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If you are in any doubt as to any aspect of this circular or as to what action to take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Daye Non-Ferrous Metals Mining Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**MAJOR TRANSACTION AND
CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

AMASSE CAPITAL
寶 積 資 本

A letter from the Board is set out on pages 8 to 78 of this circular. A letter from the Independent Board Committee is set out on page 79 of this circular. A letter from the Independent Financial Adviser is set out on pages 80 to 158 of this circular. A notice convening the SGM to be held at Function Room 4 & 6, 3/F, The Mira Hong Kong, Mira Place, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 5 January 2026 at 10:00 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A form of proxy for use at the SGM is enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.hk661.com).

Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM or any adjournment thereof if they so wish and in such event, the proxy form shall be deemed to be revoked.

19 December 2025

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會)
“CBRC”	China Banking Regulatory Commission (中國銀行業監督 管理委員會)
“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 and an associate of CNMC
“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
“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 Financial Company”	Nonferrous Mining Group Financial Company Limited* (有色礦業集團財務有限公司), a limited liability company incorporated in the PRC and a non-wholly owned subsidiary of CNMC
“CNMC Financial Services Framework Agreement”	the financial services framework agreement dated 6 November 2025 entered into between the Company and CNMC, the details of which are set out in this circular
“CNMC Group”	CNMC and its subsidiaries
“CNMC Group Purchase and Production Services Framework Agreement”	the purchase and production services framework agreement dated 6 November 2025 entered into between the Company and CNMC, the details of which are set out in this circular

DEFINITIONS

“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
“Connected Transaction Agreements”	collectively, (i) the Yangxin Hongsheng Sales Framework Agreement, (ii) the Huangshi Xingang Production Services Framework Agreement, (iii) the Yangxin Hongsheng Services Framework Agreement, (iv) the Parent Group Purchase and Production Services Framework Agreement, (v) the Hubei Gold Purchase Framework Agreement, (vi) the CNMC Group Purchase and Production Services Framework Agreement, (vii) the Hubei Edong Industrial Investment Purchase Framework Agreement, (viii) the Parent Group Combined Ancillary Services Framework Agreement, (ix) the Huangshi Xingang Water Utility Combined Ancillary Services Framework Agreement; (x) the Parent Group Asset Lease Framework Agreement; (xi) the CNMC Financial Services Framework Agreement; (xii) the CNMC Group Sales Framework Agreement; (xiii) the Hubei Edong Industrial Investment Sales Framework Agreement; (xiv) the CNMC Group Services Framework Agreement; and (xv) the Yangxin Hongsheng Purchase and Production Services Framework Agreement
“Current Bye-Laws”	the bye-laws of the Company currently in force
“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)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Huangshi State-owned Assets Management”	Huangshi State-owned Assets Management Co., Ltd.* (黄石市國有資產經營有限公司), a limited liability company incorporated in the PRC, indirectly holding 12% equity interest of Yangxin Hongsheng
“Huangshi Xingang”	Huangshi Xingang Nonferrous Chemical Terminal Co., Ltd.* (黄石新港有色化工碼頭有限公司), a limited liability company incorporated in the PRC and an associate of the Parent Company
“Huangshi Xingang Development”	Huangshi Xingang Development Co., Ltd.* (黄石新港開發有限公司), a limited liability company incorporated in the PRC, holding 16% equity interests of Yangxin Hongsheng
“Huangshi Xingang Development Group”	Huangshi Xingang Development and its subsidiaries
“Huangshi Xingang Production Services Framework Agreement”	the purchase and production services framework agreement dated 6 November 2025 entered into between the Company and Huangshi Xingang, the details of which are set out in this circular
“Huangshi Xingang Water Utility”	Huangshi Xingang Water Utility Co., Ltd.* (黄石新港水務有限公司), a limited liability company registered in the PRC, which is a wholly-owned subsidiary of Huangshi Xingang Development
“Huangshi Xingang Water Utility Combined Ancillary Services Framework Agreement”	the combined ancillary services framework agreement dated 6 November 2025 entered into between Yangxin Hongsheng and Huangshi Xingang Water Utility, the details of which are set out in this circular
“Huangshi Xingang Water Utility Members”	companies controlled by Huangshi Xingang Water Utility
“Hubei Edong Industrial Investment”	Hubei Edong Mining Investment Group Co., Ltd.* (湖北鄂東產業投資集團有限公司), a limited liability company established in the PRC, holding 12% equity interests of Yangxin Hongsheng

DEFINITIONS

“Hubei Edong Industrial Investment Purchase Framework Agreement”	the purchase framework agreement dated 6 November 2025 entered into between the Company and Hubei Edong Industrial Investment, the details of which are set out in this circular
“Hubei Gold”	Hubei Jilong Mountain Gold Mining Company Limited* (湖北雞籠山黃金礦業有限公司), a limited liability company established in the PRC and an associate of the Parent Company
“Hubei Gold Purchase Framework Agreement”	the purchase framework agreement dated 6 November 2025 entered into between the Company and Hubei Gold, the details of which are set out in this circular
“Independent Board Committee”	the independent board committee of the Company comprising Ms. Liu Fang, Mr. Wang Qihong and Mr. Kong Hua, being all the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Non-Exempt Continuing Connected Transactions and the Proposed 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 Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps
“Independent Shareholders”	the Shareholders other than, the Parent Company, CNMC and their respective associates
“independent third party”	a person or entity who is not a connected person of the Company
“Latest Practicable Date”	15 December 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Market Price”	means such price(s) that: (1) the contracting party (as the supplier of products or service) provides such products or services to independent third parties for the same or similar products or services; (2) independent third parties provides such products or services to other independent third parties for the same or similar products or services; or (3) as determined by industry standards or practice for the same or similar products or services
“Non-Exempt Connected Transaction Agreements”	collectively, (i) the Yangxin Hongsheng Sales Framework Agreement, (ii) the Parent Group Purchase and Production Services Framework Agreement, (iii) the CNMC Group Purchase and Production Services Framework Agreement; (iv) the CNMC Financial Services Framework Agreement (the deposit services to be provided by the Group to the CNMC Group; and the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group); (v) the CNMC Group Sales Framework Agreement; (vi) the CNMC Group Services Framework Agreement; and (vii) the Yangxin Hongsheng Purchase and Production Services Framework Agreement
“Non-Exempt Continuing Connected Transactions”	the continuing connected transactions consisting of (i) the Yangxin Hongsheng Sales Framework Agreement, (ii) the Parent Group Purchase and Production Services Framework Agreement, (iii) the CNMC Group Purchase and Production Services Framework Agreement; (iv) the CNMC Financial Services Framework Agreement (the deposit services to be provided by the Group to the CNMC Group; and the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group); (v) the CNMC Group Sales Framework Agreement; (vi) the CNMC Group Services Framework Agreement; and (vii) the Yangxin Hongsheng Purchase and Production Services Framework Agreement

DEFINITIONS

“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 Asset Lease Framework Agreement”	the asset lease framework agreement dated 6 November 2025 entered into between the Company and the Parent Company, the details of which are set out in this circular
“Parent Group Combined Ancillary Services Framework Agreement”	the combined ancillary services framework agreement dated 6 November 2025 entered into between the Company and the Parent Company, the details of which are set out in this circular
“Parent Group Purchase and Production Services Framework Agreement”	the purchase and production services framework agreement dated 6 November 2025 entered into between the Company and the Parent Company, the details of which are set out in this circular
“PBOC”	The People’s Bank of China
“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 circular, 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 three years ending 31 December 2028
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM” or “Special General Meeting”	a special general meeting of the Company to be held to consider and if thought fit, approve the Non-Exempt Continuing Connected Transactions and their Proposed Annual Caps

DEFINITIONS

“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
“USD”	United States dollars, the lawful currency of the United States
“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
“Yangxin Hongsheng Purchase Framework Agreement”	the purchase framework agreement dated 22 November 2022 entered into between the Company and Yangxin Hongsheng, the details of which are set out in the announcement of the Company dated 22 November 2022, the circular of the Company dated December 23, 2022, and the announcement of the Company 12 September 2023
“Yangxin Hongsheng Purchase and Production Services Framework Agreement”	the purchase and production services framework agreement dated 6 November 2025 entered into between the Company and Yangxin Hongsheng, the details of which are set out in this circular
“Yangxin Hongsheng Sales Framework Agreement”	the sales framework agreement dated 6 November 2025 entered into between the Company and Yangxin Hongsheng, the details of which are set out in this circular
“Yangxin Hongsheng Services Framework Agreement”	the services framework agreement dated 6 November 2025 entered into between the Company and Yangxin Hongsheng, the details of which are set out in this circular
“%”	per cent

* For identification purpose only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Xiao Shuxin (*Chairman*)

Mr. Zhang Jinzhong (*Chief Executive Officer*)

Ms. Zhang Aijun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Ms. Liu Fang

Mr. Wang Qihong

Mr. Kong Hua

*Head office and principal place
of business:*

Rm 910-C, 9/F

Tower 1, Cheung Sha Wan Plaza

833 Cheung Sha Wan Road

Cheung Sha Wan

Kowloon

Hong Kong

19 December 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

Reference is made to the announcement of the Company dated 6 November 2025 in relation to, among other things, the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things:

- (i) further details of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps;
- (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps;
- (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its recommendation in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps;
- (iv) the financial and other information of the Group; and
- (v) the notice of SGM.

At the SGM, resolutions will be proposed to approve the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

II. MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

1. Yangxin Hongsheng Sales Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) Yangxin Hongsheng

Nature of transactions: The Group will supply certain products to Yangxin Hongsheng, including gold bars, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, auxiliary equipment, supporting materials, components, 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 2026 to 31 December 2028.

Time and method of payment: Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.

LETTER FROM THE BOARD

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 Latest Practicable Date, prices for the supply of the relevant products will be determined by the parties on the following basis:

No.	Name of Product	Principles and Basis of Pricing
1	Gold bars	The benchmark price is determined according to the settlement price or trading price of Au9999 as quoted on the Shanghai Gold Exchange.
2	Silver/handicraft silver	1. The price is determined according to the instant trading price of silver deferred contract as quoted on the Shanghai Gold Exchange or the fixing price and settlement price of Ag9999 on the Shanghai Huatong Silver Exchange. (Domestic) 2. Silver for export: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)

LETTER FROM THE BOARD

No.	Name of Product	Principles and Basis of Pricing
3	Copper cathodes	1. The spot price is determined according to the instant trading price as quoted on the Shanghai Futures Exchange plus market premium or discount which refers to metal spot websites. (Domestic) 2. Copper cathodes for export: (a) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)
4	Copper concentrate containing gold	Gold price: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
5	Copper concentrate containing silver	Silver price: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)

LETTER FROM THE BOARD

No.	Name of Product	Principles and Basis of Pricing
6	Copper concentrate containing copper	Copper price: (a) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority, and currently implemented with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局). The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price.
8	Residual heat power generation	The price is determined based on the price guidance documents issued by the competent government authority, and the on-grid tariff is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年-2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting the Internal Settlement Price of Residual Heat Power Generation in the Company's Smelting Plant (Ye Se Cai (2016) No. 61) (《關於調整公司冶煉廠餘熱發電內部結算價格的通知》(冶色財(2016)61號))}. The on-grid tariff shall be adjusted accordingly in case of adjustment in the government price.

LETTER FROM THE BOARD

No.	Name of Product	Principles and Basis of Pricing
9	Water	The price is determined based on the price guidance documents issued by the competent government authority, and currently implemented with reference to the Reply of Huangshi Price Bureau on Adjusting Price of Water in Huangshi Urban Area (Huang Jia Huan Zi (2014) No. 27) (《黃石市物價局關於調整黃石城區供水價格的批覆》(黃價環資(2014)27號)). The price of water shall be adjusted accordingly in case of adjustment in the government price.
10	Electricity	The price is determined based on the price guidance documents issued by the competent government authority, and the selling price of electricity is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網 2016 年–2018 年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting General Industrial and Commercial Electricity Prices in Xialu District (Ye Se Cai [2019] No. 36) (《關於調整下陸地區一般工商業用電價格的通知》(冶色財[2019]36號)) and Notice on Adjusting Settlement Price of Electricity for Limited Companies in Xialu District and Huangjinshan Industrial Park (Ye Se Cai Wu [2022] No. 9) (《關於調整有限公司下陸地區、黃金山工業園供電結算價格的通知》(冶色財務[2022]9號))}. The selling price of electricity shall be adjusted accordingly in case of adjustment in the government price.
11	Raw materials	The price is determined comprehensively based on tender price comparison and market condition.
12	Auxiliary equipment	The price is determined comprehensively based on tender price comparison and market condition.
13	Supporting materials	The price is determined comprehensively based on tender price comparison and market condition.

LETTER FROM THE BOARD

No.	Name of Product	Principles and Basis of Pricing
14	Components	The price is determined comprehensively based on tender price comparison and market condition.
15	Production equipment	The price is determined comprehensively based on tender price comparison and market condition.
16	Tools	The price is determined comprehensively based on tender price comparison and market condition.
17	Sulfuric acid	The selling price is determined with reference to the quotation of sulfuric acid chemical products on the websites (currently referring to Baiinfo's website) and based on the surrounding sulfuric acid market conditions.
18	Dump truck	The price is determined based on the value in the vehicle valuation report with reference to the Price Law of the People's Republic of China (《中華人民共和國價格法》), Hubei Provincial People's Government Order (98) No. 151 (湖北省人民政府(98)151號令), the Administrative Measures for Price Appraisal (《價格鑒定管理辦法》) published by the State Planning Commission, Automobile Scrap Standard (《汽車報廢標準》) published by the Ministry of Commerce, and service life and comprehensive newness rate of the vehicle (the comprehensive newness rate reflects the degree of newness or oldness of the equipment, which is the ratio of the equipment's current value to its replacement value in a new state. The newness rate of equipment is not only determined by its service life, but also by on-site observation and inspection of the equipment to determine its current technical condition, which is scientifically and reasonably determined by comprehensively considering various factors including tangible losses and intangible losses). It also takes into account the market conditions of the second-hand car market and the actual realization of vehicles (converting non-cash assets into cash).
19	Waste materials	The price is determined according to market price inquiries, with reference to the settlement price of copper futures contract for the current month as quoted on the Shanghai Futures Exchange as the settlement benchmark price.

LETTER FROM THE BOARD

Historical figures, existing annual caps and Proposed Annual Caps

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the Yangxin Hongsheng Sales Framework Agreement:

2023		Year ended 31 December				Year ending 31 December		
		2024		2025		2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
	(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
7,203,325	4,346,131	7,905,839	4,992,848	3,110,003	1,713,770	4,291,120	4,591,956	4,900,723

Note: Represents the actual transaction amount incurred under the Yangxin Hongsheng Sales Framework Agreement for the nine months ended 30 September 2025.

The Proposed Annual Caps for the three years ending 31 December 2028 were primarily determined with reference to: (a) the historical sales amount between the Company and Yangxin Hongsheng over the past two to three years, amounting to approximately RMB4.35 billion and RMB4.99 billion for the two years ended 31 December 2024, and RMB2.36 billion for the ten months ended 31 October 2025; (b) the estimation by the Company that the total sales amount between the Company and Yangxin Hongsheng for the year 2025 will reach approximately RMB3.0 billion; and (c) the Company has entered into letter of intents with Yangxin Hongsheng, whereby the Company expects to sell 150,000 tonnes, 160,000 tonnes and 170,000 tonnes of copper concentrate to Yangxin Hongsheng respectively during the three years from 2026 to 2028; and the expected increases in copper prices, hence the transaction amounts are expected to increase year by year during the three years from 2026 to 2028. In particular, the Company expects that the products to be sold to Yangxin Hongsheng during 2026 to 2028 are mainly copper concentrates and anode plates, of which it is expected to sell approximately 37,516 tons of copper concentrates containing copper, gold and silver, 40,017 tons of copper concentrates containing copper, gold and silver and 42,518 tons of copper concentrates containing copper, gold and silver with the sales amount of approximately RMB3,289 million, RMB3,572 million, RMB3,863 million respectively; and to sell 11000 tons of anode plates each year with the sales amount of approximately RMB1,002 million, RMB1,020 million and RMB1,038 million respectively, to Yangxin Hongsheng in 2026-2028. Therefore, the annual caps amount to approximately RMB4,291 million, RMB4,592 million and RMB4,901 million respectively.

In 2023, Yangxin Hongsheng was in its early stage since its establishment, there was a high demand for the procurement of imported ores. As a newly established Company, Yangxin Hongsheng had limited letter of credit quotas at various banks and was unable to independently meet the letter of credit requirements for imported ores. Due to these limitations, Daye Metal was required to issue letters of credit on its behalf and sold the imported ores to Yangxin Hongsheng through Daye Metal. This directly resulted in Yangxin Hongsheng's high demand for imported ores from Daye Metal. As Yangxin Hongsheng's operations gradually expanded, its letter of credit quotas at various banks increased accordingly, reducing its demand for imported ores from Daye Metal.

LETTER FROM THE BOARD

Reasons for the transaction

The Directors consider that the Yangxin Hongsheng Sales Framework Agreement will continue to be important to the business operations of Yangxin Hongsheng. To meet the production needs of both plants, there may be mutual adjustment of the arrival of copper concentrate between the two plants. Further, the Yangxin Hongsheng Sales Framework Agreement allows the Group to serve as a reliable back-up source of supply of copper concentrate to Yangxin Hongsheng, maximize the utilization of the inventory of the Group to facilitate production and minimize the administrative costs and time costs involved for such sales considering its intra-group relationship with the Company.

Listing Rules implications

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

2. Parent Group Purchase and Production Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) the Parent Company

Nature of transactions: The Parent Group will:

- (1) supply certain products to the Group, including scrap copper, blister copper, silver, anode plates, industrial cutting gas, liquefied gas, natural gas, copper concentrate, diesel fuel, equipment, wollastonite, gold concentrate and such other products as agreed by the parties from time to time; and
- (2) provide certain production services to the Group, including repair and maintenance service, maintenance work, construction engineering, engineering labour, safe production costs, design and construction, technology research and development, processing of anode plates/anode scrap, processing of anode copper scrap, gas delivery management and maintenance, transportation, train loading and unloading, copper warehouse crane maintenance and repair, logistics maintenance services and such other production services as agreed by the parties from time to time.

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Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
Pricing mechanism:	Based on: (i) the government prescribed price; (ii) if there is no applicable government prescribed price, the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure 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 Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

Products

No.	Product Name	Principles and Basis of Pricing
1	Scrap copper	The price of scrap copper is determined based on market procurement price, with reference to instant price of scrap copper in regions such as Miluo, Hunan, Taizhou, Zhejiang, and Nanhai, Guangdong, specifically referring to prices published on relevant web portals of copper industry.

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No.	Product Name	Principles and Basis of Pricing
2	Blister copper (containing gold), blister copper (containing silver), blister copper (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic) The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International)

LETTER FROM THE BOARD

No.	Product Name	Principles and Basis of Pricing
		Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International)
3	Silver	The price is determined based on the instant trading price of the silver deferred contract as quoted on the gold exchange (domestic silver is subject to the Shanghai Gold Exchange; silver for export is subject to the London Gold Exchange), or the fixing price and settlement price of specific silver as quoted on the silver spot trading market (as applicable to the contract).
4	Anode plates (containing gold), anode plates (containing silver), anode plates (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic) The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic)

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No.	Product Name	Principles and Basis of Pricing
		Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International)
5	Industrial cutting gas	Determined according to market price.
6	Liquefied gas	
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority. The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price and currently with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局).

LETTER FROM THE BOARD

No.	Product Name	Principles and Basis of Pricing
8	Copper concentrate (containing gold), copper concentrate (containing silver), copper concentrate (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, or the arithmetic average price of average daily price of copper for the current month as quoted on the Shanghai Futures Exchange during the quotation period as agreed in the contract, multiplied by the corresponding recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)

LETTER FROM THE BOARD

No.	Product Name	Principles and Basis of Pricing
		Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International) Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
9	Diesel fuel	The price is determined according to the retail listing price quoted by Sinopec Group gas station at Huangshi, Hubei.
10	Equipment	The Group will conduct tenders by invitation, inviting at least three qualified suppliers (including the Parent Group and two independent third party suppliers) to participate in the relevant tenders. Selection will be made primarily based on price offered, but consideration will also be given to the quality of products, effectiveness of communication and historical cooperation relationship with the suppliers. When actual transactions are proposed to be conducted, the product price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.

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No.	Product Name	Principles and Basis of Pricing
11	Wollastonite (containing gold)	The price is determined comprehensively based on annual tender comparison and market condition.
12	Gold concentrate (containing gold)	When procurement is required, the price is determined by multiplying the specific gold price as quoted on the Shanghai Gold Exchange at that time by the corresponding gold recovery rate coefficient (the coefficient is determined based on the Company's production costs and is applicable to other independent third parties).
13	Gold	The price is determined based on the instant trading price of the gold deferred contract as quoted on the London Bullion Market Association or the fixing price and settlement price of specific gold in the gold spot market (as applicable to the contract), plus the corresponding premium or discount (as determined according to the relevant import contract). (International)

Comprehensive Services

No.	Name of Service	Principles and Basis of Pricing
1	Repair services	Based on the repair workload of each business unit, a lump-sum will be charged for repair services. The total repair service fee is determined with reference to the number of labor required to complete the repair service and relevant expenses including wages.
2	Maintenance work	The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》).

LETTER FROM THE BOARD

No.	Name of Service	Principles and Basis of Pricing
3	Construction engineering	Currently, the price is determined with reference to the List for Hubei Province Construction Works Consumption Quota and Unit Price Estimation (《湖北省建築工程消耗量定額及單位估價表》), the List for Hubei Province Installation Project Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), and the List for Hubei Province Decoration Works Consumption Quota and Unified Base Price (《湖北省裝飾工程消耗量定額及統一基價表》) issued by the administrative departments of construction in Hubei Province. Should the administrative departments of construction in Hubei Province issues separate documents, implementation shall be carried out in accordance with the provisions of such documents.
4	Engineering labor	
5	Safe production costs	
6	Design and construction	
7	Technology research and development	The price is determined based on costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
8	Processing of anode plates/anode scrap	The price is determined based on the market price for the entrusted processing of anode plates/anode scrap.
9	Processing of anode copper scrap	The price is determined based on the market price for the entrusted processing of anode plates/anode scrap.

LETTER FROM THE BOARD

No.	Name of Service	Principles and Basis of Pricing
10	Gas delivery management and maintenance	The price is determined based on operating costs, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
11	Transport services	The Group shall (i) conduct annual centralized tendering; and (ii) if the transport services exceed the scope of the aforementioned annual tender, conduct inquiries and comparisons. For the annual tendering and any inquiries and comparisons conducted by the listed group from time to time, the listed group shall invite and/or seek invitations from at least three service providers (including the Parent Group and two independent service providers) to participate in the tender and/or provide quotations (if other suitable service providers can be found in the same or adjacent service areas). Selection shall be primarily based on the prices offered, but will also consider service level, communication effectiveness, and past cooperation history with suppliers.
12	Train loading and unloading	The Group shall seek invitations from at least three service providers (including the Parent Group and two independent service providers) to provide quotations for train loading and unloading services (if other suitable service providers can be found in the same or adjacent service areas). Selection will be primarily based on the prices offered, but will also consider service level, communication effectiveness, and past cooperation history with suppliers.

