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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 TRANSACTION IN RELATION TO PARENT GROUP SERVICES FRAMEWORK AGREEMENT REVISION OF ANNUAL CAP

BACKGROUND

Reference is made to the announcement of the Company dated 22 November 2022 (the “**Announcement**”) in relation to, among other things, the continuing connected transactions under the Parent Group Services Framework Agreement in relation to the provision of certain services by the Group to the Parent Group, including engineering design and surveying, environment monitoring, equipment inspection and examination, research and development, architectural/ore-dressing design, maneuvering wire improvement, technical development services, blueprinting, technical consulting and such other services as agreed by the parties from time to time, for a term from 1 January 2023 to 31 December 2025.

HISTORICAL TRANSACTION AMOUNT

For the seven months ended 31 July 2025, the transaction amount incurred in respect of the transactions under the Parent Group Services Framework Agreement was approximately RMB1.47 million (unaudited). The Company also confirms that as at the date of this announcement, the actual transaction amount under the Parent Group Services Framework Agreement has not exceeded the Existing Annual Cap.

REVISION OF THE ANNUAL CAP

In view of business growth of the Group, the Board anticipates that the Existing Annual Cap will not be sufficient to meet the expected transaction amounts of the provision of certain services by the Group to the Parent Group under the Parent Group Services Framework Agreement for the year ending 31 December 2025. The Board therefore proposes that the Existing Annual Cap be revised and increased to the Revised Annual Cap as set out in the table below:

Provision of services by the Group to the Parent Group

	Year ending 31 December 2025 (RMB'000)
Existing Annual Cap	4,145
Revised Annual Cap	10,000

The above Revised Annual Cap for the year ending 31 December 2025 is determined after having taken into account: (i) the present transaction amounts in respect of the provision of services by the Group to the Parent Group under the Parent Group Services Framework Agreement; (ii) the estimated amount and types of provision of services by the Group to the Parent Group; and (iii) each of the expected service fees for the remainder of the year ending 2025.

PRICING POLICY

The terms of the Parent Group Services 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 – 3. Parent Group Services Framework Agreement” in the Announcement and the section headed.

REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAP

The Directors have been carefully monitoring the historical transacted amounts and estimated demand of the continuing connected transactions under the Parent Group Services Framework Agreement. The Group undertook the new business of the design of economic analysis report for the optimization plan and the topographic map surveying and mapping business of the Nuri Copper Polymetallic Mine Project in Naidong District, which amounted to RMB2.4 million. Considering the uncertainty of the new business in the later period, the Board anticipates that the Existing Annual Cap will not be sufficient to meet the expected transaction amounts of the provision of services by the Group to the Parent Group under the Parent Group Services Framework Agreement for the year ending 31 December 2025. The Revised Annual Cap will further increase the revenue of the Group.

The Directors (including the independent non-executive Directors) are of the view that the transactions pursuant to the Parent Group Services Framework Agreement have been carried out and will continue to be carried out in the ordinary and usual course of business of the Group and are on normal commercial terms, and that the terms of such transactions and the Revised Annual Cap 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 resolution passed by the Board to approve the Revised Annual Cap.

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 Parent Group Services 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 Parent Group Services Framework Agreement.

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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. Therefore, the Parent Company is a connected person of the Company, and the transactions contemplated under the Parent Group Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Listing Rules due to the revision of the annual cap.

As the highest applicable percentage ratio in respect of the Revised Annual Cap under the Parent Group Services Framework Agreement, on an aggregated basis with the CNMC Services Framework Agreement, exceeds 0.1% but is less than 5%, the revision of the annual cap under the Parent Group Services Framework Agreement in relation to provision of certain services by the Group to the Parent Group is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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.

The Parent Group

The Parent Company is a state-owned enterprise established in the PRC. Its controlling shareholder is China Nonferrous Metal Mining (Group) Co., Ltd* (中國有色礦業集團有限公司), 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, ore processing, smelting and plating, research and development, design to sales and trading.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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 Services Framework Agreement”	the services framework agreement dated 3 March 2025 entered into between the Company and CNMC, the details of which are set out in the announcement of the Company dated 3 March 2025, and the revised annual cap of which set out in the announcement of the Company dated 8 April 2025
“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 transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company
“Existing Annual Cap”	the existing annual cap in respect of the provision of services by the Group to the Parent Group under the Parent Group Services Framework Agreement for the year ending 31 December 2025 as disclosed in the Announcement
“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
“Parent Company”	Daye Nonferrous Metals Group Holding Co., Ltd.* (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 of the Company
“Parent Group”	the Parent Company and its subsidiaries
“Parent Group Services Framework Agreement”	the services framework agreement dated 22 November 2022 and entered into between the Company and the Parent Company, further details of which are set out in the Announcement

“percentage ratios”	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 in respect of the provision of services by the Group to the Parent Group under the Parent Group Services Framework Agreement for the year ending 31 December 2025
“RMB”	Renminbi, the lawful currency of the PRC
“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, 12 August 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.

* *For identification purpose only.*