement constituted a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and was fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Revised Annual Cap is expected to be more than 0.1% but less than 5%, the CNMC Group Sales Framework Agreement is subject to the reporting, announcement and annual review requirements, but is exempted from the independent shareholders' approval requirement 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 Cap.

DEFINITIONS

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
“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
“CNMC Group Sales Framework Agreement”	the sales framework agreement dated 22 November 2022 entered into between the Company and CNMC, the details of which are set out in this announcement
“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
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of 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) that: (1) the contracting party (as the supplier of products) provides such products to independent third parties for the same or similar products; (2) independent third parties provides such products to other independent third parties for the same or similar products; or (3) as determined by industry standards or practice for the same or similar products
“Original Annual Cap”	the original annual cap amount under the CNMC Group Sales Framework Agreement for the financial year ending 31 December from 2023 to 2025 before revision of annual cap as set out in this announcement
“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(s)”	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 Administrative Region of the People’s Republic of China and Taiwan
“Revised Annual Cap”	the revised annual cap amount in respect of certain products the Group will provide to CNMC under the CNMC Group Sales Framework Agreement for the financial years ending 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“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
“%”	per cent

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

Hong Kong, 28 July 2025

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