LETTER FROM THE BOARD

No.	Name of Service	Principles and Basis of Pricing
13	Copper warehouse crane maintenance and repair	The price is determined through negotiation based on market prices, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
14	Logistics maintenance services	The price is determined through negotiation based on market prices, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

Historical figures, existing annual caps and Proposed Annual Caps

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the Parent Group Purchase and Production Services Framework Agreement:

		Year ended 31 December				Year ending 31 December		
		2023	2024		2025	2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note)			
	(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
3,009,009	388,289	3,520,887	593,280	4,116,336	197,360	2,383,867	2,830,761	3,326,123

LETTER FROM THE BOARD

The Proposed Annual Caps for FY2026 – FY2028 were primarily determined with reference to: (a) the historical sales amount for the nine months ended 30 September 2025 which had reached approximately RMB0.20 billion; (b) the estimation by the Company that the total purchase amount between the Company and the Parent Group for the year 2025 will reach approximately RMB0.40 billion; and (c) the Company requires certain primary raw materials such as copper concentrate, blister copper and anode plates (collectively, the “Primary Raw Materials”) for the production of copper cathodes by its production plants. During FY2023, FY2024 and FY2025, the Company purchased a total of approximately 770,600 tonnes, 741,000 tonnes and 635,300 tonnes of the Primary Raw Materials, amounting to approximately RMB47.3 billion, RMB52.6 billion and RMB50.9 billion, respectively. The Company expects to require similar levels of the Primary Raw Materials for its productions during FY2026, FY2027 and FY2028. In light of the fluctuations in the copper prices, the Company has entered into letter of intents with members of the Parent Group, which have explicitly set out the target sales volume of certain products under the Parent Group Purchase and Production Services Framework Agreement for each of the three years ending 2028, and intends to increase its purchase allocation of the Primary Raw Materials from the connected parties (including the Parent Group) to approximately 21%, 22% and 27% during FY2026, FY2027 and FY2028, respectively, in order to secure a cost effective, timely and stable source of supply. Accordingly, with the expected increases in copper prices, it is expected that purchases by the Company from the Parent Group for the Primary Raw Materials will amount to approximately RMB1.76 billion, RMB2.24 billion and RMB2.73 billion during FY2026, FY2027 and FY2028, respectively.

The low utilization rate of the annual caps in the three years ending 31 December 2025 was mainly due to the import operations of Daye Singapore. During the period of 2023 to 2025, the actual import value from Daye Singapore has been significantly lower than the forecasted amounts. The primary constraint is bank credit bottlenecks: the initially available bank credit lines of Daye Singapore Company were extremely small, and the approval process for new credit lines faced prolonged delays. This impeded the planned progression of import operations, directly impacting the utilization efficiency of the original annual caps.

With new bank credit lines of Daye Singapore have been approved for the next years, it is expected that the Group will continue procuring imported ore via letters of credit issued through Daye Singapore based on actual operational demands, hence a gradual recovery of the subsequent utilization rate of the annual caps can be expected. Therefore, the historical transaction amounts for 2023 to 2025 would not be an accurate reference for projection of the expected amount of products or services to be purchased by the Group in the next three years ending 31 December 2028.

For the above reason, the Company estimates that the total amount of products and services supplied by the Parent Group to the Company will increase gradually each year from 2026 to 2028.

LETTER FROM THE BOARD

Reasons for the transaction

The products and production services to be provided under the Parent Group Purchase and Production Services Framework Agreement will be important to the operations of the Group. Given the long-term business relationship of the Parent Group and the Group and the close geographical proximity of their respective operations, the Directors consider that the entering into of the Parent Group Purchase and Production Services Framework Agreement will allow the Group to secure a cost effective, timely and stable source of supply of those products and production services, and also to benefit from the procurement network of the Parent Company.

Listing Rules implications

Pursuant to Rule 14A.81 of the Listing Rules, on the basis that (i) the CNMC Group and the Parent Group are under the same control; (ii) the transactions under the Parent Group Purchase and Production Services Framework Agreement and the CNMC Group Purchase and Production Services Framework Agreement are of a similar nature and are entered into within a 12-month period, the continuing connected transactions contemplated thereunder are required to be aggregated. As the highest applicable percentage ratio in respect of the Proposed Annual Caps (whether on a standalone basis or an aggregated basis) exceeds 5%, the Parent Group Purchase and Production Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

3. CNMC Group Purchase and Production Services Framework Agreement

Date:	6 November 2025
Parties:	(1) the Company (2) CNMC
Nature of transactions:	The CNMC Group (excluding the Parent Group and the Group) will: (1) supply certain products to the Group, including blister copper, copper concentrate, raw materials, auxiliary equipment, supporting materials, components, production equipment, tools and such other products as agreed by the parties from time to time; and (2) provide certain production services to the Group, including maintenance engineering, supervision, construction, mine exploration, engineering design, surveying and mapping, environment monitoring, equipment, electrical and oil products inspection and examination, research and development, mining/mineral dressing/metallurgical chemical/architectural/electrical automation design, maneuvering wire improvement, technical development projects, blueprint, technical consultation, mineral product testing, arsenic sulfide slag and neutralized slag, technical service fee, and such other production services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.

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Pricing mechanism: Based on: (i) the government prescribed price; (ii) if there is no applicable government prescribed price, the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure 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 Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

No.	Product Name	Principles and Basis of Pricing
1	Blister copper (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic) Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)

LETTER FROM THE BOARD

No.	Product Name	Principles and Basis of Pricing
2	Blister copper (containing gold)	The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)
3	Blister copper (containing silver)	The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
4	Copper concentrate (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, multiplied by the corresponding recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)

LETTER FROM THE BOARD

No.	Product Name	Principles and Basis of Pricing
5	Copper concentrate (containing gold)	The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Gold price: (1) spot price, according to the CME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)
6	Copper concentrate (containing silver)	The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Silver price: (1) spot price, according to the CME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)

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No.	Product Name	Principles and Basis of Pricing
7	Raw materials, auxiliary equipment, supporting materials, components, production equipment, tools	The price is determined comprehensively based on annual tender comparison and market condition. The listed group will conduct tenders by invitation, inviting at least three qualified suppliers (including the CNMC Group and two independent third party suppliers) to participate in the relevant tenders. Selection will be made primarily based on price offered, but consideration will also be given to the quality of products, effectiveness of communication and historical cooperation relationship with the suppliers. The price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.

Comprehensive Services

No.	Name of Service	Principles and Basis of Pricing
1	Maintenance work	Fixed-rate charging is implemented according to the List for Hubei Province Construction Works Consumption Quota and Unified Base Price (《湖北省建築工程消耗量定額及統一基價表》), the List for Hubei Province Decoration and Renovation Works Consumption Quota and Unified Base Price (《湖北省裝修裝飾工程消耗量定額及統一基價表》), the List for Hubei Province Installation Works Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), the List for National Unified Housing Repair Works Budget Quota Hubei Province Unified Base Price (全國統一房屋修繕工程預算定額湖北省統一基價表) and supporting fees standards in 2018, and settlement is made based on the actual costs according to the Construction Drawings (《施工圖》), Drawing Review Minutes (《圖紙會審紀要》), Design Changes (《設計變更》), Acceptance Records of Concealed Works (《隱蔽工程驗收記錄》), Project Verification (《工程簽證單》) and the smelter's tender unit prices.

LETTER FROM THE BOARD

No.	Name of Service	Principles and Basis of Pricing
2	Supervision	The price is determined (i) through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Regulations on Construction Work Supervision and Associated Service Fees Management (《建設工程監理與相關服務收費管理規定》) (Fa Gai Jia Ge [2007] No. 670) (發改價格[2007]670號), with reference to the market-based principles; (ii) in accordance with the relevant prices prescribed by the Department of Housing and Urban-Rural Development of the National Development and Reform Commission and Hubei Construction Supervision Association (湖北省建設監理協會); and (iii) in accordance with other applicable PRC laws and regulations.
3	Construction	Currently, the price is determined with reference to the List for Hubei Province Construction Works Consumption Quota and Unit Price Estimation (《湖北省建築工程消耗量定額及單位估價表》), the List for Hubei Province Installation Works Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), and the List for Hubei Province Decoration Works Consumption Quota and Unified Base Price (《湖北省裝飾工程消耗量定額及統一基價表》) issued by the administrative departments of construction in Hubei Province. Should the administrative departments of construction in Hubei Province issues separate documents, implementation shall be carried out in accordance with the provisions of such documents.
4	Mine exploration	The price is determined based on the geological survey project budget standards issued by the government, with current reference to the Budget Standards of Geological Survey Projects of the China Geological Survey (Trial 2010) (《中國地質調查局地質調查項目預算標準(2010 試用)》).

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No.	Name of Service	Principles and Basis of Pricing
5	Engineering design and surveying services	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial) (《湖北省工程勘察設計收費參考標準(試行)》), implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
6	Environment monitoring services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on Approving Charging Standards for Environmental Monitoring Services (《關於核定環境監測服務收費標準的通知》) released by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (湖北省物價局及湖北省財政廳) (E Jia Huan Zi Gui [2013] No. 223) (鄂價環資規[2013]223號). The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
7	Equipment, electrical and oil products inspection and examination services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Reply of the Huangshi Municipal Price Bureau on the Charging Standards for Safety Evaluation and Safety Production Inspection and Examination Services Charged by the Municipal Mine Safety and Health Inspection and Examination Institute (《黃石市物價局關於市礦山安全衛生檢測檢驗所收取安全評價及安全生產檢測檢驗服務收費標準的批覆》) (Huang Jia Shen Pi Fa [2014] No. 41) (黃價審批發[2014]41號) dated 30 April 2014, the Notice Regarding the Standardization of Electricity Application Procedures and Service Pricing in Huangshi City (《關於規範黃石市電力報裝及服務價格的通知》) (Huang Jia Shen Fa [2005] No. 124) (黃價審發[2005]124號) dated 1 December 2005, and the Notice on the Formulation of Charging Standards for Product Quality Supervision and Inspection in the Province and Related Matters Issued by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (《湖北省物價局省財政廳關於制定我省產品質量監督檢驗收費標準及有關問題的通知》) (E Jia Fei [2010] No. 27) (鄂價費[2010]27號) dated 1 February 2010. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
8	Research and development	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Name of Service	Principles and Basis of Pricing
9	Construction/mining design	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding ‘Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)’ Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
10	Maneuvering wire improvement	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding ‘Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)’ Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
11	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
12	Blueprint	The pricing is determined through market auction, and the prices are determined by the number of sheets and paper sizes produced for printing and copying.

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No.	Name of Service	Principles and Basis of Pricing
13	Technical consultation	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial) (《湖北省工程勘察設計收費參考標準(試行)》), implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
14	Mineral product testing	The price is determined based on comprehensive consideration of all costs, such as equipment depreciation, reagent and consumables fees, labor costs and management fees upon negotiation, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
15	Arsenic sulfide slag and neutralized slag	The price is determined based on comprehensive consideration of all costs, such as project material consumption, transportation cost, equipment depreciation, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Name of Service	Principles and Basis of Pricing
16	Technical service fee	The price is determined based on comprehensive consideration of all costs, such as project material consumption, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

Historical figures, existing annual caps and Proposed Annual Caps

2023		Year ended 31 December				Year ending 31 December		
		2024		2025		2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
	(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
6,355,823	1,196,792	6,663,945	1,346,107	7,462,154	1,258,620	10,766,522	12,176,152	14,091,446

Note: Represents the actual transaction amount incurred under the CNMC Group Purchase and Production Services Framework Agreement for the nine months ended 30 September 2025.

The Proposed Annual Caps for FY2026 were primarily determined with reference to: (a) the growth trend in the historical purchase amount between the Company and the CNMC Group during the past two to three years. The historical purchase amount for the two years ended 31 December 2024 and the nine months ended 30 September 2025 were approximately RMB1.19 billion, RMB1.34 billion and RMB1.25 billion, respectively; (b) the estimation by the Company that the total purchase amount between the Company and the CNMC Group for the year ending 31 December 2025 will reach up to approximately RMB1.50 billion; and (c) the Group requires, among others, the Primary Raw Materials for the production of copper cathodes by its production plants. During FY2023, FY2024 and FY2025, the Company purchased a total of approximately 770,600 tonnes, 741,000 tonnes and 635,300 tonnes of the Primary Raw Materials, amounting to approximately RMB47.3 billion, RMB52.6 billion and RMB50.9 billion, respectively. Of these, only around 1% to 2% were purchased from the

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connected parties (including the CNMC Group), with the remainder from independent suppliers. The Company expects to require similar levels of the Primary Raw Materials for its productions during FY2026, FY2027 and FY2028. In light of the fluctuations in the copper prices, the Company intends to increase its purchase allocation of the Primary Raw Materials from the connected persons (including the CNMC Group and the Parent Group) to approximately 21%, 22% and 27% (arrived at by dividing (i) the estimated purchase volume from connected persons of approximately 138,000 tons, 163,200 tons and 189,200 tons during 2026 to 2028, respectively; with (ii) the estimated total purchase volume of major raw materials such as copper concentrates of approximately 650,000 tons, 740,000 tons and 700,000 tons during 2026 to 2028, respectively) during the three years ending 31 December 2028, respectively, in order to secure a cost effective, timely and stable source of supply. Accordingly, it is expected that purchases by the Company from the CNMC Group (excluding the Parent Group) for the Primary Raw Materials will amount to approximately RMB9.98 billion, RMB11.85 billion and RMB13.77 billion during FY2026, FY2027 and FY2028, respectively; the increases in the Proposed Annual Caps for FY2027 and FY2028 as compared with FY2026 are mainly due to the expected increase in purchases of the Primary Raw Materials from the CNMC Group (excluding the Parent Group) from approximately RMB9.98 billion in FY2026 to RMB11.85 billion in FY2027, and further to RMB13.77 billion in FY2028, aligning with the Company's intention to further increase its purchase allocation from the connected parties (including the CNMC Group) as aforementioned.

The low utilization rate of the annual caps in the three years ended 31 December 2025 was due to an operational shift in core product procurement channels. Over the past two years, the procurement demands of the Group for blister copper and anode plates have been primarily met through domestic procurement and in-house production; in addition, given the long-term contracts and spot procurement volumes of the Group for the period 2023 to 2025, which largely cover the Group's own demands, the proportion of orders sourced through CNMC Group (excluding the Parent Group and the Group) has been further reduced, which ultimately resulted in low utilization rate of the original annual caps. In addition, in the recent two years, the Company's procurement demand for blister copper and anode plates has been primarily fulfilled through domestic trade procurement and self-production, and the scale of procurement through the CNMC Group has naturally decreased.

Furthermore, as the Company's long-term contract procurement volume and spot procurement volume during 2023-2025 were sufficient and had basically covered the Group's own needs, the proportion of procurement through the CNMC Group was further reduced, ultimately resulting in a lower utilization rate of the agreement caps.

Therefore, the historical transaction amounts for 2023 to 2025 would not be an accurate reference for projection of the expected amount of products or services to be purchased by the Group in the next three years ending 31 December 2028. From the perspective of subsequent planning, if market conditions change (such as rising domestic trade prices or insufficient self-production capacity), the Company will still consider procuring anode plates and imported ores through the CNMC Group to ensure the diversity and security of the supply chain. Looking ahead, if market conditions change (e.g., domestic price increases or there is

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insufficient in-house production capacity), the Group will still consider procuring anode plates and imported ore through CNMC Group (excluding the Parent Group and the Group) to safeguard supply chain diversity and security.

On the above basis, the Company estimates that the total amount of products and services supplied by the CNMC Group (excluding the Parent Group and the Group) to the Company will increase gradually each year from 2026 to 2028.

Reasons for the transaction

The Directors consider that the entering into of the CNMC Group Purchase and Production Services Framework Agreement will (i) allow the Group to leverage on the vast resources of the CNMC Group (excluding the Parent Group and the Group) to obtain many of the products and production services which the Group requires for its increasing production capacity and operations; (ii) assist the Group in ensuring a cost-effective, timely and stable source of supply of products, materials and production services required for its operations; and (iii) allow the Company to further diversify its business risks through purchases of blister copper imported from a mine in Zambia, Africa, which offers an alternative, abundant and stable supply, as opposed to the supply in the PRC which is generally insufficient to adequately and promptly satisfy market demand.

Listing Rules implications

Pursuant to Rule 14A.81 of the Listing Rules, on the basis that (i) the CNMC Group and the Parent Group are under the same control; (ii) the transactions under the Parent Group Purchase and Production Services Framework Agreement and the CNMC Group Purchase and Production Services Framework Agreement are of a similar nature and are entered into within a 12-month period, the continuing connected transactions contemplated thereunder are required to be aggregated. As the highest applicable percentage ratio in respect of the Proposed Annual Caps (whether on a standalone basis or an aggregated basis) exceeds 5%, the CNMC Group Purchase and Production Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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4. CNMC Financial Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) CNMC

Nature of transactions: The Group shall place deposits with the CNMC Group.

The CNMC Group shall provide to the Group the following financial services: loans, guarantees and integrated credit facilities, bills acceptance and settlement, foreign exchange settlement and sales and such other financial services as agreed by the parties from time to time.

Term: 1 January 2026 to 31 December 2028.

Pricing mechanism: Subject to compliance with applicable laws, the pricing will be determined with reference to the benchmark lending rates for loans of the same term offered by commercial banks, as well as the prevailing fee standards for similar services charged by commercial banks.

To ensure compliance with the pricing policy under the CNMC Financial Services Framework Agreement, prior to conducting connected transactions under the CNMC Financial Services Framework Agreement, the Group will make enquiries with third-party commercial banks regarding the interest rates for loans and deposits of the same term, and the fees charged by them for providing similar financial services. The Group will then compare such rates and fees with those charged under the connected transactions between the Group and CNMC Group, and determine the relevant rates and fees in accordance with the pricing policy under the CNMC Financial Services Framework Agreement. Wherever practicable, the Group will obtain quotations from not fewer than three independent third-party commercial banks for each transaction.

Time and method of payment: Specific payment terms will be stipulated in the relevant underlying agreement which is in accordance with the relevant regulations of the financial regulatory authorities.

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Deposit and loan amounts:	The average daily amount of deposits placed by the Group with the CNMC Group must not exceed the average daily amount of outstanding loans extended by the CNMC Group to the Group.
Set-off upon default on deposits:	If CNMC Group is unable to return on time the deposits (including accrued interest) placed to it by the Group, the Group shall have the right to: (i) terminate the CNMC Financial Services Framework Agreement; and (ii) set off such deposits (including accrued interest) against the outstanding loans (including accrued interest) extended by CNMC Group to the Group.
Compensation for losses suffered by the Group:	CNMC Group shall fully compensate the Group for any loss incurred by the Group (including in relation to the amount of outstanding deposits or loans and accrued interest or any related expenses incurred) as a result of any of the following: (i) the CNMC Group breaches, or is likely to breach, any PRC laws or regulations; (ii) the occurrence of, or likely occurrence of, any material problem in the CNMC Group's operations or difficulties in payment; or (iii) the CNMC Group does not comply or breaches the CNMC Financial Services Framework Agreement.
Undertaking by CNMC:	CNMC undertakes to the Group that if CNMC Financial Company experiences or foresees any difficulties in payment, CNMC will inject capital into CNMC Financial Company based on the latter's needs in order to ensure the latter's normal operations.

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Historical figures, existing annual caps and Proposed Annual Caps

(a) Deposit services

The table below sets out the historical figures, existing annual caps and the Proposed Annual Caps in respect of the deposit services to be provided by the Group to the CNMC Group under the CNMC Financial Services Framework Agreement:

Year ended 31 December						Year ending 31 December		
2023		2024		2025		2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)
<u>2,697,750</u>	<u>843,893</u>	<u>2,827,221</u>	<u>510,233</u>	<u>2,929,468</u>	<u>1,969,950</u>	<u>3,012,085</u>	<u>3,012,085</u>	<u>3,012,085</u>

Note: Represents the actual transaction amount incurred under the CNMC Financial Services Framework Agreement for the nine months ended 30 September 2025.

The Proposed Annual Caps for FY2026 – FY2028 were primarily determined with reference to: (a) the historical maximum daily outstanding balance of deposits (including accrued interest) placed by the Company with the CNMC Financial Company during the two years ended 31 December 2024 and the nine months ended 30 September 2025 amounted to approximately RMB0.8 billion, RMB0.5 billion and RMB1.9 billion, respectively; (b) and during this period, the available daily cash and bank balances of the Company had reached as high as approximately RMB2.8 billion; and (c) during this period, the interest rates received by the Company on its bank balances from commercial banks in the PRC for US\$ and RMB were approximately 2% and 0.05% per annum respectively; and the interest rates for US\$ and RMB deposits to be provided by the CNMC Financial Company are expected to be approximately 2% and 1.1% per annum respectively, which are more favourable to the Company as compared with the deposit interest rates offered by commercial banks.

For the three years ending 31 December 2025, the utilization rate of the original annual caps was relatively low, primarily due to the following:

1. the suspension of work and production in the smelter, resulting from prolonged technical upgrade and renovation from March to November 2023;
2. an unexpected fire accident at Hongsheng in September 2024 leading to persisted suspension of work and production until December 2024. The events related to the suspension of work and production at these two plants during 2023 to 2024 resulted in a decrease in in-flow of production and business operations, and increases in the

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expenses of furnace shutdown and insulation, maintenance expenses, and expenses of raw material utilization. The above factors led to low utilization rates of the maximum daily deposit limits and interest caps for 2023 to 2025.

Due to the abovementioned events, the historical transaction amounts for 2023 to 2025 were relatively low as compared to each original annual cap. As the impact of the fire accident at Hongsheng has fully subsided, the relevant transaction amounts are expected to increase as the Group raises its production levels. Therefore, the historical transaction amounts for 2023 to 2025 will not serve as an accurate forecast reference for the Group's anticipated deposit amounts with CNMC Group during the next three years ending 31 December 2028. As the impact of the fire accident at Hongsheng has fully subsided and the smelter resumes overall operations following environmental rectification and technical upgrade and renovation, the Group's integrated industry chain of mining and smelting and processing will demonstrate enhanced synergistic effects. The scope of business operations may be further expanded (e.g., addition of downstream processing operations and expanding domestic and international sales channels). The general working capital turnover will increase as compared to 2023 to 2025, providing strong support for upward revisions to the annual caps for deposit services and interest services. Therefore, the historical transaction amounts for 2023 to 2025 would not be an accurate reference for projection of the expected amount of deposits to be placed by the Group with the CNMC Group in the next three years ending 31 December 2028.

In addition, the services expected to be provided by the Group to CNMC Group is estimated to be approximately RMB2.9 to 3.1 billion per year for the three years ending 31 December 2028. The Group's daily available cash balance is partly constituted by the cash flow cycle of trade receivables. During the two years ended 31 December 2024 and the eight months ended 31 August 2025, the said balance (excluding any cash and/or bank balances that had been reserved for specific development/operation purpose) had reached as high as approximately RMB3 billion. As the commodity prices further increase and the scope of business operations may further expand, it is expected that the cash flow of trade receivables would be strengthened and the cash flow cycle would be shortened. The Group is thus expected to place more deposits with CNMC Group for the three years ending 31 December 2028.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 25%, the deposit services under the CNMC Financial Services Framework Agreement constitute (i) a continuing connected transaction that is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a major transaction that is subject to the reporting, announcement, annual review and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(b) Loans, guarantees and integrated credit facilities services

The loans, guarantees and integrated credit facilities services will be provided by the CNMC Group for the benefit of the Company on normal commercial terms similar to those for comparable services in the PRC and no security over the assets of the Group will be granted.

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Therefore, the provision of such services will constitute continuing connected transactions that are exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

(c) Bills acceptance and settlement and foreign exchange settlement and sales services

In order to more effectively monitor the transaction amounts of foreign exchange settlement and sales services, the Company has determined that such transaction amounts shall be based on the aggregate of the amount of foreign currency exchanged (inclusive of the service fees), instead of based solely on the service fees.

The table below sets out the historical figures, existing annual caps and the Proposed Annual Caps in respect of the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group under the CNMC Financial Services Framework Agreement:

Year ended 31 December						Year ending 31 December		
2023		2024		2025		2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)
8,286,025	165,304	8,288,625	1,274,412	8,288,625	3,284,180	10,280,000	10,280,000	10,280,000

Note: Represents the actual transaction amount incurred under the CNMC Financial Services Framework Agreement for the nine months ended 30 September 2025.

The Proposed Annual Caps for FY2026 were primarily determined with reference to: (a) the historical total amount of foreign exchange transacted by the Company during the two years ended 31 December 2024 and the nine months ended 30 September 2025 which amounted to approximately RMB43.1 billion, RMB35.8 billion and RMB33.0 billion, respectively; (b) the estimation by the Company that the total amount of foreign exchange transacted by the Company for the year ending 31 December 2025 will reach approximately RMB38.9 billion; and (c) based on the estimation on the amount and prices of raw materials to be imported by the Company, the total amount of foreign exchange to be transacted by the Company during the three years ending 31 December 2028 is expected to be approximately RMB41.4 billion. The foreign exchange settlement and sales, which is time sensitive, are used for spot payments for imported copper concentrate. During 2023-2024, the smoothness and professional staffing of the foreign exchange settlement and sales business process of the CNMC Financial Company were not up to expectations, resulting in a large difference between the previous annual caps and actual amounts. With the maturity of the treasury fund management system and with proper staffing in place of the CNMC Financial Company during 2026-2028, the bank accounts will

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be dynamically fed back to the treasury of the CNMC Financial Company in real time through bank-enterprise direct connection, enabling real-time viewing of the bank transfer — foreign exchange settlement and sales — fund payment process, thus better grasping the timeliness of fund payments. Therefore, the foreign exchange settlement and sales amount during 2026-2028 is expected to increase significantly compared with the previous period.

With the resumption of normal production and commencement of purchase and sales operations of the two plants during 2026-2028, the rise in commodity prices, and on the premise of a ratio of 20% for foreign exchange settlement and sales, the scale for foreign exchange settlement and sales is expected to increase compared with 2023-2025. The bills acceptance transaction volume will increase significantly compared with the previous period, due to the fact that as the cost of bills acceptance discount business has been lower than the cost of other loan products in the market for a long time, the CNMC Financial Company's expectations for the development of bills acceptance business have changed, and under the same conditions, the Company will prioritize conducting bills acceptance business with the CNMC Financial Company, and the business scale will increase significantly.

CNMC Financial Company can directly inquire about prices in the market and transact with the Group. The inquiry process has limited steps, resulting in more favorable prices. Other bank branches obtain their quotations of foreign exchange settlement and sales from their own branches, which involves more steps in the inquiry process, leading to higher prices. For each of the three years ending 31 December 2028, the Group expects to purchase foreign exchange and settlement services from CNMC Financial Company to satisfy around 20% of its total requirements for foreign exchange services. As for the remaining requirements, the Group will purchase foreign exchange services from other commercial banks and institutions under comparable charge rate and service fee rate to diversify the supply of services and maintain good business relationship with the commercial banks and institutions. Based on its estimations on the amounts and prices of raw materials to be imported by the Group, it is expected that the total foreign exchange transaction amount of the Group for each of the three years ending 31 December 2028 will be approximately RMB41.4 billion. Entering into such foreign exchange transactions is because the revenue of the Group is primarily denominated in RMB while payments to certain raw material suppliers in the international market (including suppliers of copper concentrate and blister copper) need to be settled in USD.

As the highest applicable percentage ratios in respect of the bills acceptance and settlement and foreign exchange settlement and sales services under the CNMC Financial Services Framework Agreement exceed 5%, the bills acceptance and settlement and foreign exchange settlement and sales services under the CNMC Financial Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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Reasons for the transactions

CNMC Financial Company is a non-wholly owned subsidiary of CNMC. It is regulated by PBOC and CBRC to provide financial services to other members of the Parent Group and the CNMC Group. The Directors consider there are numerous advantages of utilising the financial services provided by CNMC Financial Company over similar services provided by other independent commercial banks in the PRC for the following reasons:

- similar to other independent commercial banks in the PRC, CNMC Financial Company will be regulated by the PBOC and the CBRC, and will provide services pursuant to the relevant rules and requirements, including capital risk guidelines and requisite capital adequacy ratios of such regulatory authorities;
- the regulation of finance companies (such as CNMC Financial Company) by the CBRC is more stringent than the regulation of commercial banks in the PRC in certain aspects, for example, finance companies are required to have a higher capital adequacy ratio;
- the CBRC will review the operations and management of finance companies in the PRC pursuant to the Guideline of Risk Assessment and Classified Regulation on Financial Companies of Enterprise Groups (企業集團財務公司風險評價和分類監管指引) which covers areas including a finance company's internal management, operating conditions and the related group's influence over and support to the finance company; and
- the CNMC Financial Services Framework Agreement provides the Group with numerous rights and sets out numerous internal control and risk management measures that safeguard the interests of the Company and the Shareholders. For example, the average daily deposits placed by the Group with the CNMC Group must not exceed the average daily outstanding loans. The Group may also set-off any defaulted deposits against any outstanding loans extended by the CNMC Group to the Group and has various rights of compensation. In addition, CNMC Financial Company shall (and CNMC shall ensure that CNMC Financial Company shall):
 - (i) implement stringent internal control and effective risk management measures (the efficiency and effectiveness of which will be regularly reviewed by the CBRC);
 - (ii) comply with applicable laws and regulations, and in particular strictly comply with any requirements relating to the management of financial companies under all PRC laws and regulations (including any PRC laws and regulations), as amended from time to time;

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- (iii) provide the Group with access to the books and accounts of CNMC Financial Company for inspection as soon as practicable upon the Group's request; and
- (iv) when providing financial services to members of the Group, exercise its own judgment and prudent approval process to determine whether to provide such financial services to such members of the Group.

Further, the provision of financial services under the CNMC Financial Services Framework Agreement is expected to render more expedient and efficient financial services to the Group, especially due to the multiple financing channels offered by the CNMC Group. In addition, it is expected that any applicable interest rates for the financial services will be equal to or more favourable to the Group than the benchmark interest rates quoted by the PBOC from time to time, while any other applicable fees and terms will also be equal to or more favourable to the Group than that offered by other independent commercial banks in the PRC, which would reduce the overall financial costs of the Group.

Listing Rules implications

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

5. CNMC Group Sales Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) CNMC

Nature of transactions: The Group will supply certain products to CNMC (including the Parent Group and excluding the Group), including gold bars, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, auxiliary equipment, supporting materials, spare parts, production equipment, tools, sulfuric acid, dump truck, waste materials, scrap steel, scrap stainless steel, scrap copper cathodes mold, spare part materials, platinum, spongy palladium, crude selenium, tellurium ingot and such other products as agreed by the parties from time to time.

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Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
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 Latest Practicable Date, prices for the supply of the relevant products will be determined by the parties on the following basis:

No.	Name of Product	Principles and Basis of Pricing
1	Gold bars	1. The benchmark price is determined according to the settlement price or trading price of Au9999 as quoted on the Shanghai Gold Exchange. 2. Gold for export: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
2	Silver/handicraft silver	1. The price is determined according to the instant trading price of silver deferred contract as quoted on the Shanghai Gold Exchange or the fixing price and settlement price of Ag9999 as quoted on the Shanghai Huatong Silver Exchange. (Domestic) 2. Silver for export: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
3	Copper cathodes	1. The spot price is determined according to the instant trading price as quoted on the Shanghai Futures Exchange plus market premium or discount which refers to metal spot websites. (Domestic) 2. Copper cathodes for export: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
4	Copper concentrate containing gold	Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
5	Copper concentrate containing silver	Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
6	Copper concentrate containing copper	Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority, and currently implemented with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局). The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Product	Principles and Basis of Pricing
8	Residual heat power generation	The price is determined based on the price guidance documents issued by the competent government authority, and the on-grid tariff is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年-2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting the Internal Settlement Price of Residual Heat Power Generation in the Company's Smelting Plant (Ye Se Cai (2016) No. 61) (《關於調整公司冶煉廠餘熱發電內部結算價格的通知》(冶色財(2016)61號))}. The on-grid tariff shall be adjusted accordingly in case of adjustment in the government price.
9	Water	The price is determined based on the price guidance documents issued by the competent government authority, and currently implemented with reference to the Reply of Huangshi Price Bureau on Adjusting Price of Water in Huangshi Urban Area (Huang Jia Huan Zi (2014) No. 27) (《黃石市物價局關於調整黃石城區供水價格的批覆》(黃價環資(2014)27號)). The price of water shall be adjusted accordingly in case of adjustment in the government price.

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No.	Name of Product	Principles and Basis of Pricing
10	Electricity	The price is determined based on the price guidance documents issued by the competent government authority, and the selling price of electricity is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網 2016年–2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting General Industrial and Commercial Electricity Prices in Xialu District (Ye Se Cai [2019] No. 36) (《關於調整下陸地區一般工商業用電價格的通知》(冶色財[2019]36號)) and Notice on Adjusting Settlement Price of Electricity for Limited Companies in Xialu District and Huangjinshan Industrial Park (Ye Se Cai Wu [2022] No. 9) (《關於調整有限公司下陸地區、黃金山工業園供電結算價格的通知》(冶色財務[2022]9號))}. The selling price of electricity shall be adjusted accordingly in case of adjustment in the government price.
11	Raw materials	The price is determined comprehensively based on tender price comparison and market condition.
12	Auxiliary equipment	The price is determined comprehensively based on tender price comparison and market condition.
13	Supporting materials	The price is determined comprehensively based on tender price comparison and market condition.
14	Components	The price is determined comprehensively based on tender price comparison and market condition.
15	Production equipment	The price is determined comprehensively based on tender price comparison and market condition.
16	Tools	The price is determined comprehensively based on tender price comparison and market condition.

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No.	Name of Product	Principles and Basis of Pricing
17	Sulfuric acid	The selling price is determined with reference to the quotation of sulfuric acid chemical products on the websites (currently referring to Baiinfo's website) and based on the surrounding sulfuric acid market conditions.
18	Dump truck	The price is determined based on the value in the vehicle valuation report with reference to the Price Law of the People's Republic of China (《中華人民共和國價格法》), Hubei Provincial People's Government Order (98) No. 151 (湖北省人民政府(98)151號令), the Administrative Measures for Price Appraisal (《價格鑒定管理辦法》) published by the State Planning Commission, Automobile Scrap Standard (《汽車報廢標準》) published by the Ministry of Commerce, and service life and comprehensive newness rate of the vehicle (the comprehensive newness rate reflects the degree of newness or oldness of the equipment, which is the ratio of the equipment's current value to its replacement value in a new state. The newness rate of equipment is not only determined by its service life, but also by on-site observation and inspection of the equipment to determine its current technical condition, which is scientifically and reasonably determined by comprehensively considering various factors including tangible losses and intangible losses). It also takes into account the market conditions of the second-hand car market and the actual realization of vehicles (converting non-cash assets into cash).
19	Waste materials	The price is determined according to market price inquiries, with reference to the settlement price of copper futures contract for the current month on the Shanghai Futures Exchange as the settlement benchmark price.

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No.	Name of Product	Principles and Basis of Pricing
20	Scrap steel, scrap stainless steel, scrap copper cathodes mold, spare part materials	With reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers. When actual transactions are proposed to be conducted during the relevant financial year: (i) in respect of the supply of scrap steel and scrap stainless steel by the listed company, the settlement prices for scrap steel and scrap stainless steel will be the tender price, and adjusted (if required) with reference to the market price of scrap steel or scrap stainless steel quoted on the industry related websites, which is currently YD Steel (http://www.ydsteel.com) and CN Gold (https://jiage.cngold.org) respectively, on the day immediately prior to the actual date of transaction. (ii) in respect of the supply of scrap copper cathodes mold by the listed company, the price will be the tender price, and adjusted (if required) with reference to the relevant processing costs incurred by the listed company and the market price of scrap steel, being the prices charged by independent third-party suppliers supplying scrap steel in their ordinary course of business in the same or nearby area. (iii) in respect of the supply of spare part materials, the price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third-party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.

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No.	Name of Product	Principles and Basis of Pricing
21	Platinum	The price is determined comprehensively based on tender price comparison and market condition.
22	Spongy palladium	The price is determined comprehensively based on tender price comparison and market condition.
23	Crude selenium	The price is determined comprehensively based on tender price comparison and market condition.
24	Tellurium ingot	The price is determined comprehensively based on tender price comparison and market condition.

Historical figures and Proposed Annual Caps

		Year ended 31 December				Year ending 31 December		
2023		2024		2025		2026	2027	2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
	(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
17,996,416	12,876,071	31,587,910	14,395,640	33,635,255	9,662,740	25,650,576	26,013,084	26,375,591

As the annual caps for the years ending 31 December 2026 to 2028 will include products sold to the Parent Group and CNMC Group, the annual caps and actual amounts of the Parent Group Sales Framework Agreement and the CNMC Group Sales Framework Agreement for the years ended 31 December 2024 to 2025 have been combined.

Note: Represents the actual transaction amount incurred for the nine months ended 30 September 2025.

The Proposed Annual Caps for FY2026 – FY2028 were primarily determined with reference to: (a) the growth trend in the historical sales amount between the Company and the CNMC Group (including the Parent Group) over the past two to three years, amounting to approximately RMB12.8 billion and RMB14.4 billion for the two years ended 31 December 2024, and RMB9.6 billion for the nine months ended 30 September 2025; (b) the estimation by the Company that the total sales amount between the Company and the CNMC Group (including the Parent Group) for the year 2025 will reach approximately RMB16.0 billion; (c) the Company has entered into letter of intents with members of the Parent Group, which have explicitly set out the target sales volume of certain products under the CNMC Group Sales Framework Agreement for each of the three years ended 2028, taking into account the expected increase in the production capacity of Huangshi Shengxiang Copper Co., Ltd.* (黃石晟祥銅業有限公司) (a member of the CNMC Group) from approximately 220,000 tonnes in 2025 to

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approximately 300,000 tonnes per year for each of the three fiscal years from 2026 to 2028, the demand for raw materials (such as copper cathode) required by Huangshi Shengxiang for the production of its products has increased; and (d) the expected increases in copper prices, hence the transaction amounts are expected to increase year by year during the three years from 2026 to 2028. In particular, the Company expects that the services to be provided to the members of CNMC Group in 2026-2028 are mainly technical services, and maintenance services such as equipment commissioning, of which it is expected to provide the members of CNMC Group with approximately 179 and 115 technical personnel at all levels in 2026 and 2027 respectively, with the technical service fees of approximately RMB90 million and RMB60 million respectively, and these services are currently expected to be unavailable in 2028. In addition, the estimated service fees for equipment commissioning and other services in 2026-2028 are approximately RMB6.26 million, RMB6.84 million and RMB6.08 million respectively. Therefore, the annual caps amount to approximately RMB96.26 million, RMB66.84 million and RMB6.08 million respectively.

Reasons for the transaction

The Directors consider that the CNMC Group Sales Framework Agreement will broaden the revenue base of the Group and allow the Group to leverage the sales network of CNMC Group in China and Hong Kong.

Listing Rules implications

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

6. CNMC Group Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) CNMC

Nature of transactions: The Group will supply certain services to CNMC Group (including the Parent Group and excluding the Group), including engineering design and survey, environmental monitoring, equipment inspection and examination, research and development, construction/beneficiation design, maneuvering wire improvement, technical development projects, blueprint, technical consultation, commissioning guidance, pre-job training, operation and maintenance services, and such other services as agreed by the parties from time to time.

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Term:	1 January 2026 to 31 December 2028.
Time and method:	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 Latest Practicable Date, service fees for the provision of the relevant services will be determined on the following basis:

No.	Name of Service	Principles and Basis of Pricing
1	Engineering design and surveying services	According to the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the “Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)” 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
2	Environment monitoring services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on Approving Charging Standards for Environmental Monitoring Services (《關於核定環境監測服務收費標準的通知》) released by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (湖北省物價局及湖北省財政廳) (E Jia Huan Zi Gui [2013] No. 223) (鄂價環資規[2013]223號). The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
3	Equipment inspection and examination services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Reply of the Huangshi Municipal Price Bureau on the Charging Standards for Safety Evaluation and Safety Production Inspection and Examination Services Charged by the Municipal Mine Safety and Health Inspection and Examination Institute (《黃石市物價局關於市礦山安全衛生檢測檢驗所收取安全評價及安全生產檢測檢驗服務收費標準的批覆》) (Huang Jia Shen Pi Fa [2014] No. 41) (黃價審批發[2014]41號) dated 30 April 2014. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
4	Research and development	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》).
5	Mining/mineral dressing/ metallurgical chemical/ architectural/ electrical automation design	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the "Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)" 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.

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No.	Name of Service	Principles and Basis of Pricing
6	Maneuvering wire improvement	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding ‘Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)’ Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
7	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People’s Republic of China (《中華人民共和國招投標法》).
8	Blueprint	The pricing is determined through market auction, and the prices are determined by the number of sheets and paper sizes produced for printing and copying.
9	Technical consultation	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on the Issuance of Interim Provisions on Consultation Fees for Preliminary Work of Construction Projects (《關於印發建設項目前期工作諮詢收費暫行規定的通知》) (Ji Jia Ge [1999] No. 1283) (計價格[1999]1283號) issued by the State Development Planning Commission (國家發展計劃委員會) on 10 September 1999. The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
10	Commissioning guidance services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000-RMB700,000/person/year).
11	Pre-job training services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000-RMB700,000/person/year).
12	Maintenance services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000-RMB700,000/person/year).

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Historical figures and Proposed Annual Caps

The table below sets out the historical figures and the Proposed Annual Caps in respect of services to be provided under the CNMC Group Services Framework Agreement:

Year ended 31 December						Year ending 31 December		
2023		2024		2025		2026	2027	2028
Annual cap	Actual	Annual	Actual	Annual	Actual	Proposed	Proposed	Proposed
	amount	cap	amount	cap	amount	annual	annual	annual
						cap	cap	cap
	(audited)		(audited)		(Note)			
(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)
4,430	2,037	60,117*	20,085*	134,645*	52,540*	96,259	66,838	6,077

As the annual caps for the years ending 31 December 2026 to 2028 will include services provided to the Parent Group and CNMC Group, the annual caps and actual amounts of the Parent Group Services Framework Agreement and the CNMC Group Services Framework Agreement for the years ended 31 December 2024 to 2025 have been combined.

* As the scope of transactions under the CNMC Group Services Framework Agreement for the years ending 31 December 2026 to 2028 will include the transactions contemplated under the CNMC Group Services Framework Agreement and the CCIA Services Framework Agreement for the years ended 31 December 2024 to 2025, the annual caps and the actual transaction amounts for the years ended 31 December 2024 to 2025 have been aggregated.

Note: Represents the actual transaction amount incurred for the nine months ended 30 September 2025.

The Proposed Annual Caps for FY2026 – FY2028 were primarily determined with reference to: (a) the transaction amount for services provided by the Company to the CNMC Group (including CCIA) for the nine months ended 30 September 2025 amounted to approximately RMB52.54 million; (b) the estimation by the Company that the transaction amount for services provided by the Company to the CNMC Group (including CCIA) for the year 2025 will reach approximately RMB90.0 million; and (c) the relevant service fees to be derived from the approximately 179 and 115 personnel which are expected to be provided by the Company to the CNMC Group during 2026 and 2027 respectively, with monthly service fees ranging from approximately RMB35,700 to RMB73,100 per person; the services to be provided to the CNMC Group in FY2028 are expected to be limited to minimal maintenance services amounting to approximately RMB6 million.

The expected amount of service fees of commissioning guidance services, pre-job training services, and operation and maintenance services are estimated based on the respective projected annual workload, with reference to the pricing basis and the number of technical service personnel dispatched to the project site to provide services and their working time. The projected annual workload is affected by the service quality demand, which determines the

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number of technical service personnel required for provision of services. In addition, for the three years ending 2028, the services to be provided to CCIA and CNMC, have been included under the CNMC Group Services Framework Agreement.

Reasons for the transaction

The Directors consider that the entering into of the CNMC Group 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 (including the independent non-executive Directors) are of the view that the CNMC Group 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.

Mr. Xiao Shuxin, an executive Director, is a director of the Parent Company. Ms. Zhang Aijun, an executive Director, is a director of the CNMC Financial Company. Therefore, Mr. Xiao Shuxin and Ms. Zhang Aijun are deemed to have a material interest in the Continuing Connected Agreements and the transactions contemplated thereunder. He has therefore abstained from voting on the resolution(s) passed by the Board to approve the Connected Transaction Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in, or is required to abstain from voting on the resolution(s) passed by the Board to approve the CNMC Group Services Framework Agreement and the transactions contemplated thereunder.

Listing Rules implications

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

7. Yangxin Hongsheng Purchase and Production Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company

(2) Yangxin Hongsheng

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Nature of transactions:	(1) 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. (2) Yangxin Hongsheng will provide certain production services to the Group, including technical development project, technical consultation, technical service fee and such other production services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
Pricing mechanism:	Based on (i) the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure or (ii) 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.

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As at the Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

No.	Product Name	Principles and Basis of Pricing
1	Copper concentrate containing copper	Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
2	Copper concentrate containing gold	Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
3	Copper concentrate containing silver	Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
4	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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No.	Product Name	Principles and Basis of Pricing
5	Anode plate	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 plate 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.
6	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.

Comprehensive Services

No.	Service Name	Principles and Basis of Pricing
1	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including Yangxin Hongsheng and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Service Name	Principles and Basis of Pricing
2	Technical consulting	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the “Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)” 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] 廳頭[2023]936號文. In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
3	Technical service fee	The price is determined based on comprehensive consideration of all costs, such as project material consumption, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including Yangxin Hongsheng and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

Historical figures, existing annual caps and Proposed Annual Caps

The table below sets out the historical figures under the Purchase and Production Services Framework Agreement and the Proposed Annual Caps in respect of services to be provided under the Yangxin Hongsheng Purchase and Production Services Framework Agreement:

Year ended 31 December						Year ending 31 December		
2023		2024		2025		2026	2027	2028
Existing annual cap	Actual amount	Existing annual cap	Actual amount	Existing annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)	(RMB'000)
11,287,354	7,583,623	10,672,780	10,564,270	10,927,565	7,337,580	11,807,137	12,408,710	12,986,731

Note: Represents the actual transaction amount incurred under the Yangxin Hongsheng Purchase Framework Agreement for the nine months ended 30 September 2025.

LETTER FROM THE BOARD

The Proposed Annual Caps for FY2026 – FY2028 were primarily determined with reference to: (a) the growth trend in the historical sales amount between the Company and Yangxin Hongsheng over the past two to three years, amounting to approximately RMB7.58 billion and RMB10.56 billion for the two years ended 31 December 2024, and RMB8.79 billion for the ten months ended 31 October 2025; (b) the estimation by the Company that the total contract amount purchased with Yangxin Hongsheng for the year 2025 will reach approximately RMB10.0 billion; (c) the Company has entered into letter of intents with Yangxin Hongsheng, which have explicitly set out the target sales volume of certain products under the Yangxin Hongsheng Purchase and Production Services Framework Agreement for each of the three years ended 2028, the expected purchase volume of copper concentrate by the Company from Yangxin Hongsheng is expected to increase from approximately 39,000 tonnes in FY2026 to 41,600 tonnes and 44,200 tonnes in FY2027 and FY2028; and (d) the expected increases in copper prices; hence the transaction amounts are expected to increase year by year during the three years from 2026 to 2028.

Reasons for the transaction

The Directors consider that the Yangxin Hongsheng Purchase and Production Services Framework Agreement will (i) allow the Group to negotiate more favourable terms with Yangxin Hongsheng with better and more efficient communication as an intra-group supplier, as compared with other suppliers, to obtain the copper concentrate, anode scrap and anode mud which the Group requires for its production and operations; and (ii) assist the Group in ensuring a cost-effective, timely and stable source of supply of copper concentrate, anode scrap and anode mud required for its operations considering the intra-group relationship and the close geographical proximity of their respective operations.

Yangxin Hongsheng adopts a “double flash” process in production (a combination of flash smelting and flash converting), which requires imported copper concentrates with higher purity. Due to the differences in the requirements of the level of purity of copper concentrates required as raw materials for the production of the Company and New Copper Cathode Production Plant of Yangxin Hongsheng, imported copper concentrates with lower purity which are not suitable for Yangxin Hongsheng’s production may be accepted by the Company to be used in its production. On the other hand, as mentioned under the paragraph headed “Yangxin Hongsheng Sales Framework Agreement”, the Company can also serve as a back-up source of supply of copper concentrates to Yangxin Hongsheng. The Company may resell copper concentrates with higher purity that satisfy Yangxin Hongsheng’s requirements to Yangxin Hongsheng. In addition, as the delivery cycle of imported copper concentrates is generally long, depending on the production situation and the inventory level of the Company and Yangxin Hongsheng, the party with higher level of inventory may sell the copper concentrates to the other party to facilitate production, maximizing the efficiency of production and utilization of inventory of both the Company and Yangxin Hongsheng.

LETTER FROM THE BOARD

Listing Rules implications

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

Payment Terms

The time and method of payment for the transactions under the Non-Exempt Connected Transaction Agreements will be determined based on market practice and would differ greatly on a case-by-case basis, and which will be specified under the definitive agreements to be entered into by the parties. In general, the time and method of payment will be determined with reference to various factors, including the transaction and payment history, market position and creditworthiness of the parties and the market practice regarding the relevant products and/or services. Such payment terms will be negotiated on an arm's length basis between the parties and based on terms no less favourable to the Group than those available to/from independent third parties.

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

LETTER FROM THE BOARD

reports will be submitted to the Board for its monthly 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

LETTER FROM THE BOARD

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 Non-Exempt Continuing Connected Transactions 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 Non-Exempt Connected Transaction Agreements.

LETTER FROM THE BOARD

III. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

In addition to the reasons set out above, the Directors are of the view that the continuing connected transactions set out in this circular have been and will continue to be beneficial to the Group and will facilitate the growth and development of the Group.

Regarding each of the Exempt Continuing Connected Transactions, the Directors (including the independent non-executive Directors) are of the view that they have 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 interest of the Company and the Shareholders as a whole.

Regarding each of the Non-Exempt Continuing Connected Transactions, the Directors (other than the independent non-executive Directors, who will express their views after receiving advice from the independent financial adviser) are of the view that they have 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 interest of the Company and the Shareholders as a whole.

Mr. Xiao Shuxin, an executive Director, is a director of the Parent Company. Ms. Zhang Aijun, an executive Director, is a director of the CNMC Financial Company. Therefore, Mr. Xiao Shuxin and Ms. Zhang Aijun are deemed to have a material interest in the Continuing Connected Agreements and the transactions contemplated thereunder. He has therefore abstained from voting on the resolution(s) passed by the Board to approve the Connected Transaction Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in, or is required to abstain from voting on the resolution(s) passed by the Board to approve the Connected Transaction Agreements and the transactions contemplated thereunder.

IV. IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, the Parent Company directly held 11,962,999,080 Shares, representing approximately 66.85% of the issued share capital of the Company. Accordingly, the Parent Company is a controlling shareholder of the Company directly 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. CNMC Financial Company is a non-wholly owned subsidiary of CNMC. Therefore, each of the Parent Company and CNMC is a connected person of the Company. Huangshi Xingang is indirectly owned by the Parent Company as to more than 30% and is therefore associate of the Parent Company and connected person of the Company.

Hubei Gold is owned by the Parent Company as to approximately 40.20%, and two other independent third parties as to approximately 59.80%. As Hubei Gold is owned by the Parent Company as to more than 30%, it is therefore an associate of the Parent Company and connected person of the Company.

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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 12% and Hubei Edong Industrial Investment to 12%, respectively. Accordingly, Yangxin Hongsheng is a connected subsidiary of the Company. Huangshi Xingang Development is a substantial shareholder of Yangxin Hongsheng, Huangshi Xingang Water Utility is a wholly-owned subsidiary of Huangshi Xingang Development, and accordingly, each is a connected person of the Company. Therefore, the transactions contemplated under each of the framework agreements set out in this circular constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Regarding each of the Non-Exempt Continuing Connected Transactions, as the highest applicable percentage ratio in respect of their Proposed Annual Caps exceeds 5%, the Non-Exempt Continuing Connected Transactions are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Regarding the deposit services to be provided under the CNMC Financial Services Framework Agreement, as the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 25%, the provision of such services will constitute (i) a continuing connected transaction that is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) a major transaction that is subject to the reporting, announcement, annual review and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Regarding the loans, guarantees and integrated credit facilities services to be provided under the CNMC Financial Services Framework Agreement, such services will be provided by the CNMC Group for the benefit of the Company on normal commercial terms similar to those for comparable services in the PRC and no security over the assets of the Group will be granted. Therefore, the provision of such services will constitute a continuing connected transaction that is exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

V. FINANCIAL EFFECTS OF THE DEPOSIT SERVICES

As mentioned above, the interest rates for the deposit services to be provided by the CNMC Group to the Group under the CNMC Financial Services Framework Agreement are expected to be equal to or more favorable to the Group than the prevailing benchmark interest rates quoted by the PBOC from time to time. The deposits to be placed with the Group under the CNMC Financial Services Framework Agreement for each of the three years ending 31 December 2028 are expected to not exceed RMB3,012,085,000, RMB3,012,085,000, and RMB3,012,085,000 respectively, and the Company expects that the interest income to be earned from the deposit services will be affected by the level of interest rates.

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However, taking into account the prevailing interest rates for deposits in the PRC, the potential interest income to be earned from the deposit services for the three years ending 31 December 2025 is expected to represent only a small contribution to the earnings and assets of the Group. As such, the Company anticipates that such potential interest income to be earned from the deposit services for the three years ending 31 December 2025 will not have any material impact on the earnings, assets and liabilities of the Group.

VI. INFORMATION OF THE GROUP, THE PARENT GROUP AND THE CNMC GROUP

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 non-ferrous 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 12% and Hubei Edong Industrial Investment as to 12%, 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.

Hubei Edong Industrial Investment

Hubei Edong Industrial Investment is a limited liability company established in the PRC and principally engaged in investment activities by self-owned funds, corporate headquarters management, non-residential real estate leasing, housing leasing, park management services, market management services, scenic area management, tourism development project planning and consulting, metal material sales, financing consulting services, financial consulting, domestic trade agency, supply chain management services, software development, technical services and other general projects, as well as non-coal mine mineral resource mining, mineral resource exploration, real estate development and operation, tourism business and other licensed projects.

LETTER FROM THE BOARD

Huangshi Xingang Development Group

Huangshi Xingang is a limited liability company established in the PRC and principally engaged in the businesses of development, construction and operation of a chemical berth and its port facilities (including the rear land area) in Huangshi Xingang.

Huangshi Xingang Water Utility is a limited liability company established in the PRC and principally engaged in the businesses of development, construction and operation of a chemical berth and its port facilities (including the rear land area) in Huangshi Xingang. It is a whollyowned subsidiary of Huangshi Xingang Development.

Hubei Gold is a limited liability company established in the PRC and principally engaged in selecting, mining and sale of gold ore, procurement and sale of chemical products (other than inflammable and explosive materials and hazardous chemicals), construction materials and electromechanical equipment and design of mine engineering and mine technology consulting.

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.

CNMC Financial Company is a limited liability company established in the PRC and a non-wholly owned subsidiary of CNMC. It is regulated by PBOC and CBIRC to provide financial services to other members of the Parent Group and the CNMC Group.

VII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

In this connection, the Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

VIII. SPECIAL GENERAL MEETING

The SGM will be convened and held at Function Room 4 & 6, 3/F, The Mira Hong Kong, Mira Place, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 5 January 2026 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the

LETTER FROM THE BOARD

Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps. The notice of SGM is set out on pages SGM-1 to SGM-4 of this circular. The Parent Company, which directly held 11,962,999,080 Shares (representing 66.85% of the issued share capital of the Company) as at the Latest Practicable Date, will abstain from voting on the resolution(s) approving the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

Save as abovementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps and therefore, no other Shareholder is required to abstain from voting at the SGM for the relevant resolutions.

For determining the eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 30 December 2025 to Monday, 5 January 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the said meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, no later than 4:30 p.m. on Monday, 29 December 2025. Therefore, the record date for determining shareholders' eligibility to attend and vote at the SGM is Monday, 5 January 2026.

A form of proxy for use at the SGM is despatched to Shareholders together with this circular. Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the SGM or any adjournment thereof if they so wish and in such event, the proxy form shall be deemed to be revoked.

Pursuant to bye-law 66 of the Current Bye-Laws and Rule 13.39(4) of the Listing Rules, any vote of the Shareholders to be taken at a general meeting of the Company shall be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement of the poll results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

IX. RECOMMENDATIONS

The Independent Board Committee, having taken into account and based on the recommendation of the Independent Financial Adviser, considers that each of the Non-Exempt Continuing Transactions have 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 interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Accordingly, the Independent Board Committee has recommended the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

X. ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 79 of this circular, containing its recommendation in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps; (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 80 to 158 of this circular, containing its recommendation in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps; and (iii) the additional information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

19 December 2025

To the Independent Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 19 December 2025 issued by the Company (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps, details of which are set out in the “Letter from the Board” in the Circular. Amasse Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to (i) the “Letter from the Board” set out on pages 8 to 78 of the Circular; (ii) the “Letter from the Independent Financial Adviser” set out on pages 80 to 158 of the Circular and (iii) the additional information set out in the appendices to the Circular.

Having taken into account, among other things, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that: the Non-Exempt Continuing Connected Transactions (including the Proposed Annual Caps) are (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM to approve the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps.

Yours faithfully,
for and on behalf of
the Independent Board Committee
Liu Fang Wang Qihong Kong Hua
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the full text of the letter received from Amasse Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.

AMASSE CAPITAL **寶 積 資 本**

19 December 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of (i) the Yangxin Hongsheng Sales Framework Agreement, (ii) the Parent Group Purchase and Production Services Framework Agreement, (iii) the CNMC Group Purchase and Production Services Framework Agreement, (iv) the CNMC Financial Services Framework Agreement (the deposit services to be provided by the Group to the CNMC Group; and the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group), (v) the CNMC Group Sales Framework Agreement, (vi) the CNMC Group Services Framework Agreement, and (vii) the Yangxin Hongsheng Purchase and Production Services Framework Agreement (together referred as to the “**Non-Exempt Connected Transaction Agreements**”), and the respective annual caps and transactions contemplated thereunder (the “**Non-Exempt Continuing Connected Transactions**”).

Details of the Non-Exempt Continuing Connected Transactions are set out in the letter from the Board contained in the circular of the Company dated 19 December 2025 (the “**Circular**”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company regarding a non-exempt continuing connected transaction, details of which are set out in the circular of the Company dated 15 July 2024 (the “**Previous Appointment**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With regard to our independence from the Company, it is noted that (i) apart from normal professional fees paid or payable to us in connection with the Previous Appointment and the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence; and (ii) we have maintained our independence from the Company during the Previous Appointment. Accordingly, we consider that the Previous Appointment would not affect our independence, and that we are independent from the Company pursuant to the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (collectively, the “**Management**”). We have reviewed information on the Company, including but not limited to (i) the announcement of the Company dated 6 November 2025 in relation to, among others, the Non-Exempt Continuing Connected Transactions; (ii) the Non-Exempt Connected Transaction Agreements; and (iii) other information contained in the Circular. We have assumed that all information and representations that have been provided by the Management, for which the Directors are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the representation and confirmation of the Management that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Non-Exempt Continuing Connected Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular as a whole misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Management, nor have we

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

conducted any independent in-depth investigation into the business and affairs of any members of the Group, the counter party(ies) to the Non-Exempt Connected Transaction Agreements or their respective subsidiaries or associates. We also have not considered the taxation implication on the Group or the Shareholders as a result of the Non-Exempt Continuing Connected Transactions. We have not carried out any feasibility study on the past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group. Our opinion has been formed on the assumption that any analysis, estimation, anticipation, condition and assumption provided by the Group are feasible and sustainable. Our opinion shall not be construed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion, we have taken into consideration the following principal factors and reasons.

1. Background information of on the Group, the Parent Group and the CNMC Group

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 non-ferrous 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 12% and Hubei Edong Industrial Investment as to 12%, respectively.

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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.

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.

CNMC Financial Company is a limited liability company established in the PRC and a non-wholly owned subsidiary of CNMC. It is regulated by PBOC and CBIRC to provide financial services to other members of the Parent Group and the CNMC Group.

2. Major Terms of the Non-Exempt Connected Transaction Agreements

2.1 Yangxin Hongsheng Sales Framework Agreement

Date:	6 November 2025
Parties:	(1) the Company (2) Yangxin Hongsheng
Nature of transactions:	The Group will supply certain products to Yangxin Hongsheng, including gold bars, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, auxiliary equipment, supporting materials, components, 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 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.

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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 Latest Practicable Date, prices for the supply of the relevant products will be determined by the parties on the following basis:

No.	Name of Product	Principles and Basis of Pricing
1	Gold bars	The benchmark price is determined according to the settlement price or trading price of Au9999 as quoted on the Shanghai Gold Exchange.
2	Silver/handicraft silver	1. The price is determined according to the instant trading price of silver deferred contract as quoted on the Shanghai Gold Exchange or the fixing price and settlement price of Ag9999 on the Shanghai Huatong Silver Exchange. (Domestic) 2. Silver for export: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
3	Copper cathodes	1. The spot price is determined according to the instant trading price as quoted on the Shanghai Futures Exchange plus market premium or discount which refers to metal spot websites. (Domestic) 2. Copper cathodes for export: (a) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)
4	Copper concentrate containing gold	Gold price: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
5	Copper concentrate containing silver	Silver price: (a) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (b) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)

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No.	Name of Product	Principles and Basis of Pricing
6	Copper concentrate containing copper	Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority, and currently implemented with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局). The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price.
8	Residual heat power generation	The price is determined based on the price guidance documents issued by the competent government authority, and the on-grid tariff is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年–2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting the Internal Settlement Price of Residual Heat Power Generation in the Company's Smelting Plant (Ye Se Cai (2016) No. 61) (《關於調整公司冶煉廠餘熱發電內部結算價格的通知》(冶色財(2016)61號))}. The on-grid tariff shall be adjusted accordingly in case of adjustment in the government price.

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No.	Name of Product	Principles and Basis of Pricing
9	Water	The price is determined based on the price guidance documents issued by the competent government authority, and currently implemented with reference to the Reply of Huangshi Price Bureau on Adjusting Price of Water in Huangshi Urban Area (Huang Jia Huan Zi (2014) No. 27) (《黃石市物價局關於調整黃石城區供水價格的批覆》(黃價環資(2014)27號)). The price of water shall be adjusted accordingly in case of adjustment in the government price.
10	Electricity	The price is determined based on the price guidance documents issued by the competent government authority, and the selling price of electricity is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年–2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting General Industrial and Commercial Electricity Prices in Xialu District (Ye Se Cai [2019] No. 36) (《關於調整下陸地區一般工商業用電價格的通知》(冶色財[2019]36號)) and Notice on Adjusting Settlement Price of Electricity for Limited Companies in Xialu District and Huangjinshan Industrial Park (Ye Se Cai Wu [2022] No. 9) (《關於調整有限公司下陸地區、黃金山工業園供電結算價格的通知》(冶色財務[2022]9號))}. The selling price of electricity shall be adjusted accordingly in case of adjustment in the government price.
11	Raw materials	The price is determined comprehensively based on tender price comparison and market condition.
12	Auxiliary equipment	The price is determined comprehensively based on tender price comparison and market condition.
13	Supporting materials	The price is determined comprehensively based on tender price comparison and market condition.
14	Components	The price is determined comprehensively based on tender price comparison and market condition.

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No.	Name of Product	Principles and Basis of Pricing
15	Production equipment	The price is determined comprehensively based on tender price comparison and market condition.
16	Tools	The price is determined comprehensively based on tender price comparison and market condition.
17	Sulfuric acid	The selling price is determined with reference to the quotation of sulfuric acid chemical products on the websites (currently referring to Baiinfo's website) and based on the surrounding sulfuric acid market conditions.
18	Dump truck	The price is determined based on the value in the vehicle valuation report with reference to the Price Law of the People's Republic of China (《中華人民共和國價格法》), Hubei Provincial People's Government Order (98) No. 151 (湖北省人民政府(98)151號令), the Administrative Measures for Price Appraisal (《價格鑒定管理辦法》) published by the State Planning Commission, Automobile Scrap Standard (《汽車報廢標準》) published by the Ministry of Commerce, and service life and comprehensive newness rate of the vehicle (the comprehensive newness rate reflects the degree of newness or oldness of the equipment, which is the ratio of the equipment's current value to its replacement value in a new state. The newness rate of equipment is not only determined by its service life, but also by on-site observation and inspection of the equipment to determine its current technical condition, which is scientifically and reasonably determined by comprehensively considering various factors including tangible losses and intangible losses). It also takes into account the market conditions of the second-hand car market and the actual realization of vehicles (converting non-cash assets into cash).
19	Waste materials	The price is determined according to market price inquiries, with reference to the settlement price of copper futures contract for the current month as quoted on the Shanghai Futures Exchange as the settlement benchmark price.

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Reasons for and benefits of entering into the Yangxin Hongsheng Sales Framework Agreement

We have discussed with the Management and understand that the Yangxin Hongsheng Sales Framework Agreement will continue to be important to the business operations of Yangxin Hongsheng. To meet the production needs of both production plants of the Group, there may be mutual adjustment of the arrival of copper concentrate between the two production plants. Further, the Yangxin Hongsheng Sales Framework Agreement allows the Group to serve as a reliable back-up source of supply of copper concentrate to Yangxin Hongsheng, maximize the utilization of the inventory of the Group to facilitate production and minimize the administrative costs and time costs involved for such sales considering its intra-group relationship with the Company.

We have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant products, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

We have also reviewed the Yangxin Hongsheng Sales Framework Agreement and note that the basis of determining the prices for the products are clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant products on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant products were primarily determined with reference to the Market Price, such as the market price as quoted on the London Bullion Market Association and the London Metal Exchange. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the products under the Yangxin Hongsheng Sales Framework Agreement is fair and reasonable.

Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than Yangxin Hongsheng. The relevant arrangements include: (i) the continuing connected transactions contemplated under the Yangxin Hongsheng Sales Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the Yangxin Hongsheng Sales Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the Yangxin Hongsheng Sales

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Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the Yangxin Hongsheng Sales Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the circulation and submission of internal monthly monitoring reports) demonstrating that the Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Group has a sound risk management system to safeguard the interest of the Company.

In conclusion, we are of the view that entering into the Yangxin Hongsheng Sales Framework Agreement is in the interests of the Company and the Shareholders as a whole.

Proposed Annual Caps for the Yangxin Hongsheng Sales Framework Agreement

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the Yangxin Hongsheng Sales Framework Agreement:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025		Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount	Proposed annual cap	Proposed annual cap	Proposed annual cap
	(audited)		(audited)		(Note) (unaudited)			
	(RMB'000)		(RMB'000)		(RMB'000)		(RMB'000)	(RMB'000)
7,203,325	4,346,131	7,905,839	4,992,848	3,110,003	1,713,770	4,291,120	4,591,956	4,900,723

Note: Represents the actual transaction amount incurred under the Yangxin Hongsheng Sales Framework Agreement for the nine months ended 30 September 2025.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

We note that the major product expected to be sold by the Group to Yangxin Hongsheng under the Yangxin Hongsheng Sales Framework Agreement is copper concentrate.

We have enquired with the Management and set out below the expected purchase amount of copper concentrate by the Group and sales volume of copper concentrate by the Group to Yangxin Hongsheng in FY2026, FY2027 and FY2028:

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	FY2026	FY2027	FY2028
	<i>approx. tonnes</i>	<i>approx. tonnes</i>	<i>approx. tonnes</i>
Total expected purchase amount of copper concentrate by the Group	650,000	740,000	700,000
Expected sales volume of copper concentrate by the Group to Yangxin Hongsheng	37,500	40,000	42,500

We note that the estimated sales volume of copper concentrate by the Group to Yangxin Hongsheng during the three years ending 31 December 2028 amounted to approximately 5.41% to 6.07% of the Group's total expected purchase amount of copper concentrate. We consider that the above estimated sales volume of copper concentrate by the Group to Yangxin Hongsheng do not form a majority portion of the total expected purchase amount of copper concentrate by the Group.

The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB4.29 billion, RMB4.59 billion and RMB4.90 billion, respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the historical sales amount between the Company and Yangxin Hongsheng over the past two to three years, amounting to approximately RMB4.35 billion and RMB4.99 billion for the two years ended 31 December 2024, and RMB1.71 billion for the nine months ended 30 September 2025; (b) the historical sales volume of copper concentrate by the Group to Yangxin Hongsheng were 70,000 tonnes and approximately 26,000 tonnes for the two years ended 31 December 2024, and approximately 25,000 tonnes for the nine months ended 30 September 2025 and the expected sales volume by the Group to Yangxin Hongsheng will increase to approximately 37,500 tonnes in FY2026, 40,000 tonnes in 2027 and 42,500 tonnes in FY2028; (c) the estimation by the Company that the total sales amount between the Company and Yangxin Hongsheng for the year ending 31 December 2025 will reach approximately RMB3.1 billion; and (d) Yangxin Hongsheng encountered a temporary suspension of its production due to an unexpected fire accident at its production plant in September 2024, leading to a halt in work and production until December 2024. The operations of Yangxin Hongsheng have gradually recovered and fully resumed in the second half of 2025. Such incident had negatively affected Yangxin Hongsheng's demand of the relevant products during this period;

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- (ii) the increases in the Proposed Annual Caps for FY2027 and FY2028 compared to FY2026 are primarily due to (a) the expected increase in sales volume of copper concentrate by the Group to Yangxin Hongsheng from approximately 37,500 tonnes in FY2026 to 40,000 tonnes and 42,500 tonnes in FY2027 and FY2028; and (b) the expected increases in copper prices; and
- (iii) the Company has entered into letter of intents with Yangxin Hongsheng which have explicitly set out the target sales volume of certain products under the Yangxin Hongsheng Sales Framework Agreement for each of the three years ending 31 December 2028. We have obtained from the Management and reviewed the letter of intents, and understood that both parties have reached consensus on the target sales volume as stated thereunder. There will be no consequence or penalty on the Company for not reaching the target volume.

In view of, among others, the expected increase in sales volume of copper concentrate by the Group to Yangxin Hongsheng from FY2026, we consider that the estimated sales volume of the relevant products (i.e. the copper concentrate being the major product under the Yangxin Hongsheng Sales Framework Agreement) for the three years ending FY2028 are fair and reasonable.

Further, we have conducted analysis on the copper price and reviewed the “World Economic Outlook Database” published by the International Monetary Fund in October 2025 (www.imf.org). According to the database, it is noted that the copper price per ton has increased from US\$8,491 in 2023 to US\$9,142 in 2024, and forecasted to amount to US\$9,601 in 2025, US\$9,934 in 2026, US\$10,042 in 2027 and US\$10,122 in 2028. We note that the copper prices are expected to remain relatively higher for the upcoming few years as compared with the price in 2023, and it is in line with the unit price adopted by the Company to determine the Proposed Annual Caps.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

2.2 Parent Group Purchase and Production Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) the Parent Company

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Nature of transactions:	The Parent Group will: (1) supply certain products to the Group, including scrap copper, blister copper, silver, anode plates, industrial cutting gas, liquefied gas, natural gas, copper concentrate, diesel fuel, equipment, wollastonite, gold concentrate and such other products as agreed by the parties from time to time; and (2) provide certain production services to the Group, including repair and maintenance service, maintenance work, construction engineering, engineering labour, safe production costs, design and construction, technology research and development, processing of anode plates/anode scrap, processing of anode copper scrap, gas delivery management and maintenance, transportation, train loading and unloading, copper warehouse crane maintenance and repair, logistics maintenance services and such other production services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
Pricing mechanism:	Based on: (i) the government prescribed price; (ii) if there is no applicable government prescribed price, the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure 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.

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As at the Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

Products

No.	Name of Product	Principles and Basis of Pricing
1	Scrap copper	The price of scrap copper is determined based on market procurement price, with reference to instant price of scrap copper in regions such as Miluo, Hunan, Taizhou, Zhejiang, and Nanhai, Guangdong, specifically referring to prices published on relevant web portals of copper industry.
2	Blister copper (containing gold), blister copper (containing silver), blister copper (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic) The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic)

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No.	Name of Product	Principles and Basis of Pricing
		Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International)
3	Silver	The price is determined based on the instant trading price of the silver deferred contract as quoted on the gold exchange (domestic silver is subject to the Shanghai Gold Exchange; silver for export is subject to the London Gold Exchange), or the fixing price and settlement price of specific silver as quoted on the silver spot trading market (as applicable to the contract).
4	Anode plates (containing gold), anode plates (containing silver), anode plates (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic)

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No.	Name of Product	Principles and Basis of Pricing
		The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International) Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined according to the relevant import contract). (International)
5	Industrial cutting gas	Determined according to market price.
6	Liquefied gas	

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No.	Name of Product	Principles and Basis of Pricing
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority. The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price and currently with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局).
8	Copper concentrate (containing gold), copper concentrate (containing silver), copper concentrate (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, or the arithmetic average price of average daily price of copper for the current month as quoted on the Shanghai Futures Exchange during the quotation period as agreed in the contract, multiplied by the corresponding recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic)

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No.	Name of Product	Principles and Basis of Pricing
		Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
		Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
		Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)

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No.	Name of Product	Principles and Basis of Pricing
9	Diesel fuel	The price is determined according to the retail listing price quoted by Sinopec Group gas station at Huangshi, Hubei.
10	Equipment	The Group will conduct tenders by invitation, inviting at least three qualified suppliers (including the Parent Group and two independent third party suppliers) to participate in the relevant tenders. Selection will be made primarily based on price offered, but consideration will also be given to the quality of products, effectiveness of communication and historical cooperation relationship with the suppliers. When actual transactions are proposed to be conducted, the product price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.
11	Wollastonite (containing gold)	The price is determined comprehensively based on annual tender comparison and market condition.
12	Gold concentrate (containing gold)	When procurement is required, the price is determined by multiplying the specific gold price as quoted on the Shanghai Gold Exchange at that time by the corresponding gold recovery rate coefficient (the coefficient is determined based on the Company's production costs and is applicable to other independent third parties).
13	Gold	The price is determined based on the instant trading price of the gold deferred contract as quoted on the London Bullion Market Association or the fixing price and settlement price of specific gold in the gold spot market (as applicable to the contract), plus the corresponding premium or discount (as determined according to the relevant import contract). (International)

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Comprehensive Services

No.	Name of Service	Principles and Basis of Pricing
1	Repair services	Based on the repair workload of each business unit, a lump-sum will be charged for repair services. The total repair service fee is determined with reference to the number of labor required to complete the repair service and relevant expenses including wages.
2	Maintenance work	The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》).
3	Construction engineering	Currently, the price is determined with reference to the List for Hubei Province Construction Works Consumption Quota and Unit Price Estimation (《湖北省建築工程消耗量定額及單位估價表》), the List for Hubei Province Installation Project Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), and the List for Hubei Province Decoration Works Consumption Quota and Unified Base Price (《湖北省裝飾工程消耗量定額及統一基價表》) issued by the administrative departments of construction in Hubei Province. Should the administrative departments of construction in Hubei Province issues separate documents, implementation shall be carried out in accordance with the provisions of such documents.
4	Engineering labor	
5	Safe production costs	
6	Design and construction	

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No.	Name of Service	Principles and Basis of Pricing
7	Technology research and development	The price is determined based on costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
8	Processing of anode plates/anode scrap	The price is determined based on the market price for the entrusted processing of anode plates/anode scrap.
9	Processing of anode copper scrap	
10	Gas delivery management and maintenance	The price is determined based on operating costs, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Name of Service	Principles and Basis of Pricing
11	Transport services	The Group shall (i) conduct annual centralized tendering; and (ii) if the transport services exceed the scope of the aforementioned annual tender, conduct inquiries and comparisons. For the annual tendering and any inquiries and comparisons conducted by the listed group from time to time, the listed group shall invite and/or seek invitations from at least three service providers (including the Parent Group and two independent service providers) to participate in the tender and/or provide quotations (if other suitable service providers can be found in the same or adjacent service areas). Selection shall be primarily based on the prices offered, but will also consider service level, communication effectiveness, and past cooperation history with suppliers.
12	Train loading and unloading	The Group shall seek invitations from at least three service providers (including the Parent Group and two independent service providers) to provide quotations for train loading and unloading services (if other suitable service providers can be found in the same or adjacent service areas). Selection will be primarily based on the prices offered, but will also consider service level, communication effectiveness, and past cooperation history with suppliers.
13	Copper warehouse crane maintenance and repair	The price is determined through negotiation based on market prices, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Name of Service	Principles and Basis of Pricing
14	Logistics maintenance services	The price is determined through negotiation based on market prices, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including the Parent Group and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

Reasons for and benefits of entering into the Parent Group Purchase and Production Services Framework Agreement

In respect of the existing continuing connected transactions, the purchase and production services framework agreement dated 22 November 2022 entered into between the Company and the Parent Company will expire on 31 December 2025. The Company intends to continue to enter into transactions of a similar nature from time to time after the expiry date. Therefore, on 6 November 2025, the Company and the Parent Company entered into the Parent Group Purchase and Production Services Framework Agreement, nature of which is similar to that of the transactions under the aforesaid purchase and production services framework agreement, for a term of three years from 1 January 2026 to 31 December 2028.

We have discussed with the Management and understand that the products and production services to be provided under the Parent Group Purchase and Production Services Framework Agreement will be important to and are necessary for the Group's business operation. Given the long-term business relationship of the Parent Group and the Group and the close geographical proximity of their respective operations, the Directors consider that the entering into of the Parent Group Purchase and Production Services Framework Agreement will allow the Group to secure a cost effective, timely and stable source of supply of those products and production services, and also to benefit from the procurement network of the Parent Company.

By entering into the Parent Group Purchase and Production Services Framework Agreement, the Parent Group will be able to act as an inter-group supplier and service provider. The Parent Group will be able to provide a better and more efficient communication with the Group, and the Group may be able to negotiate more favourable terms with the Parent Group, as compared with other suppliers and/or service providers. Further, it will allow the Group to secure a cost effective, timely and stable source of supply of those products and materials and production services, and also to benefit from the procurement network of the Parent Group, given its long-term relationship with the Parent Group and the close geographical proximity of their respective operations.

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Regarding the pricing policy, we have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant products, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

We have reviewed the Parent Group Purchase and Production Services Framework Agreement and note that the basis of determining the prices for the products and production services are clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. Further, the terms offered by the Parent Group to the Group must be equal to or more favourable than those offered to its other independent customers (if available). In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant products and/or services on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant products and/or services were primarily determined with reference to the Market Price, such as the market price as quoted on the London Metal Exchange. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the products under the Parent Group Purchase and Production Services Framework Agreement is fair and reasonable.

Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than the Parent Group. The relevant arrangements include: (i) the continuing connected transactions contemplated under the Parent Group Purchase and Production Services Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the Parent Group Purchase and Production Services Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the Parent Group Purchase and Production Services Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the Parent Group Purchase and Production Services Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the circulation and submission of internal monthly monitoring reports) demonstrating that the

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Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Company has a sound risk management system to safeguard the interest of the Independent Shareholders.

In conclusion, we are of the view that entering into the Parent Group Purchase and Production Services Framework Agreement is in the interests of the Group and the Shareholders as a whole.

Proposed Annual Caps for the Parent Group Purchase and Production Services Framework Agreement

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the Parent Group Purchase and Production Services Framework Agreement:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025		Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual		Annual		Annual		Proposed	Proposed	Proposed
cap		cap		cap		annual cap	annual cap	annual cap
Actual		Actual		Actual				
amount		amount		amount				
(audited)		(audited)		(Note)				
(RMB'000)		(RMB'000)		(unaudited)		(RMB'000)	(RMB'000)	(RMB'000)
3,009,009	388,289	3,520,887	593,280	4,116,336	197,360	2,383,867	2,830,761	3,326,123

Note: Represents the actual transaction amount incurred under the Parent Group Purchase and Production Services Framework Agreement for the nine months ended 30 September 2025.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB2.38 billion, RMB2.83 billion and RMB3.33 billion, respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the historical sales amount for the nine months ended 30 September 2025 which had reached approximately RMB0.20 billion; (b) the estimation by the Company that the total purchase amount between the Company and the Parent Group for the year ending 31 December 2025 will reach approximately RMB0.40 billion; and (c) the Group requires certain primary raw materials such as copper concentrate, blister copper and anode plates (collectively, the “**Primary Raw Materials**”) for the production of copper cathodes by its production plants. During FY2023, FY2024 and 9MFY2025, the Group purchased a total of approximately 770,600 tonnes,

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741,000 tonnes and 635,300 tonnes of the Primary Raw Materials, amounting to approximately RMB47.3 billion, RMB52.6 billion and RMB50.9 billion, respectively. Of these, only around 1%-2% were purchased from the Group's connected parties including the Parent Group (with less than 3,000 tonnes purchased from the Parent Group during each of these periods), with the remainder from independent suppliers. The Group expects to require similar levels of the Primary Raw Materials of approximately 650,000 tonnes, 740,000 tonnes and 700,000 tonnes, amounting to approximately RMB47.3 billion, RMB57.2 billion and RMB57.3 billion, for its productions during FY2026, FY2027 and FY2028, respectively. In light of the significant fluctuations in the copper prices particularly in 2025, the Company intends to increase its purchase allocation of the Primary Raw Materials from the Group's connected parties including the Parent Group to approximately 21%, 22% and 27% for FY2026, FY2027 and FY2028, respectively, in order to secure a cost effective, timely and stable source of supply. Accordingly, it is expected that purchases by the Group from the Parent Group for the Primary Raw Materials will amount to approximately 20,800 tonnes, 26,000 tonnes and 31,200 tonnes, representing RMB1.76 billion, RMB2.24 billion and RMB2.73 billion for FY2026, FY2027 and FY2028, respectively. We have reviewed the copper prices and noted that the copper price per pound reached a low of approximately US\$4.04796 on 2 January 2025. It then climbed approximately 30% to US\$5.25969 on 26 March 2025, and shortly thereafter plummeted approximately 21% to US\$4.14907 on 8 April 2025. The copper price per pound subsequently surged approximately 41% to US\$5.86597 on 23 July 2025, and again plummeted approximately 25% shortly thereafter to US\$4.416 on 5 August 2025. It then closed at US\$5.27191 on 28 November 2025. In view of the significant volatility and uncertainty in copper prices, we consider that it is reasonable for the Company to increase its purchase allocation of the Primary Raw Materials from the Group's connected parties including the Parent Group, after also taking into account (1) the estimated purchase volumes of the Primary Raw Materials from the Group's connected parties, which amount to approximately 21%, 22% and 27% for FY2026, FY2027 and FY2028, do not form a majority portion of the Group's total purchases of such materials; and (2) the Group will be able to secure a cost effective, timely and stable supply while striking a balance between sourcing from connected parties and independent third parties;

- (ii) the increases in the Proposed Annual Caps for FY2027 and FY2028 as compared with FY2026 are mainly due to the expected increase in purchases of the Primary Raw Materials from the Parent Group from approximately RMB1.76 billion in FY2026 to RMB2.24 billion in FY2027, and further to RMB2.73 billion in FY2028, aligning with the Company's intention to further increase its purchase allocation from the Group's connected parties as aforementioned; and

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- (iii) the Company has entered into letter of intents with members of the Parent Group, which have explicitly set out the target sales volume of certain products under the Parent Group Purchase and Production Services Framework Agreement for each of the three years ending 31 December 2028. We have obtained from the Management and reviewed the letter of intents, and understood that both parties have reached consensus on the target sales volume as stated thereunder. There will be no consequence or penalty on the Company for not reaching the target volume.

In view of (i) the historical purchase volumes of the Primary Raw Material by the Group over the past two to three years; (ii) the Group's continuing need for similar quantities of the Primary Raw Materials to support its on-going productions; and (iii) the intended shift in the purchase allocation for the Primary Raw Materials towards the Group's connected parties including the Parent Group as discussed above, we consider that the estimated purchase volume of the relevant products (i.e. the Primary Raw Materials being the major products under Parent Group Purchase and Production Services Framework Agreement) for the three years ending FY2028 are fair and reasonable.

Further, we have conducted analysis on the copper price and reviewed the "World Economic Outlook Database" published by the International Monetary Fund in October 2025 (www.imf.org). According to the database, it is noted that the copper price per ton has increased from US\$8,491 in 2023 to US\$9,142 in 2024, and forecasted to amount to US\$9,601 in 2025, US\$9,934 in 2026, US\$10,042 in 2027 and US\$10,122 in 2028. We note that the copper prices are expected to remain relatively higher for the upcoming few years as compared with the price in 2023, and it is in line with the unit price adopted by the Company to determine the Proposed Annual Caps.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

2.3 CNMC Group Purchase and Production Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) CNMC

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Nature of transactions:	The CNMC Group (excluding the Parent Group and the Group) will: (1) supply certain products to the Group, including blister copper, copper concentrate, raw materials, auxiliary equipment, supporting materials, components, production equipment, tools and such other products as agreed by the parties from time to time; and (2) provide certain production services to the Group, including maintenance engineering, supervision, construction, mine exploration, engineering design, surveying and mapping, environment monitoring, equipment, electrical and oil products inspection and examination, research and development, mining/mineral dressing/metallurgical chemical/architectural/electrical automation design, maneuvering wire improvement, technical development projects, blueprint, technical consultation, mineral product testing, arsenic sulfide slag and neutralized slag, technical service fee, and such other production services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
Pricing mechanism:	Based on: (i) the government prescribed price; (ii) if there is no applicable government prescribed price, the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure 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.

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As at the Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

Products

No.	Name of Product	Principles and Basis of Pricing
1	Blister copper (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, less the corresponding smelting and processing charges (the processing charges are determined based on the smelting and processing charges of the same industry and the Company's production costs, and are applicable to other independent third parties). (Domestic) Copper price: based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)
2	Blister copper (containing gold)	The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Gold price: based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
3	Blister copper (containing silver)	The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Silver price: based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
4	Copper concentrate (containing copper)	The copper price is the average daily price of copper for the current month as quoted on the Shanghai Futures Exchange as quoted by the seller during the quotation period, multiplied by the corresponding recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
5	Copper concentrate (containing gold)	The gold price is the arithmetic average price of specific settlement price of gold as quoted on the Shanghai Gold Exchange during the quotation period, multiplied by the corresponding gold recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Gold price: (1) spot price, according to the CME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)
6	Copper concentrate (containing silver)	The silver price is the arithmetic average price of specific settlement price of silver as quoted on the Shanghai Huatong Silver Exchange during the quotation period, multiplied by the corresponding silver recovery rate coefficient (the coefficient is determined based on industry coefficient and the Company's production costs, and is applicable to other independent third parties). (Domestic) Silver price: (1) spot price, according to the CME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
7	Raw materials, auxiliary equipment, supporting materials, components, production equipment, tools	The price is determined comprehensively based on annual tender comparison and market condition. The listed group will conduct tenders by invitation, inviting at least three qualified suppliers (including the CNMC Group and two independent third party suppliers) to participate in the relevant tenders. Selection will be made primarily based on price offered, but consideration will also be given to the quality of products, effectiveness of communication and historical cooperation relationship with the suppliers. The price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.

Comprehensive Services

No.	Name of Service	Principles and Basis of Pricing
1	Maintenance work	Fixed-rate charging is implemented according to the List for Hubei Province Construction Works Consumption Quota and Unified Base Price (《湖北省建築工程消耗量定額及統一基價表》), the List for Hubei Province Decoration and Renovation Works Consumption Quota and Unified Base Price (《湖北省裝修裝飾工程消耗量定額及統一基價表》), the List for Hubei Province Installation Works Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), the List for National Unified Housing Repair Works Budget Quota Hubei Province Unified Base Price (全國統一房屋修繕工程預算定額湖北省統一基價表) and supporting fees standards in 2018, and settlement is made based on the actual costs according to the Construction Drawings (《施工圖》), Drawing Review Minutes (《圖紙會審紀要》), Design Changes (《設計變更》), Acceptance Records of Concealed Works (《隱蔽工程驗收記錄》), Project Verification (《工程簽證單》) and the smelter's tender unit prices.

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No.	Name of Service	Principles and Basis of Pricing
2	Supervision	The price is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Regulations on Construction Work Supervision and Associated Service Fees Management (《建設工程監理與相關服務收費管理規定》) (Fa Gai Jia Ge [2007] No. 670) (發改價格[2007]670號), with reference to the market-based principles; (ii) in accordance with the relevant prices prescribed by the Department of Housing and Urban-Rural Development of the National Development and Reform Commission and Hubei Construction Supervision Association (湖北省建設監理協會); and (iii) in accordance with other applicable PRC laws and regulations.
3	Construction	Currently, the price is determined with reference to the List for Hubei Province Construction Works Consumption Quota and Unit Price Estimation (《湖北省建築工程消耗量定額及單位估價表》), the List for Hubei Province Installation Works Consumption Quota and Unified Base Price (《湖北省安裝工程消耗量定額及統一基價表》), and the List for Hubei Province Decoration Works Consumption Quota and Unified Base Price (《湖北省裝飾工程消耗量定額及統一基價表》) issued by the administrative departments of construction in Hubei Province. Should the administrative departments of construction in Hubei Province issues separate documents, implementation shall be carried out in accordance with the provisions of such documents.
4	Mine exploration	The price is determined based on the geological survey project budget standards issued by the government, with current reference to the Budget Standards of Geological Survey Projects of the China Geological Survey (Trial 2010) (《中國地質調查局地質調查項目預算標準(2010試用)》).

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No.	Name of Service	Principles and Basis of Pricing
5	Engineering design and surveying services	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial) (《湖北省工程勘察設計收費參考標準(試行)》), implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
6	Environment monitoring services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on Approving Charging Standards for Environmental Monitoring Services (《關於核定環境監測服務收費標準的通知》) released by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (湖北省物價局及湖北省財政廳) (E Jia Huan Zi Gui [2013] No. 223) (鄂價環資規[2013]223號). The price shall be adjusted accordingly in case of adjustment in the government guidance price.
7	Equipment, electrical and oil products inspection and examination services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Reply of the Huangshi Municipal Price Bureau on the Charging Standards for Safety Evaluation and Safety Production Inspection and Examination Services Charged by the Municipal Mine Safety and Health Inspection and Examination Institute (《黃石市物價局關於市礦山安全衛生檢測檢驗所收取安全評價及安全生產檢測檢驗服務收費標準的批覆》) (Huang Jia Shen Pi Fa [2014] No. 41) (黃價審批發[2014]41號) dated 30 April 2014, the Notice Regarding the Standardization of Electricity Application Procedures and Service Pricing in Huangshi City (《關於規範黃石市電力報裝及服務價格的通知》) (Huang Jia Shen Fa [2005] No. 124) (黃價審發[2005]124號) dated 1 December 2005, and the Notice on the Formulation of Charging Standards for Product Quality Supervision and Inspection in the Province and Related Matters Issued by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (《湖北省物價局省財政廳關於制定我省產品質量監督檢驗收費標準及有關問題的通知》) (E Jia Fei [2010] No. 27) (鄂價費[2010]27號) dated 1 February 2010. The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
8	Research and development	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
9	Construction/mining design	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding ‘Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)’ Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
10	Maneuvering wire improvement	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding ‘Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)’ Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
11	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
12	Blueprint	The pricing is determined through market auction, and the prices are determined by the number of sheets and paper sizes produced for printing and copying.
13	Technical consultation	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial) (《湖北省工程勘察設計收費參考標準(試行)》), implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
14	Mineral product testing	The price is determined based on comprehensive consideration of all costs, such as equipment depreciation, reagent and consumables fees, labor costs and management fees upon negotiation, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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No.	Name of Service	Principles and Basis of Pricing
15	Arsenic sulfide slag and neutralized slag	The price is determined based on comprehensive consideration of all costs, such as project material consumption, transportation cost, equipment depreciation, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
16	Technical service fee	The price is determined based on comprehensive consideration of all costs, such as project material consumption, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

Reasons for and benefits of entering into the CNMC Group Purchase and Production Services Framework Agreement

In respect of the existing continuing connected transactions, the purchase and production services framework agreement dated 22 November 2022 entered into between the Company and CNMC will expire on 31 December 2025. The Company intends to continue to enter into transactions of a similar nature from time to time after the expiry date. Therefore, on 6 November 2025, the Company and CNMC entered into the CNMC Group Purchase and Production Services Framework Agreement, nature of which is similar to that of the transactions under the aforesaid purchase and production services framework agreement, for a term of three years from 1 January 2026 to 31 December 2028.

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We have discussed with the Management and understand that the products and production services to be provided under the CNMC Group Purchase and Production Services Framework Agreement will be important to and are necessary for the Group's business operation. The entering into of the CNMC Group Purchase and Production Services Framework Agreement will (i) allow the Group to leverage on the vast resources of the CNMC Group to obtain many of the products and production services which the Group requires for its increasing production capacity and operations; (ii) assist the Group in ensuring a cost-effective, timely and stable source of supply of products, materials and production services required for its operations; and (iii) allow the Company to further diversify its business risks through purchases of blister copper via the CNMC Group's extensive global sourcing channels, which offers an alternative, abundant and stable supply, as opposed to the supply in the PRC which is generally insufficient to adequately and promptly satisfy market demand.

By entering into the CNMC Group Purchase and Production Services Framework Agreement, the CNMC Group will be able to act as an inter-group supplier and service provider. The CNMC Group will be able to provide a better and more efficient communication with the Group, and the Group may be able to negotiate more favourable terms with the CNMC Group, as compared with other suppliers and/or service providers. Further, it will allow the Group to also benefit from the procurement network of the CNMC Group, given its long-term relationship with the CNMC Group and the close geographical proximity of their respective operations.

We have also enquired with the Management and understand that the purchase of blister copper from the CNMC Group can reduce the costs of production of the Group by saving costs in transportation. Further, supply of blister copper in the PRC is generally insufficient to adequately and promptly satisfy market demand. In this regard, the Group intends to purchase (on normal commercial terms) from the CNMC Group certain blister copper via its extensive global sourcing channels, which offers an alternative, abundant and stable supply of blister copper, and the Group intends to satisfy a portion of its demand for blister copper with such overseas purchases to diversify its business risks.

We concur with the Management that the entering into the CNMC Group Purchase and Production Services Framework Agreement will allow the Group to (i) leverage on the vast resources of the CNMC Group; (ii) obtain cost-effective, timely and stable source of supply of products, materials and production services required for its operations; and (iii) diversify its business risks through purchases of blister copper from overseas.

Regarding the pricing policy, we have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant products and services, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

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We have reviewed the CNMC Group Purchase and Production Services Framework Agreement and note that the basis of determining the prices for the products and production services are clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. Further, the terms offered by the CNMC Group to the Group must be equal to or more favourable than those offered to its other independent customers (if available). In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant products and/or services on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant products and/or services were primarily determined with reference to the Market Price, such as the market price as quoted on the London Bullion Market Association and the London Metal Exchange. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the products and production services under the CNMC Group Purchase and Production Services Framework Agreement is fair and reasonable.

Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than the CNMC Group. The relevant arrangements include: (i) the continuing connected transactions contemplated under the CNMC Group Purchase and Production Services Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the CNMC Group Purchase and Production Services Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the CNMC Group Purchase and Production Services Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the CNMC Group Purchase and Production Services Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the circulation and submission of internal monthly monitoring reports) demonstrating that the Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Company has a sound risk management system to safeguard the interest of the Independent Shareholders.

In conclusion, we are of the view that entering into the CNMC Group Purchase and Production Services Framework Agreement is in the interests of the Group and the Shareholders as a whole.

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Proposed Annual Caps for the CNMC Group Purchase and Production Services Framework Agreement

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the CNMC Group Purchase and Production Services Framework Agreement:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025		Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual		Annual		Annual		Proposed	Proposed	Proposed
cap	Actual	cap	Actual	cap	Actual	annual cap	annual cap	annual cap
	amount		amount		amount			
	(audited)		(audited)		(Note)			
	(RMB'000)		(RMB'000)		(unaudited)			
6,355,823	1,196,792	6,663,945	1,346,107	7,462,154	1,258,620	10,766,522	12,176,152	14,091,446

Note: Represents the actual transaction amount incurred under the CNMC Group Purchase and Production Services Framework Agreement for the nine months ended 30 September 2025.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB10.76 billion, RMB12.17 billion and RMB14.09 billion, respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the growth trend in the historical purchase amount between the Company and the CNMC Group during the past two to three years. The historical purchase amount for the two years ended 31 December 2024 and the nine months ended 30 September 2025 were approximately RMB1.19 billion, RMB1.34 billion and RMB1.25 billion, respectively; (b) the estimation by the Company that the total purchase amount between the Company and the CNMC Group for the year ending 31 December 2025 will reach up to approximately RMB1.50 billion; and (c) the Group requires, among others, the Primary Raw Materials for the production of copper cathodes by its production plants. During FY2023, FY2024 and 9MFY2025, the Group purchased a total of approximately 770,600 tonnes, 741,000 tonnes and 635,300 tonnes of the Primary Raw Materials, amounting to approximately RMB47.3 billion, RMB52.6 billion and RMB50.9 billion, respectively. Of these, only around 1%-2% were purchased from the Group's connected parties including the CNMC Group (with less than 20,000 tonnes purchased from the CNMC Group (excluding the Parent Group) during each of these periods), with the remainder from independent suppliers. The Group expects to require similar levels of the Primary Raw Materials of

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approximately 650,000 tonnes, 740,000 tonnes and 700,000 tonnes, amounting to approximately RMB47.3 billion, RMB57.2 billion and RMB57.3 billion for its productions during FY2026, FY2027 and FY2028, respectively. In light of the significant fluctuations in the copper prices particularly in 2025, the Company intends to increase its purchase allocation of the Primary Raw Materials from the Group's connected parties including the CNMC Group to approximately 21%, 22% and 27% for FY2026, FY2027 and FY2028, respectively, in order secure a cost effective, timely and stable source of supply. Accordingly, it is expected that purchases by the Group from the CNMC Group (excluding the Parent Group) for the Primary Raw Materials will amount to approximately 117,200 tonnes, 137,200 tonnes and 158,000 tonnes, representing RMB9.98 billion, RMB11.85 billion and RMB13.77 billion for FY2026, FY2027 and FY2028, respectively. We have reviewed the copper prices and noted that the copper price per pound reached a low of approximately US\$4.04796 on 2 January 2025. It then climbed approximately 30% to US\$5.25969 on 26 March 2025, and shortly thereafter plummeted approximately 21% to US\$4.14907 on 8 April 2025. The copper price per pound subsequently surged approximately 41% to US\$5.86597 on 23 July 2025, and again plummeted approximately 25% shortly thereafter to US\$4.416 on 5 August 2025. It then closed at US\$5.27191 on 28 November 2025. In view of the significant volatility and uncertainty in copper prices, we consider that it is reasonable for the Company to increase its purchase allocation of the Primary Raw Materials from the Group's connected parties including the CNMC Group, after also taking into account (1) the estimated purchase volumes of the Primary Raw Materials from the Group's connected parties, which amount to approximately 21%, 22% and 27% for FY2026, FY2027 and FY2028, do not form a majority portion of the Group's total purchases of such materials; and (2) the Group will be able to secure a cost effective, timely and stable supply while striking a balance between sourcing from connected parties and independent third parties;

- (ii) the increases in the Proposed Annual Caps for FY2027 and FY2028 as compared with FY2026 are mainly due to the expected increase in purchases of the Primary Raw Materials from the CNMC Group (excluding the Parent Group) from approximately RMB9.98 billion in FY2026 to RMB11.85 billion in FY2027, and further to RMB13.77 billion in FY2028, aligning with the Company's intention to further increase its purchase allocation from the Group's connected parties including the CNMC Group as aforementioned; and
- (iii) the Company has entered into letter of intents with members of the CNMC Group, which have explicitly set out the target sales volume of certain products under the CNMC Group Purchase and Production Services Framework Agreement for each of the three years ending 31 December 2028. We have obtained from the Management and reviewed the letter of intents, and understood that both parties have reached consensus on the target sales volume as stated thereunder. There will be no consequence or penalty on the Company for not reaching the target volume.

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In view of (i) the historical purchase volumes of the Primary Raw Material by the Group over the past two to three years; (ii) the Group's continuing need for similar quantities of the Primary Raw Materials to support its on-going productions; and (iii) the intended shift in the purchase allocation for the Primary Raw Materials towards the Group's connected parties including the CNMC Group as discussed above, we consider that the estimated purchase volume of the relevant products (i.e. the Primary Raw Materials being the major products under the CNMC Group Purchase and Production Services Framework Agreement) for the three years ending FY2028 are fair and reasonable.

Further, we have conducted analysis on the copper price and reviewed the "World Economic Outlook Database" published by the International Monetary Fund in October 2025 (www.imf.org). According to the database, it is noted that the copper price per ton has increased from US\$8,491 in 2023 to US\$9,142 in 2024, and forecasted to amount to US\$9,601 in 2025, US\$9,934 in 2026, US\$10,042 in 2027 and US\$10,122 in 2028. We note that the copper prices are expected to remain relatively higher for the upcoming few years as compared with the price in 2023, and it is in line with the unit price adopted by the Company to determine the Proposed Annual Caps.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

2.4 CNMC Financial Services Framework Agreement

Date:	6 November 2025
Parties:	(1) the Company (2) CNMC
Nature of transactions:	The Group shall place deposits with the CNMC Group. The CNMC Group shall provide to the Group the following financial services: loans, guarantees and integrated credit facilities, bills acceptance and settlement, foreign exchange settlement and sales and such other financial services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant underlying agreement which is in accordance with the relevant regulations of the financial regulatory authorities.

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Pricing mechanism:	Subject to compliance with applicable laws, the pricing will be determined with reference to the benchmark lending rates for loans of the same term offered by commercial banks, as well as the prevailing fee standards for similar services charged by commercial banks. To ensure compliance with the pricing policy under the CNMC Financial Services Framework Agreement, prior to conducting connected transactions under the CNMC Financial Services Framework Agreement, the Group will make enquiries with third-party commercial banks regarding the interest rates for loans and deposits of the same term, and the fees charged by them for providing similar financial services. The Group will then compare such rates and fees with those charged under the connected transactions between the Group and CNMC Group, and determine the relevant rates and fees in accordance with the pricing policy under the CNMC Financial Services Framework Agreement. Wherever practicable, the Group will obtain quotations from not fewer than three independent third-party commercial banks for each transaction.
Deposit and loan amounts:	The average daily amount of deposits placed by the Group with the CNMC Group must not exceed the average daily amount of outstanding loans extended by the CNMC Group to the Group.
Set-off upon default on deposits:	If CNMC Group is unable to return on time the deposits (including accrued interest) placed to it by the Group, the Group shall have the right to: (i) terminate the CNMC Financial Services Framework Agreement; and (ii) set off such deposits (including accrued interest) against the outstanding loans (including accrued interest) extended by CNMC Group to the Group.

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Compensation for losses suffered by the Group: CNMC Group shall fully compensate the Group for any loss incurred by the Group (including in relation to the amount of outstanding deposits or loans and accrued interest or any related expenses incurred) as a result of any of the following: (i) the CNMC Group breaches, or is likely to breach, any PRC laws or regulations; (ii) the occurrence of, or likely occurrence of, any material problem in the CNMC Group's operations or difficulties in payment; or (iii) the CNMC Group does not comply or breaches the CNMC Financial Services Framework Agreement.

Undertaking by CNMC: CNMC undertakes to the Group that if CNMC Financial Company experiences or foresees any difficulties in payment, CNMC will inject capital into CNMC Financial Company based on the latter's needs in order to ensure the latter's normal operations.

Reasons for and benefits of entering into the CNMC Financial Services Framework Agreement

CNMC Financial Company is a non-wholly owned subsidiary of CNMC. It is regulated by PBOC and CBRC as a financial company in the PRC to provide financial services to other members of the Parent Group and the CNMC Group. As discussed with the Management, the entering into the CNMC Financial Services Framework Agreement is for the purpose to obtain efficient and cost-effective financial services provided by CNMC Financial Company. As such, we are of the view that the entering into the CNMC Financial Services Framework Agreement falls within the ordinary and usual course of business of the Group.

We are given to understand by the Management that the risk profile of CNMC Financial Company is no greater than that of other independent commercial banks in the PRC, while there are numerous advantages of utilising the financial services provided by the CNMC Financial Company over similar services provided by other independent commercial banks in the PRC for the following reasons:

- (i) similar to other independent commercial banks in the PRC, CNMC Financial Company will be regulated by the PBOC and the CBRC, and will provide services pursuant to the relevant rules and requirements, including capital risk guidelines and requisite capital adequacy ratios of such regulatory authorities;
- (ii) the regulation of finance companies (such as CNMC Financial Company) by the CBRC is more stringent than the regulation of commercial banks in the PRC in certain aspects, for example, finance companies are required to have a higher capital adequacy ratio;

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- (iii) the CBRC will review the operations and management of finance companies in the PRC pursuant to the Guideline of Risk Assessment and Classified Regulation on Financial Companies of Enterprise Groups (企業集團財務公司風險評價和分類監管指引) which covers areas including a finance company's internal management, operating conditions and the related group's influence over and support to the finance company; and
- (iv) the CNMC Financial Services Framework Agreement provides the Group with numerous rights and sets out numerous internal control and risk management measures that safeguard the interests of the Company and the Shareholders. For example, the average daily deposits placed by the Group with the CNMC Group must not exceed the average daily outstanding loans. The Group may also set-off any defaulted deposits against any outstanding loans extended by CNMC Group to the Group and has various rights of compensation. In addition, CNMC Financial Company shall (and CNMC shall ensure that CNMC Financial Company shall):
 - (a) implement stringent internal control and effective risk management measures (the efficiency and effectiveness of which will be regularly reviewed by the CBRC);
 - (b) comply with applicable laws and regulations, and in particular strictly comply with any requirements relating to the management of financial companies under all PRC laws and regulations (including any PRC laws and regulations), as amended from time to time;
 - (c) provide the Group with access to the books and accounts of CNMC Financial Company for inspection as soon as practicable upon the Group's request; and
 - (d) when providing financial services to members of the Group, exercise its own judgment and prudent approval process to determine whether to provide such financial services to such members of the Group.

Further, as an inter-group service provider, the provision of financial services under the CNMC Financial Services Framework Agreement is expected to render more expedient and efficient financial services to the Group, especially due to the multiple financing channels offered by the CNMC Group. In addition, it is expected that any applicable interest rates for the financial services will be equal to or more favourable to the Group than the benchmark interest rates quoted by the PBOC from time to time, while any other applicable fees, terms and exchange rates offered will also be equal to or more favourable to the Group than that offered by other independent commercial banks in the PRC, which would reduce the overall financial costs of the Group.

We agree with the Management that the financial assets of the Group maintained by the CNMC Financial Company shall be regulated according to the relevant rules and regulations as applied to other independent commercial banks and financial institutions in the PRC. We

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consider the Group's financial assets shall be properly safeguarded by the relevant standards, rules and regulations. In addition, we understand from the Management that in order to ensure the pricing policies under the CNMC Financial Services Framework Agreement are complied with, prior to conducting the transactions thereunder, the Group will enquire with third party commercial banks where applicable, including but not limited to obtaining at least three quotes from third party commercial banks, about (i) the interest rates for deposits for comparing the interest rates provided by the CNMC Financial Company; (ii) the exchange rates for foreign exchange settlement for comparing the exchange rates offered by the CNMC Financial Company; and (iii) the applicable handling fees for the same or similar financial services provided for comparing the applicable handling fees charged by the CNMC Financial Company, and determine the relevant interest rates, exchange rates and handling fees in accordance with the pricing policies under the CNMC Financial Services Framework Agreement. In addition, we have obtained from the Company and reviewed at least two samples of existing contracts for the relevant services on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant services were primarily determined with reference to third party commercial banks. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

Moreover, we have discussed with the Management and understand that the provision of deposit services as well as the bills acceptance, settlement, foreign exchange settlement and sales services by the CNMC Financial Company will help to facilitate the fund management amongst the members of the Group and the CNMC Group in a more efficient manner. By maintaining accounts of the Group with the CNMC Financial Company and leveraging on the CNMC Financial Company as the settlement platform, fund transmission time can be reduced to expedite the turnaround of funds, and thus strengthen the Company's centralised fund management. In addition, enabling the Group to access a centralised fund pool can provide flexibility to the Group in making timely inter-group transfers from time to time without any restriction in meeting its funding needs, utilise idle cash balances within the Group, and reduce funding cost of the Group in general.

In conclusion, we are of the view that entering into the CNMC Financial Services Framework Agreement is in the interests of the Group and the Shareholders as a whole.

Proposed Annual Caps for the CNMC Financial Services Framework Agreement

(a) Deposit services

In respect of the deposit services provided or to be provided by CNMC Group to the Group, the table below sets out the historical figures, existing annual caps and the Proposed Annual Caps under the CNMC Financial Services Framework Agreement:

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Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025		Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual cap		Annual cap		Annual cap		Proposed annual cap	Proposed annual cap	Proposed annual cap
Actual amount (audited) (RMB'000)		Actual amount (audited) (RMB'000)		Actual amount (Note) (unaudited) (RMB'000)				
2,697,750	843,893	2,827,221	510,233	2,929,468	1,969,950	3,012,085	3,012,085	3,012,085

Note: Represents the actual transaction amount incurred under the CNMC Financial Services Framework Agreement for the nine months ended 30 September 2025.

As advised by the Management, the historical maximum daily outstanding balance of deposits (including accrued interest) placed by the Group with the CNMC Financial Company during the two years ended 31 December 2024 and the nine months ending 30 September 2025 amounted to approximately RMB0.8 billion, RMB0.5 billion and RMB1.9 billion, respectively.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have discussed with the Management in respect of the possible maximum deposits to be placed by the Group on any given day during the term of the CNMC Financial Services Framework Agreement, after having taken into account the Group's development plan, expected cash flow, business operation and financial needs.

We have reviewed the latest interim report of the Company and note that the cash and bank balances of the Group as at 30 June 2025 amounted to approximately RMB1.8 billion.

We have also discussed with the Management and understand that (i) the Company has secured revolving credit facilities from banks totaling approximately RMB43.0 billion, of which approximately RMB23.9 billion was drawn and used for working capital of the Group, with RMB19.1 billion remaining available to be drawn for future use; and (ii) the cash flow cycle from trade receivables will constitute part of the Group's available daily cash balance. We have also obtained from the Management and reviewed the available daily cash balance of the Group during the two years ended 31 December 2024 and the eight months ended 31 August 2025, and note that the available daily cash and bank balances of the Group (excluding any cash and/or bank balances that are earmarked for specific development/operation purpose) had reached as high as approximately RMB2.8 billion during the said period.

Moreover, we understand from the Management that (i) the interest rates received by the Company during the ten months ending 31 October 2025 from commercial banks in the PRC for its bank balance are around 2% for US\$ and 0.05% for RMB per annum; and (ii) the interest rate for deposits to be provided by the CNMC Financial Company is expected to be around 2% for USD and 1.1% for RMB per annum. Accordingly, we agree with the Management that the

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expected interest rate of 2% for US\$ and 1.1% for RMB per annum to be provided by the CNMC Financial Company is more favourable to the Group as compared with interest rates offered by commercial banks in the PRC.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps for the deposit services are fair and reasonable.

(b) Bills acceptance and settlement and foreign exchange settlement and sales services

In order to more effectively monitor the transaction amounts of foreign exchange settlement and sales services, the Company has determined that such transaction amounts shall be based on the aggregate of the amount of foreign currency exchanged (inclusive of the service fees), instead of based solely on the service fees.

The table below sets out the historical figures, existing annual caps and the Proposed Annual Caps in respect of the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group under the CNMC Financial Services Framework Agreement:

Year ended		Year ended		Year ending		Year ending	Year ending	Year ending
31 December 2023		31 December 2024		31 December 2025		31 December 2026	31 December 2027	31 December 2028
Annual cap	Actual	Annual cap	Actual	Annual cap	Actual	Proposed annual cap	Proposed annual cap	Proposed annual cap
	amount		amount		amount			
	(audited)		(audited)		(unaudited)			
	(RMB'000)		(RMB'000)		(RMB'000)			
8,286,025	165,304	8,288,625	1,274,412	8,288,625	3,284,180	10,280,000	10,280,000	10,280,000

Note: Represents the actual transaction amount incurred under the CNMC Financial Services Framework Agreement for the nine months ended 30 September 2025.

Under the CNMC Financial Services Framework Agreement, the Group and the CNMC Financial Company will enter into definitive contracts pursuant to which the CNMC Financial Company will provide spot foreign exchange settlement and sale services for foreign currencies such as US dollars to the Group, as the Group's revenue are mainly in RMB but it requires US dollars to settle payments to certain raw material suppliers in the international market (including suppliers of copper concentrate and blister copper).

As advised by the Management, the Group purchases certain raw materials from the international market which are primarily conducted in US dollars for its production purposes. The historical total amount of foreign exchange transacted by the Group for the two years ended 31 December 2024 and the nine months ended 30 September 2025, amounted to approximately RMB43.1 billion, RMB35.8 billion and RMB33.0 billion, respectively.

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The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB10.28 billion for each of the three years. We have discussed with the Management and understand that the Proposed Annual Caps were determined with reference to, among others:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the historical total amount of foreign exchange transacted by the Group during the two years ended 31 December 2024 and the nine months ended 30 September 2025 which amounted to approximately RMB43.1 billion, RMB35.8 billion and RMB33.0 billion, respectively; (b) the estimation by the Company that the total amount of foreign exchange transacted by the Group for the year ending 31 December 2025 will reach approximately RMB38.9 billion; and (c) based on the estimation on the amount and prices of raw materials to be imported by the Group, the total amount of foreign exchange to be transacted by the Group is expected to be approximately RMB38.9 billion to RMB43.2 billion during the three years ending 31 December 2028. It is intended by the Group to satisfy approximately 20% of its total demand for foreign exchange for each of the three years ending 31 December 2028 with its purchase of foreign exchange and settlement services from the CNMC Financial Company. Regarding the remainder, subject to comparable rates and service fees, the Group will purchase the foreign exchange from other commercial banks and institutions in order to diversify the sources of supply and at the same time to maintain sound business relationships with the commercial banks and institutions; and
- (ii) it is the intention of the Company to maintain similar foreign exchange transaction level by the Group with the CNMC Financial Company in FY2028 and FY2027 as compared with FY2026.

Moreover, we understand from the Management that the fees charged by commercial banks in the PRC to the Group for the bills acceptance and settlement services during the nine months ended 30 September 2025 amounted to approximately 0.05% to 0.08%. As advised by the Management, it is expected that the fees in respect of the said services to be charged by the CNMC Financial Company will be around 0.05%. Accordingly, we agree with the Management that the expected fees of 0.05% to be charged by the CNMC Financial Company is comparable with those offered by commercial banks in the PRC.

In view of (i) the Group's continuing need to purchase similar levels of raw materials from international markets, which are primarily conducted in US dollars, to support its productions; (ii) the estimated total transaction amount of foreign exchange for the three years ending 31 December 2028 is generally in line with the historical amounts recorded over the past two to three years; (iii) the Group's intention to satisfy approximately 20% of its total demand for foreign exchange from the CNMC Financial Company after taking into account the fees to be offered by the CNMC Financial Company are no less favourable than those from PRC commercial banks, we consider that the estimated amounts of foreign exchange to be transacted under the CNMC Financial Services Framework Agreement for the three years ending FY2028 are fair and reasonable.

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Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps for the bills acceptance, settlement services and foreign exchange settlement and sales services are fair and reasonable.

2.5 CNMC Group Sales Framework Agreement

Date:	6 November 2025
Parties:	(1) the Company (2) CNMC
Nature of transactions:	The Group will supply certain products to CNMC (including the Parent Group and excluding the Group), including gold bars, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, auxiliary equipment, supporting materials, spare parts, production equipment, tools, sulfuric acid, dump truck, waste materials, scrap steel, scrap stainless steel, scrap copper cathodes mold, spare part materials, platinum, spongy palladium, crude selenium, tellurium ingot and such other products as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
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.

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As at the Latest Practicable Date, prices for the supply of the relevant products will be determined by the parties on the following basis:

No.	Name of Product	Principles and Basis of Pricing
1	Gold bars	1. The benchmark price is determined according to the settlement price or trading price of Au9999 as quoted on the Shanghai Gold Exchange. 2. Gold for export: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of gold on the London Bullion Market Association, and being the average price within the quotation period. (International)
2	Silver/handicraft silver	1. The price is determined according to the instant trading price of silver deferred contract as quoted on the Shanghai Gold Exchange or the fixing price and settlement price of Ag9999 as quoted on the Shanghai Huatong Silver Exchange. (Domestic) 2. Silver for export: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
3	Copper cathodes	1. The spot price is determined according to the instant trading price as quoted on the Shanghai Futures Exchange plus market premium or discount which refers to metal spot websites. (Domestic)

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No.	Name of Product	Principles and Basis of Pricing
		2. Copper cathodes for export: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)
4	Copper concentrate containing gold	Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant sales contract). (International)
5	Copper concentrate containing silver	Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period. (International)
6	Copper concentrate containing copper	Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period. (International)

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No.	Name of Product	Principles and Basis of Pricing
7	Natural gas	The price is determined through negotiation with reference to the selling price of natural gas prescribed by the competent government price authority, and currently implemented with reference to Notice on Adjusting Selling Price of Natural Gas in Huangshi Urban Area (Huang Jia Huan Zi (2015) No. 113) (《關於調整黃石城區天然氣銷售價格的通知》(黃價環資(2015)113號)) published by the Huangshi Price Bureau* (黃石市物價局). The selling price of natural gas shall be adjusted accordingly in case of adjustment in the government guidance price.
8	Residual heat power generation	The price is determined based on the price guidance documents issued by the competent government authority, and the on-grid tariff is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年—2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting the Internal Settlement Price of Residual Heat Power Generation in the Company's Smelting Plant (Ye Se Cai (2016) No. 61) (《關於調整公司冶煉廠餘熱發電內部結算價格的通知》(冶色財(2016)61號))}. The on-grid tariff shall be adjusted accordingly in case of adjustment in the government price.
9	Water	The price is determined based on the price guidance documents issued by the competent government authority, and currently implemented with reference to the Reply of Huangshi Price Bureau on Adjusting Price of Water in Huangshi Urban Area (Huang Jia Huan Zi (2014) No. 27) (《黃石市物價局關於調整黃石城區供水價格的批覆》(黃價環資(2014)27號)). The price of water shall be adjusted accordingly in case of adjustment in the government price.

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No.	Name of Product	Principles and Basis of Pricing
10	Electricity	The price is determined based on the price guidance documents issued by the competent government authority, and the selling price of electricity is currently determined with reference to the Notice of the Hubei Province Price Bureau on Reducing Selling Price of Electricity (E Jia Huan Zi [2015] No. 146) (《省物價局關於降低銷售電價通知》(鄂價環資[2015]146號)) and the Notice of the Hubei Province Price Bureau on Transmission and Distribution Tariffs and Related Matters for Hubei Power Grid from 2016 to 2018 (E Jia Huan Zi [2016] No. 38) (《省物價局關於湖北電網2016年—2018年輸配電價及有關事項的通知》(鄂價環資[2016]38號)) {Notice on Adjusting General Industrial and Commercial Electricity Prices in Xialu District (Ye Se Cai [2019] No. 36) (《關於調整下陸地區一般工商業用電價格的通知》(冶色財[2019]36號)) and Notice on Adjusting Settlement Price of Electricity for Limited Companies in Xialu District and Huangjinshan Industrial Park (Ye Se Cai Wu [2022] No. 9) (《關於調整有限公司下陸地區、黃金山工業園供電結算價格的通知》(冶色財務[2022]9號))}. The selling price of electricity shall be adjusted accordingly in case of adjustment in the government price.
11	Raw materials	The price is determined comprehensively based on tender price comparison and market condition.
12	Auxiliary equipment	The price is determined comprehensively based on tender price comparison and market condition.
13	Supporting materials	The price is determined comprehensively based on tender price comparison and market condition.
14	Components	The price is determined comprehensively based on tender price comparison and market condition.
15	Production equipment	The price is determined comprehensively based on tender price comparison and market condition.
16	Tools	The price is determined comprehensively based on tender price comparison and market condition.

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No.	Name of Product	Principles and Basis of Pricing
17	Sulfuric acid	The selling price is determined with reference to the quotation of sulfuric acid chemical products on the websites (currently referring to Baiinfo's website) and based on the surrounding sulfuric acid market conditions.
18	Dump truck	The price is determined based on the value in the vehicle valuation report with reference to the Price Law of the People's Republic of China (《中華人民共和國價格法》), Hubei Provincial People's Government Order (98) No. 151 (湖北省人民政府(98)151號令), the Administrative Measures for Price Appraisal (《價格鑒定管理辦法》) published by the State Planning Commission, Automobile Scrap Standard (《汽車報廢標準》) published by the Ministry of Commerce, and service life and comprehensive newness rate of the vehicle (the comprehensive newness rate reflects the degree of newness or oldness of the equipment, which is the ratio of the equipment's current value to its replacement value in a new state. The newness rate of equipment is not only determined by its service life, but also by on-site observation and inspection of the equipment to determine its current technical condition, which is scientifically and reasonably determined by comprehensively considering various factors including tangible losses and intangible losses). It also takes into account the market conditions of the second-hand car market and the actual realization of vehicles (converting non-cash assets into cash).
19	Waste materials	The price is determined according to market price inquiries, with reference to the settlement price of copper futures contract for the current month on the Shanghai Futures Exchange as the settlement benchmark price.

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No.	Name of Product	Principles and Basis of Pricing
20	Scrap steel, scrap stainless steel, scrap copper cathodes mold, spare part materials	With reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting 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 primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

When actual transactions are proposed to be conducted during the relevant financial year:

- (i) in respect of the supply of scrap steel and scrap stainless steel by the listed company, the settlement prices for scrap steel and scrap stainless steel will be the tender price, and adjusted (if required) with reference to the market price of scrap steel or scrap stainless steel quoted on the industry related websites, which is currently YD Steel (<http://www.ydsteel.com>) and CN Gold (<https://jiage.cngold.org>) respectively, on the day immediately prior to the actual date of transaction.
- (ii) in respect of the supply of scrap copper cathodes mold by the listed company, the price will be the tender price, and adjusted (if required) with reference to the relevant processing costs incurred by the listed company and the market price of scrap steel, being the prices charged by independent third-party suppliers supplying scrap steel in their ordinary course of business in the same or nearby area.
- (iii) in respect of the supply of spare part materials, the price will be the tender price, and adjusted (if required) with reference to the relevant market price, being the prices charged by independent third-party suppliers providing similar type of products in their ordinary course of business in the same or nearby area.

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No.	Name of Product	Principles and Basis of Pricing
21	Platinum	The price is determined comprehensively based on tender price comparison and market condition.
22	Spongy palladium	The price is determined comprehensively based on tender price comparison and market condition.
23	Crude selenium	The price is determined comprehensively based on tender price comparison and market condition.
24	Tellurium ingot	The price is determined comprehensively based on tender price comparison and market condition.

Reasons for and benefits of entering into the CNMC Group Sales Framework Agreement

The Company intends to continue to enter into transactions of a similar nature from time to time after the expiry date. Therefore, on 6 November 2025, the Company and CNMC entered into the CNMC Group Sales Framework Agreement, nature of which is similar to that of the transactions under the aforesaid sales framework agreement, for a term of three years from 1 January 2026 to 31 December 2028.

We have discussed with the Management and understand that entering into the CNMC Group Sales Framework Agreement will broaden the revenue base of the Group and allow it to leverage on the sales network of the CNMC Group (including the Parent Group and excluding the Group) in the PRC and Hong Kong.

We have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant products, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

We have also reviewed the CNMC Group Sales Framework Agreement and note that the basis of determining the prices for the products are clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant products on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant products were primarily determined with reference to the Market Price, such as the market price as quoted on the Shanghai Futures Exchange. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the products under the CNMC Group Sales Framework Agreement is fair and reasonable.

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Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than the CNMC Group. The relevant arrangements include: (i) the continuing connected transactions contemplated under the CNMC Group Sales Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the CNMC Group Sales Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the CNMC Group Sales Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the CNMC Group Sales Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the circulation and submission of internal monthly monitoring reports) demonstrating that the Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Group has a sound risk management system to safeguard the interest of the Company.

In conclusion, we are of the view that entering into the CNMC Group Sales Framework Agreement is in the interests of the Company and the Shareholders as a whole.

Proposed annual caps for the CNMC Group Sales Framework Agreement

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the CNMC Group Sales Framework Agreement:

Year ended		Year ended		Year ending		Year ending	Year ending	Year ending	
31 December 2023		31 December 2024		31 December 2025		31 December 2026	31 December 2027	31 December 2028	
Annual cap	Actual	Annual cap	Actual	Annual cap	Actual	Proposed annual cap	Proposed annual cap	Proposed annual cap	
	amount		amount		amount				(Note)
	(audited)		(audited)		(unaudited)				
	(RMB'000)		(RMB'000)		(RMB'000)				(RMB'000)
17,996,416	12,876,071	31,587,910	14,395,640	33,635,255	9,662,740	25,650,576	26,013,084	26,375,591	

Note: Represents the actual transaction amount incurred under the CNMC Group Sales Framework Agreement for the nine months ended 30 September 2025.

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As the annual caps for the years ending 31 December 2026 to 2028 will include products sold to the Parent Group and the CNMC Group, the annual caps and actual amounts of the Parent Group Sales Framework Agreement and the CNMC Group Sales Framework Agreement for the years ended 31 December 2024 to 2025 have been combined.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

We note that the major product expected to be sold by the Group to the CNMC Group (including the Parent Group) under the CNMC Group Sales Framework Agreement is the copper cathode. As advised by the Management, the Group's current production capacity of copper cathodes is approximately 1,000,000 tonnes per year.

We have enquired with the Management and set out below the expected production amount by the Group and sales volume of copper cathode by the Group to CNMC (including the Parent Group) in FY2026, FY2027 and FY2028:

	FY2026	FY2027	FY2028
	<i>approx. tonnes</i>	<i>approx. tonnes</i>	<i>approx. tonnes</i>
Total expected production of copper cathode by the Group	660,000	750,000	710,000
Expected sales volume of copper cathode by the Group to the CNMC Group (including the Parent Group)	300,000	300,000	300,000

We note that the estimated sales volume of copper cathode by the Group to the Parent Group during the three years ending 31 December 2028 ranges from approximately 40% to 45% of the Group's total expected production of copper cathode. We consider that the above estimated sales volume of copper cathode by the Group to the CNMC Group (including the Parent Group) do not form a majority portion of the total expected production of copper cathode by the Group and it is within the Group's production capacity.

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The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB25.65 billion, RMB26.01 billion and RMB26.38 billion respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the growth trend in the historical sales amount between the Company and the CNMC Group (including the Parent Group) over the past two to three years, amounting to approximately RMB12.8 billion and RMB14.4 billion for the two years ended 31 December 2024, and RMB9.6 billion for the nine months ended 30 September 2025; and (b) the estimation by the Company that the total sales amount between the Company and the CNMC Group (including the Parent Group) for the year ending 31 December 2025 will reach approximately RMB16 billion; (c) the increase in demand for raw materials such as copper cathode required by Huangshi Shengxiang Copper Co., Ltd.* (黃石晟祥銅業有限公司) (“**Huangshi Shengxiang**”), the primary purchasing member of the CNMC Group, for the production of its products after taking into account the expected increase in output rate of the production capacity of Huangshi Shengxiang from approximately 220,000 tonnes in FY2025 to approximately 300,000 tonnes starting from FY2026. We have obtained and reviewed Huangshi Shengxiang’s enhancement plans, and we note that Huangshi Shengxiang has established detailed plans to enhance its output rate of production capacity as described above; (d) the historical sales volume of copper cathode by the Group to Huangshi Shengxiang was approximately 196,000 tonnes and 213,000 tonnes for the two years ended 31 December 2024, and approximately 137,000 tonnes for the nine months ended 30 September 2025; and (e) the expected increase in sales volume by the Group to Huangshi Shengxiang to approximately 300,000 tonnes in each of FY2026, FY2027 and FY2028 driven by Huangshi Shengxiang’s expected increase in utilization of its production capacity and the consequent increase in its demand for copper cathode starting from FY2026;
- (ii) the slight increases in the Proposed Annual Caps for FY2027 and FY2028 compared to FY2026 are primarily due to the expected increases in copper prices; and
- (iii) the Company has entered into letter of intents with members of the CNMC Group, which have explicitly set out the target sales volume of certain products under the CNMC Group Sales Framework Agreement for each of the three years ending 31 December 2028. We have obtained from the Management and reviewed the letter of intents, and understood that both parties have reached consensus on the target sales volume as stated thereunder. There will be no consequence or penalty on the Company for not reaching the target volume.

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In view of, among others, the correlation between the historical actual sales volume to Huangshi Shengxiang and the expected increase in demand driven by Huangshi Shengxiang's expected increase in utilization of its production capacity starting from FY2026, we consider that the estimated sales volume of the relevant products (i.e. the copper cathode being the major product under CNMC Group Sales Framework Agreement) for the three years ending FY2028 are fair and reasonable.

Further, we have conducted analysis on the copper price and reviewed the "World Economic Outlook Database" published by the International Monetary Fund in October 2025 (www.imf.org). According to the database, it is noted that the copper price per ton has increased from US\$8,491 in 2023 to US\$9,142 in 2024, and forecasted to amount to US\$9,601 in 2025, US\$9,934 in 2026, US\$10,042 in 2027 and US\$10,122 in 2028. We note that the copper prices are expected to remain relatively higher for the upcoming few years as compared with the price in 2023, and it is in line with the unit price adopted by the Company to determine the Proposed Annual Caps.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

2.6 CNMC Group Services Framework Agreement

Date:	6 November 2025
Parties:	(1) the Company (2) CNMC
Nature of transactions:	The Group will supply certain services to CNMC Group (including the Parent Group and excluding the Group), including engineering design and survey, environmental monitoring, equipment inspection and examination, research and development, construction/beneficiation design, maneuvering wire improvement, technical development projects, blueprint, technical consultation, commissioning guidance, pre-job training, operation and maintenance services, and such other services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Based on market practice.

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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 of the Latest Practicable Date, service fees for the provision of the relevant services will be determined by the parties on the following basis:

No.	Name of Service	Principles and Basis of Pricing
1	Engineering design and surveying services	According to the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the “Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)” 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
2	Environment monitoring services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on Approving Charging Standards for Environmental Monitoring Services (《關於核定環境監測服務收費標準的通知》) released by the Price Bureau of Hubei Province and the Department of Finance of Hubei Province (湖北省物價局及湖北省財政廳) (E Jia Huan Zi Gui [2013] No. 223) (鄂價環資規[2013]223號). The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
3	Equipment inspection and examination services	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Reply of the Huangshi Municipal Price Bureau on the Charging Standards for Safety Evaluation and Safety Production Inspection and Examination Services Charged by the Municipal Mine Safety and Health Inspection and Examination Institute (《黃石市物價局關於市礦山安全衛生檢測檢驗所收取安全評價及安全生產檢測檢驗服務收費標準的批覆》) (Huang Jia Shen Pi Fa [2014] No. 41) (黃價審批發[2014]41號) dated 30 April 2014. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
4	Research and development	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》).
5	Mining/mineral dressing/metallurgical chemical/architectural/electrical automation design	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城鄉建設廳) on 23 May 2023 on the release of the "Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)" 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] (廳頭[2023]936號文). In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.

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No.	Name of Service	Principles and Basis of Pricing
6	Maneuvering wire improvement	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice regarding 'Provisions on the Administration of Charges for Engineering Survey and Design (《工程勘察設計收費管理規定》)' Issued by the State Planning Commission and the Ministry of Construction (國家計委、建設部) (Ji Jia Ge [2002] No. 10) (計價格[2002]10號) dated 7 January 2002. The price shall be adjusted accordingly in case of adjustment in the government guidance price.
7	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The unit price of the project is determined through tender in accordance with the laws and regulations promulgated by the state, provincial and municipal construction administrative departments and the Tender and Bidding Law of the People's Republic of China (《中華人民共和國招投標法》).
8	Blueprint	The pricing is determined through market auction, and the prices are determined by the number of sheets and paper sizes produced for printing and copying.
9	Technical consultation	The price is determined based on the price guidance documents issued by the competent government authority, with current reference to the Notice on the Issuance of Interim Provisions on Consultation Fees for Preliminary Work of Construction Projects (《關於印發建設項目前期工作諮詢收費暫行規定的通知》) (Ji Jia Ge [1999] No. 1283) (計價格[1999]1283號) issued by the State Development Planning Commission (國家發展計劃委員會) on 10 September 1999. The price shall be adjusted accordingly in case of adjustment in the government guidance price.

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No.	Name of Service	Principles and Basis of Pricing
10	Commissioning guidance services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000 – RMB700,000/person/year).
11	Pre-job training services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000 – RMB700,000/person/year).
12	Maintenance services	The service fee price is determined by mutual agreement through negotiation between the parties based on the actual workload and service quality requirements of the owner, with reference to the technical service fee standards of other overseas-funded enterprises within the Group, and the actual expenditure costs of this project, and according to the technical level of the personnel involved in the technical service (RMB280,000 – RMB700,000/person/year).

Reasons for and benefits of entering into the CNMC Group Services Framework Agreement

In respect of the existing continuing connected transactions, the services framework agreement dated 3 March 2025 entered into between the Company and CNMC will expire on 31 December 2025. The Company intends to continue to enter into transactions of a similar nature from time to time after the expiry date. Therefore, on 6 November 2025, the Company and CNMC entered into the CNMC Group Services Framework Agreement, nature of which is similar to that of the transactions under the aforesaid services framework agreement, for a term of three years from 1 January 2026 to 31 December 2028.

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We have discussed with the Management and understand that the entering into of the CNMC Group 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.

Regarding the pricing policy, we have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant services, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

We have reviewed the CNMC Group Services Framework Agreement and note that the basis of determining the prices for the services is clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant services on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant services were primarily determined with reference to the pricing basis and the number of technical service personnel dispatched to the project site to provide services and their working time. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the services under the CNMC Group Services Framework Agreement is fair and reasonable.

Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than CNMC. The relevant arrangements include: (i) the continuing connected transactions contemplated under the CNMC Group Services Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the CNMC Group Services Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the CNMC Group Services Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the CNMC Group Services Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the

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circulation and submission of internal monthly monitoring reports) demonstrating that the Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Group has a sound risk management system to safeguard the interest of the Company.

In conclusion, we are of the view that entering into the CNMC Group Services Framework Agreement is in the interests of the Company and the Shareholders as a whole.

Proposed Annual Caps for the CNMC Group Services Framework Agreement

The table below sets out the historical figures, existing annual caps and Proposed Annual Caps for the CNMC Group Services Framework Agreement:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025		Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual cap	Actual	Annual cap	Actual	Annual cap	Actual	Proposed annual cap	Proposed annual cap	Proposed annual cap
	amount		amount		amount			
	(audited)		(audited)		(Note)			
	(RMB'000)		(RMB'000)		(unaudited)			
	4,430		60,117*		134,645*	96,259	66,838	6,077
	2,037		20,085*		52,540*			

Note: Represents the actual transaction amount incurred for the nine months ended 30 September 2025.

* As the scope of transactions under the CNMC Group Services Framework Agreement for the years ending 31 December 2026 to 2028 will include the transactions contemplated under the CNMC Group Services Framework Agreement and the CCIA Services Framework Agreement for the years ended 31 December 2024 to 2025, the annual caps and the actual transaction amounts for the years ended 31 December 2024 to 2025 have been aggregated.

As the annual caps for the years ending 31 December 2026 to 2028 will include services provided to the Parent Group and CNMC Group, the annual caps and actual amounts of the Parent Group Services Framework Agreement and the CNMC Group Services Framework Agreement for the years ended 31 December 2024 to 2025 have been combined.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

We understand from the Management that the expected amount of service fees of commissioning guidance services, pre-job training services, and operation and maintenance services are estimated based on the respective projected annual workload, with reference to the pricing basis and the number of technical service personnel dispatched to the project site to provide services and their working time. The projected annual workload is affected by the

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service quality demand, which determines the number of technical service personnel required for provision of services. In addition, for the three years ending 2028, the services to be provided to the CNMC Group have been included under the CNMC Group Services Framework Agreement.

The Group expects to provide approximately 115 to 179 personnel of different technical levels, including technical responsible officer, chief engineer, deputy chief engineer, chief technician, deputy chief technician, specialist technician, to support the operations of the CNMC Group for each of the two years ending 31 December 2027 under the CNMC Group Services Framework Agreement. The fees for the participating technical service personnel ranges from RMB35,700 to RMB73,100 per person per month (approximately RMB429,000 to RMB877,000 per person per annum), depending on the technical level of the technical service personnel. Furthermore, we understand that CNMC is currently involved in the development of a new copper smelting production plant in Indonesia for a local project owner, and CNMC is primarily responsible for engineering, procurement and construction for the project. CNMC intends to deploy approximately 900 personnel to support the project, of which approximately a maximum of 180 personnel are expected to be sourced from the Group. The new plant is currently operating at approximately 60-70% of its designed production capacity, and the Group has provided approximately 130 personnel to assist CNMC in operating the plant at current stage. The plant is expected to reach its full production capacity in 2026, which will result in a corresponding increase in demand for manpower to be supplied by the Group to CNMC. Thereafter, the number of personnel to be provided by the Group is expected to decrease gradually to approximately 115 in 2027 as the project owner and/or CNMC build up their own operating teams and acquire the necessary technical expertise. By 2028, only minimal maintenance services which require very limited manpower are expected to be provided by the Group. In light of the above, we are of the view that the expected numbers of personnel to be provided by the Group to CNMC under the CNMC Group Services Framework Agreement is fair and reasonable.

As at 30 June 2025, the Group had a total of 5,177 employees. We note that the expected 115 to 179 personnel to be provided by the Group to the CNMC Group during the three years ending 31 December 2028 amount to approximately 2.22% to 3.46% of the total number of the Group's employees. We understood from the Management that the provision of such manpower by the Group to the CNMC Group will not have any adverse impact on its daily operations, and we also consider that such manpower does not form a majority portion of the total number of employees of the Group.

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The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB96.3 million, RMB66.8 million and RMB6.1 million respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) approximately 179 personnel are expected to be provided by the Group to the CNMC Group during 2026; and (b) the relevant service fees to be derived from the approximately 179 personnel to be provided by the Group, with monthly service fees ranging from approximately RMB35,700 to RMB73,100 per person;
- (ii) the decreases in the Proposed Annual Caps for FY2027 and FY2028 as compared to FY2026 are mainly due to (a) the number of personnel to be provided by the Group to the CNMC Group in FY2027 is expected to decrease to 115, and the relevant service fees; and (b) the services to be provided by the Group to the CNMC Group in FY2028 are expected to be limited to minimal maintenance services amounting to approximately RMB6 million; and
- (iii) the Company has received invitation letters from the CNMC Group which have set out the target manpower requirements under the CNMC Group Services Framework Agreement. We have obtained from the Management and reviewed the invitation letters, and understood that the parties have reached consensus on the target manpower requirements as stated therein. There will be no consequence or penalty on the Company for not reaching or providing the target manpower requirements.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

2.7 Yangxin Hongsheng Purchase and Production Services Framework Agreement

Date: 6 November 2025

Parties: (1) the Company
(2) Yangxin Hongsheng

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Nature of transactions:	(1) 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. (2) Yangxin Hongsheng will provide certain production services to the Group, including technical development project, technical consultation, technical service fee and such other production services as agreed by the parties from time to time.
Term:	1 January 2026 to 31 December 2028.
Time and method of payment:	Specific payment terms will be stipulated in the relevant order forms, which is normally payable within 90 days after month end.
Pricing mechanism:	Based on (i) the Market Price determined by the Company by way of a comprehensive evaluation method taking into account comparable quotes from at least two independent third parties obtained via public tender or price inquiry, or the price as negotiated by the parties if the relevant procurement does not require public tender or price inquiry procedure or (ii) 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.

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As at the Latest Practicable Date, prices for the supply of the relevant products and services will be determined by the parties on the following basis:

No.	Name of Product	Principles and Basis of Pricing
1	Copper concentrate containing copper	Copper price: (1) spot price, according to the LME metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot settlement price of Grade A Copper as quoted on the London Metal Exchange, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
2	Copper concentrate containing gold	Gold price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the average market quotation for both the morning and afternoon sessions of gold on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)
3	Copper concentrate containing silver	Silver price: (1) spot price, according to the LBMA metal instant trading price plus market premium or discount which refers to the futures market price (currently referring to data from Reuters); (2) based on the spot market quotation of silver on the London Bullion Market Association, and being the average price within the quotation period, less the corresponding smelting and processing charges (as determined by the relevant import contract). (International)

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No.	Name of Product	Principles and Basis of Pricing
4	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.
5	Anode plate	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 plate 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.
6	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.

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Comprehensive Services

No.	Name of Service	Principles and Basis of Pricing
1	Technical development services	The price is determined based on comprehensive consideration of all costs, such as project material consumption, equipment depreciation, testing laboratory fees, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including Yangxin Hongsheng and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.
2	Technical consulting	The price is determined based on the notice issued by the Hubei Provincial Department of Housing and Urban-Rural Development (湖北省住房和城乡建设廳) on 23 May 2023 on the release of the “Reference Standards for Engineering Survey and Design Fees in Hubei Province (Trial)” 《湖北省工程勘察設計收費參考標準(試行)》, implemented by Document No. 936 of the Department of Housing and Urban-Rural Development [2023] 廳頭[2023]936號文. In the event of government-guided price adjustments, the implementation price shall be adjusted accordingly.
3	Technical service fee	The price is determined based on comprehensive consideration of all costs, such as project material consumption, labor costs and management fees, and plus an agreed premium profit, with reference to the tender prices and the overall market condition. The listed company will conduct tenders by invitation, inviting at least three qualified buyers (including Yangxin Hongsheng and two independent third party buyers) to participate in the relevant tenders. Selection of the final buyer(s) will be made primarily based on price offered, but consideration will also be given to the historical cooperation relationship with the buyers and the capability of timely settlement of the buyers.

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Reasons for and benefits of entering into the Yangxin Hongsheng Purchase and Production Services Framework Agreement

In respect of the existing continuing connected transactions, the purchase and production services framework agreement dated 22 November 2022 (as revised on 12 September 2023) entered into between the Company and Yangxin Hongsheng will expire on 31 December 2025. The Company intends to continue to enter into transactions of a similar nature from time to time after the expiry date. Therefore, on 6 November 2025, the Company and Yangxin Hongsheng entered into the Yangxin Hongsheng Purchase and Production Services Framework Agreement, nature of which is similar to that of the transactions under the aforesaid purchase and production services framework agreement, for a term of three years from 1 January 2026 to 31 December 2028.

Yangxin Hongsheng adopts a “double flash” process in production (a combination of flash smelting and flash converting), which requires imported copper concentrates with higher purity. Due to the differences in the requirements of the level of purity of copper concentrates required as raw materials for the production of the Company and Yangxing Hongsheng’s production plant, imported copper concentrates with lower purity which are not suitable for Yangxin Hongsheng’s production may be accepted by the Company to be used in its production. On the other hand, the Company can also serve as a back-up source of supply of copper concentrates to Yangxin Hongsheng. The Company may resell copper concentrates with higher purity that satisfy Yangxin Hongsheng’s requirements to Yangxin Hongsheng. In addition, as the delivery cycle of imported copper concentrates is generally long, depending on the production situation and the inventory level of the Company and Yangxin Hongsheng, the party with higher level of inventory may sell the copper concentrates to the other party to facilitate production, maximizing the efficiency of production and utilization of inventory of both the Company and Yangxin Hongsheng. At the same time, intermediate products such as anode scrap and anode mud are generated during Yangxin Hongsheng’s production process of copper cathodes. Provided that Yangxin Hongsheng’s own needs for anode scrap and anode mud for production of copper cathodes are satisfied, the anode scrap and anode mud that are in excess would be sold to the Group and used as raw materials for its production of copper cathodes.

We have discussed with the Management and understand that (i) Yangxin Hongsheng will be able to act as an intra-group supplier that provides a better and more efficient communication with the Group, and the Group may be able to negotiate more favourable terms with Yangxin Hongsheng, as compared with other suppliers, to obtain the copper concentrate, anode scrap and anode mud which the Group requires for its production and operations; and (ii) given the intra-group relationship between the Group and Yangxin Hongsheng and the close geographical proximity of their respective operations, the Directors consider that the entering into of the Yangxin Hongsheng Purchase and Production Services Framework Agreement will allow the Group to secure a cost effective, timely and stable source of supply of those products.

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Regarding the pricing policy, we have obtained from the Company and reviewed the Group's relevant internal control manual. We note that when considering the terms of the relevant products, the Company shall primarily refer to the government-prescribed price. If such government-prescribed price is not available, the Group shall refer to the Market Price and/or quotes from other independent third parties.

We have reviewed the Yangxin Hongsheng Purchase and Production Services Framework Agreement and note that the basis of determining the prices for the products are clearly stated thereunder, which is primarily made with reference to the relevant government-prescribed price, or the Market Price if there is no applicable government-prescribed price. Further, the terms offered by Yangxin Hongsheng to the Group must be equal to or more favourable than those offered to its other independent customers (if available). In addition, we have obtained from the Company and reviewed at least two samples of the existing contracts for the relevant products and/or services on a random selection basis for the two years ended 31 December 2024 and nine months ended 30 September 2025. We note that the prices of the relevant products were primarily determined with reference to the Market Price, such as the market price as quoted on the London Bullion Market Association and the London Metal Exchange. We consider that the Company has complied with its internal control procedures and the contract prices under the samples are in line with the Company's pricing policy as described above.

In view of the aforementioned factors, we are of the view that the pricing mechanism of the products under the Yangxin Hongsheng Purchase and Production Services Framework Agreement is fair and reasonable.

Further, we have interviewed with the Management and understand that the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The Company will adopt a series of risk management arrangements, and endeavour to maintain, in relation to the continuing connected transactions, the independence of the Company; the fairness of the price of the transactions; the fairness of the terms of the transactions; and the right of the Company to conduct transactions with independent third parties other than Yangxin Hongsheng. The relevant arrangements include: (i) the continuing connected transactions contemplated under the Yangxin Hongsheng Purchase and Production Services Framework Agreement are conducted on a non-exclusive basis; (ii) upon the signing of the Yangxin Hongsheng Purchase and Production Services Framework Agreement and its approval by the Independent Shareholders, the relevant business department of the Company will be responsible for the implementation of the Yangxin Hongsheng Purchase and Production Services Framework Agreement; and (iii) before the signing of each individual agreement, the finance department of the Company will evaluate the terms, including the fairness of the price, of the agreement as well as monitor the Company's existing continuing connected transactions, and review whether the Company's transactions are fair and reasonable in accordance with the terms of the Yangxin Hongsheng Purchase and Production Services Framework Agreement and internal control manual. We have obtained from the Management and reviewed the related records and/or correspondences (such as the circulation and submission of internal monthly

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monitoring reports) demonstrating that the Company's relevant teams have followed the internal control procedures as described above. As such, we are of the view that the Company has a sound risk management system to safeguard the interest of the Independent Shareholders.

In conclusion, we are of the view that entering into the Yangxin Hongsheng Purchase and Production Services Framework Agreement is in the interests of the Group and the Shareholders as a whole.

Proposed annual caps under the Yangxin Hongsheng Purchase and Production Services Framework Agreement

The table below sets out the historical figures, existing annual caps and the Proposed Annual Caps for the Yangxin Hongsheng Purchase and Production Services Framework Agreement:

Year ended		Year ended		Year ending		Year ending	Year ending	Year ending
31 December 2023		31 December 2024		31 December 2025		31 December 2026	31 December 2027	31 December 2028
Annual cap	Actual	Annual cap	Actual	Annual cap	Actual	Proposed annual cap	Proposed annual cap	Proposed annual cap
	amount		amount		amount			
	(audited)		(audited)		(Note)			
	(RMB'000)		(RMB'000)		(unaudited)			
11,287,354	7,583,623	10,672,780	10,564,270	10,927,565	7,337,580	11,807,137	12,408,710	12,986,731

Note: Represents the actual transaction amount incurred under the Yangxin Hongsheng Purchase and Production Services Framework Agreement for the nine months ended 30 September 2025.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have obtained from the Management and reviewed the relevant calculations of the Proposed Annual Caps.

Set out below are the historical and estimated purchase amounts in respect of the main products (i.e. copper concentrate, anode scrap and anode mud) under the Yangxin Hongsheng Purchase and Production Services Framework Agreement (the “**Main Purchase Products**”):

	Year ended 31 December 2023 (RMB'000)	Year ended 31 December 2024 (RMB'000)	For the nine months ended 30 September 2025 (RMB'000)	Year ending 31 December 2026 (RMB'000)	Year ending 31 December 2027 (RMB'000)	Year ending 31 December 2028 (RMB'000)
The Main Purchase Products	6,796,131	10,134,069	7,337,580	11,777,137	12,378,710	12,986,731

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The Proposed Annual Caps in FY2026, FY2027 and FY2028 are approximately RMB11.81 billion, RMB12.41 billion and RMB12.99 billion, respectively. We have interviewed with the Management and performed independent workdone to assess the Proposed Annual Caps. We note that:

- (i) the Proposed Annual Caps in FY2026 is primarily made with reference to (a) the growth trend in the historical sales amount between the Company and Yangxin Hongsheng over the past two to three years, amounting to approximately RMB7.58 billion and RMB10.56 billion for the two years ended 31 December 2024, and RMB7.34 billion for the nine months ended 30 September 2025; (b) the estimation by the Company that the total contract amount between the Company and Yangxin Hongsheng for the year ending 31 December 2025 will reach approximately RMB10 billion, which is primarily contributed by the Main Purchase Products; (c) being part of our assessment, we have computed the annualised contract amount between the Company and Yangxin Hongsheng for the year ending 31 December 2025 based on the actual historical sales amount of RMB7.34 billion recorded for the nine months ended 30 September 2025, and we note that such annualised contract amount of approximately RMB9.8 billion conforms with the Company's estimation referred to in (b) above; and (d) we note that the estimated purchase amount of the Main Purchase Products for FY2026 is generally in line with the historical sales amount as well as the aforesaid annualised contract amount after taking into account the expected increases in copper prices from FY2023 to FY2026, which is supported by our analysis conducted on the copper prices as further discussed below;
- (ii) the slight increases in the Proposed Annual Caps for FY2027 and FY2028 compared to FY2026 are primarily due to (a) the expected increase in purchase volume of copper concentrate by the Group from Yangxin Hongsheng from approximately 39,000 tonnes in FY2026 to 41,600 tonnes and 44,200 tonnes in FY2027 and FY2028; and (b) the expected increases in copper prices; and
- (iii) the Company has entered into letter of intents with Yangxin Hongsheng, which have explicitly set out the target sales volume of certain products under Yangxin Hongsheng Purchase and Production Services Framework Agreement for each of the three years ending 31 December 2028. We have obtained from the Management and reviewed the letter of intents, and understood that both parties have reached consensus on the target sales volume as stated thereunder. There will be no consequence or penalty on the Company for not reaching the target volume.

Further, we have conducted analysis on the copper price and reviewed the "World Economic Outlook Database" published by the International Monetary Fund in October 2025 (www.imf.org). According to the database, it is noted that the copper price per ton has increased from US\$8,491 in 2023 to US\$9,142 in 2024, and forecasted to amount to US\$9,601 in 2025, US\$9,934 in 2026, US\$10,042 in 2027 and US\$10,122 in 2028. We note that the copper prices are expected to remain relatively higher for the upcoming few years as compared with the price in 2023, and it is in line with the unit price adopted by the Company to determine the Proposed Annual Caps.

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In view of (i) Yangxin Hongsheng's continuing need for high-purity copper concentrate, with the lower-purity intended to be sold to the Group; (ii) the on-going generation of intermediate products such as anode scrap and anode mud in Yangxin Hongsheng's production process; (iii) the estimated purchase amounts of lower-purity copper concentrate, anode scrap and anode mud (those in excess after Yangxin Hongsheng's own consumption) for the three years ending 31 December 2028 are generally in line with the historical actual purchase amounts; and (iv) the expected increases in copper prices, we consider that the estimated purchase of the Main Purchase Products under the Yangxin Hongsheng Purchase and Production Services Framework Agreement for the three years ending FY2028 are fair and reasonable.

Taking into account the above factors as a whole, we are of the view that the Proposed Annual Caps are fair and reasonable.

RECOMMENDATION

Having considered the principal factors and reasons above, we are of the view that the Non-Exempt Continuing Connected Transactions (including the Proposed Annual Caps) are (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Non-Exempt Continuing Connected Transactions and the Proposed Annual Caps to be proposed at the SGM.

Yours faithfully,
For and on behalf of
Amasse Capital Limited
Tracy Mok
Director

Ms. Tracy Mok is a licensed person registered with the Securities and Future Commission of Hong Kong and regarded as a responsible officer of Amasse Capital Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and has over 10 years of experience in corporate finance industry.

In the case of inconsistency, the English text of this letter shall prevail over the Chinese text.

* *for identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes to the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the three years ended 31 December 2022, 2023 and 2024 respectively and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hk661.com):

- (i) annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 92 to 183)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701864.pdf>
- (ii) annual report of the Company for the year ended 31 December 2023 published on 23 April 2024 (pages 101 to 197)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0423/2024042301490.pdf>
- (iii) annual report of the Company for the year ended 31 December 2024 published on 28 April 2025 (pages 99 to 187)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042801495.pdf>
- (iv) interim report of the Company for the six months ended 30 June 2025 published on 22 September 2025 (pages 32 to 63)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0922/2025092200366.pdf>

2. FINANCIAL AND TRADING PROSPECTS

The Group focused on work objectives throughout the year, which include improvement of technical and economic indices, orderly progression of mines replacement and further expansion into the circular economy industry. The Group has been striving to enhance the quality of its business development by aligning with the market expectations and implementing comprehensive in-depth reforms. The Group will focus on the main subject of “enhancing production, improving indices, reducing costs and expanding market” with pragmatic and cautious attitude in a continuous and proactive effort to align with the market mechanism.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

4. INDEBTEDNESS OF THE GROUP

As at 31 October 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had total liabilities amounted to RMB16.111 billion, including (i) unsecured and unguaranteed interest-bearing liabilities totaled RMB14.725 billion, including RMB14.099 billion in commercial bank loans, RMB446 million in loans from CNMC Financial Company and RMB180 million from the Parent Company, with an average weighted interest rate of 2.56% per annum; (ii) lease liabilities amounted to RMB127 million, representing land lease payments from the Parent Company; and (iii) the promissory notes indirectly held by the Parent Company amounted to RMB1.259 billion, of which RMB892 million is the principal and RMB367 million is the interest.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business of the Group, as at 31 October 2025, the Group did not have any debt securities issued and outstanding, and authorized or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages, charges or other material contingent liabilities or guarantees.

5. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Non-Exempt Continuing Connected Transactions, the internally generated funds, existing facilities available to the Group and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of each of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register maintained by the Company under Section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, were as follows:

Name of Director	Capacity	Nature of Interest	Number of Shares	Percentage of issued Shares (%) (Note 3)
Wang Qihong	Beneficial owner	Personal	594,000 (L)	0.00
	Interest of spouse	Personal	1,000,000 (L)	0.01
(Note 2)				

Notes:

1. The letter "L" denotes a long position in the Shares.
2. Mr. Wang Qihong is deemed to be interested in 1,000,000 shares through the interests of his spouse, Ms. Geng Shuang, pursuant to Part XV of the SFO.
3. The shareholding percentage was calculated based on 17,895,579,706 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

As at the Latest Practicable Date, Mr. Xiao Shuxin, an executive Director, was a director of the Parent Company. Ms. Zhang Aijun, an executive Director, is a director of the CNMC Financial Company. Mr. Xiao Shuxin, Mr. Zhang Jinzhong and Ms. Zhang Aijun, the executive Directors, were employee of the Parent Company. Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors was a director or an employee of a company which had an interest or short position in the Company's shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS IN ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited accounts of the Group were made up.

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors was materially interested in any contracts or arrangements subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into a service contract with any member of the Group which will not expire or is not determinable within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened against any members of the Group.

8. MATERIAL CONTRACT

The Group has not entered into any material contract (not being contracts entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular.

9. QUALIFICATIONS OF EXPERT AND CONSENT

The following is the qualification of the professional adviser who has given its opinion or advice which is contained in this circular:

Name	Qualification
Amasse Capital Limited	a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in the Company or any of its subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had given and had not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter of advice dated 19 December 2025 in connection with their advice to the Independent Board Committee and the Independent Shareholders, and references to its name and/or its advice in the form and context in which they appeared.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interests in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. MISCELLANEOUS

- (i) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is Rm 910-C, 9/F, Tower 1, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong.
- (ii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

- (iii) The company secretary of the Company is Mr. Wong Yat Tung, who holds a Degree in Quantitative Analysis for Business from City University of Hong Kong and Master of Corporate Governance from the Hong Kong Polytechnic University. He is an Associate of The Hong Kong Chartered Governance Institute and a fellow member of The Chartered Governance Institute in the United Kingdom.
- (iv) This circular is in both English and Chinese. If there is any inconsistency, the English text shall prevail.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the website of the Stock Exchange (www.hkexnews.com) and the website of the Company (www.hk661.com) for a period of 14 days from the date of this circular:

- (a) the Yangxin Hongsheng Sales Framework Agreement;
- (b) the Parent Group Purchase and Production Services Framework Agreement;
- (c) the CNMC Group Purchase and Production Services Framework Agreement;
- (d) the CNMC Financial Services Framework Agreement;
- (e) the CNMC Group Sales Framework Agreement;
- (f) the CNMC Group Services Framework Agreement;
- (g) the Yangxin Hongsheng Purchase and Production Services Framework Agreement;
- (h) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (i) the letter from the Independent Financial Adviser, the text of which is set out in this circular; and
- (j) the written consent from the Independent Financial Adviser referred to in the paragraph headed “9. Qualifications of Expert and Consent” in this appendix.

NOTICE OF SGM

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this notice, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of China Daye Non-Ferrous Metals Mining Limited (the “**Company**”) will be held at Function Room 4 & 6, 3/F, The Mira Hong Kong, Mira Place, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Monday, 5 January 2026 at 10:00 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions. Unless otherwise defined, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 19 December 2025.

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the Yangxin Hongsheng Sales Framework Agreement dated 6 November 2025 entered into between the Company and Yangxin Hongsheng be and is hereby approved, confirmed and ratified; and
- (b) the Proposed Annual Caps for the Yangxin Hongsheng Sales Framework Agreement in the amounts of RMB4,291,120,000, RMB4,591,956,000 and RMB4,900,723,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the Yangxin Hongsheng Sales Framework Agreement.”

2. “**THAT:**

- (a) the Parent Group Purchase and Production Services Framework Agreement dated 6 November 2025 entered into between the Company and the Parent Company be and is hereby approved, confirmed and ratified; and

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- (b) the Proposed Annual Caps for the Parent Group Purchase and Production Services Framework Agreement in the amounts of RMB2,383,867,000, RMB2,830,761,000 and RMB3,326,123,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the Parent Group Purchase and Production Services Framework Agreement.”

3. **“THAT:**

- (a) the CNMC Group Purchase and Production Services Framework Agreement dated 6 November 2025 entered into between the Company and CNMC be and is hereby approved, confirmed and ratified; and
- (b) the Proposed Annual Caps for the CNMC Group Purchase and Production Services Framework Agreement in the amounts of RMB10,766,522,000, RMB12,176,152,000 and RMB14,091,446,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the CNMC Group Purchase and Production Services Framework Agreement.”

4. **“THAT:**

- (a) the CNMC Financial Services Framework Agreement dated 6 November 2025 entered into between the Company and CNMC be and is hereby approved, confirmed and ratified; and
- (b) the Proposed Annual Caps for the deposit services to be provided by the CNMC Group to the Group under the CNMC Financial Services Framework Agreement in the amounts of RMB3,012,085,000, RMB3,012,085,000 and RMB3,012,085,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) the Proposed Annual Caps for the bills acceptance and settlement and foreign exchange settlement and sales services to be provided by the CNMC Group to the Group under the CNMC Financial Services Framework Agreement in the amounts of RMB10,280,000,000, RMB10,280,000,000 and RMB10,280,000,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and

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- (d) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the CNMC Financial Services Framework Agreement.”

5. **“THAT:**

- (a) the CNMC Group Sales Framework Agreement dated 6 November 2025 entered into between the Company and CNMC be and is hereby approved, confirmed and ratified; and
- (b) the Proposed Annual Caps for the CNMC Group Sales Framework Agreement in the amounts of RMB25,650,576,000, RMB26,013,084,000 and RMB26,375,591,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the CNMC Group Sales Framework Agreement.”

6. **“THAT:**

- (a) the CNMC Group Services Framework Agreement dated 6 November 2025 entered into between the Company and CNMC be and is hereby approved, confirmed and ratified; and
- (b) the Proposed Annual Caps for the CNMC Group Services Framework Agreement in the amounts of RMB96,259,000, RMB66,838,000 and RMB6,077,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the CNMC Group Services Framework Agreement.”

7. **“THAT:**

- (a) the Yangxin Hongsheng Purchase and Production Services Framework Agreement dated 6 November 2025 entered into between the Company and Yangxin Hongsheng be and is hereby approved, confirmed and ratified; and

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- (b) the Proposed Annual Caps for the Yangxin Hongsheng Purchase and Production Services Framework Agreement in the amounts of RMB11,807,137,000, RMB12,408,710,000 and RMB12,986,731,000 for each of the three years ending 31 December 2026, 2027 and 2028, respectively, and the transactions contemplated thereunder be and are hereby approved; and
- (c) any one Director be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to take all steps necessary and expedient to implement and/or give effect to the Yangxin Hongsheng Purchase and Production Services Framework Agreement.”

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

Hong Kong, 19 December 2025

Notes:

1. For more information relating to the abovementioned resolutions, please refer to announcement of the Company dated 6 November 2025 and the circular of the Company dated 19 December 2025.
2. The resolutions at the SGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
3. For determining the eligibility to attend and vote at the SGM, the register of members of the Company will be closed from Tuesday, 30 December 2025 to Monday, 5 January 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the said meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, no later than 4:30 p.m. on Monday, 29 December 2025. Therefore, the record date for determining shareholders' eligibility to attend and vote at the SGM is Monday, 5 January 2026.
4. Any member of the Company entitled to attend and vote at the SGM is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more ordinary shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
5. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the SGM and, in such event, the form of proxy shall be deemed to be revoked.

As at the date of this notice, 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.