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中國大冶有色金屬礦業有限公司

China Daye Non-Ferrous Metals Mining Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00661)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

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BACKGROUND

References are made to the Previous Announcement and the Previous Circular in relation to, among others, the Yangxin Hongsheng Sales Framework Agreement and the Existing Annual Caps. Pursuant to the Yangxin Hongsheng Sales Framework Agreement, the Group will supply certain products to Yangxin Hongsheng during the term of the agreement, including gold bars, silver, copper cathodes, copper concentrate, natural gas, residual heat power generation, water, electricity, raw materials, supporting parts, auxiliary materials, parts, production equipment, tools, sulfuric acid, dump trucks, waste materials and such other products as agreed by the parties from time to time.

Yangxin Hongsheng Sales Framework Agreement — Revision of Existing Annual Caps

On 13 May 2026, the Company and Yangxin Hongsheng reached a consensus to adjust the Existing Annual Caps for certain products provided under the Yangxin Hongsheng Sales Framework Agreement.

As stated in the section headed “*Reasons for and Benefits of Adoption of the Revised Annual Caps*” in this announcement, it is expected that the estimated transaction amounts of certain products under the Yangxin Hongsheng Sales Framework Agreement as agreed between the contracting parties from time to time will increase significantly, the Board therefore envisages that the Existing Annual Caps will not be sufficient to fulfill the increased transaction amounts under the Yangxin Hongsheng Sales Framework Agreement for the financial years ending 31 December 2026, 2027 and 2028.

Historical Transaction Amounts

As disclosed in the Previous Announcement and the Previous Circular, for the year ended 31 December 2025, the historical transaction amount under the Yangxin Hongsheng Sales Framework Agreement was RMB3,108,645,000.

For the four months ended 30 April 2026, the historical transaction amount under the Yangxin Hongsheng Sales Framework Agreement was RMB3,205,510,000.

The Company also confirms that as at the date of this announcement, the actual transaction amount under the Yangxin Hongsheng Sales Framework Agreement has not exceeded the Existing Annual Cap for the year ending 31 December 2026.

Revised Annual Caps

Accordingly, the Board resolved to revise the Existing Annual Caps for the transactions contemplated under the Yangxin Hongsheng Sales Framework Agreement for the three years ending 31 December 2028 as follows:

For the year ending 31 December					
2026		2027		2028	
Existing Annual Cap	Revised Annual Cap	Existing Annual Cap	Revised Annual Cap	Existing Annual Cap	Revised Annual Cap
<i>(RMB'000)</i>		<i>(RMB'000)</i>		<i>(RMB'000)</i>	
4,291,120	7,103,174	4,591,956	7,423,469	4,900,723	7,743,764

The above Revised Annual Caps are determined with reference to the following considerations.

- (a) Historical sales amount between the Company and Yangxin Hongsheng in the past:
 - (i) approximately RMB4.35 billion and RMB4.99 billion for the two years ended 31 December 2024;
 - (ii) approximately RMB3,108,645,000 for the year ended 31 December 2025; and
 - (iii) approximately RMB3,205,510,000 for the four months ended 30 April 2026.
- (b) In view of the rapid increase in the price of copper since the second half of 2025, which was primarily attributable to the expectations of macro-easing policies, tight demand and supply of fundamentals commodities, and multiple concerns regarding the U.S. dollar credit supply. Copper is facing the dual squeeze of a supply crisis at the mining-end (due to declining output grades and delay in production caused by accidents), and the explosive increase in new demands from industries such as energy transition and AI data centers, combined with frontloaded shipments adopted by traders in response to tariff policies, have jointly led to the resonant upward movement of the price of copper. The Company therefore estimates that for the three years ending 31 December 2028, the total sales amount between the Company and Yangxin Hongsheng will reach the respective Revised Annual Caps.

- (c) As copper prices are expected to continue to rise for the above-mentioned reasons, the Board, after prudent consideration of future business plans and forecasts, considers it necessary to re-plan the transaction amounts for the three years from 2026 to 2028.

In particular, the Company expects that the products to be sold to Yangxin Hongsheng during the period from 2026 to 2028 will primarily be copper concentrate and anode plates, of which the sales to Yangxin Hongsheng for the three years ending 31 December 2028 are expected to be:

- (i) for the year 2026: copper concentrate (containing copper) of approximately 40,000 tonnes; and anode plates of approximately 18,000 tonnes;
 - (ii) for the year 2027: copper concentrate (containing copper) of approximately 42,500 tonnes; and anode plates of approximately 18,000 tonnes; and
 - (iii) for the year 2028: copper concentrate (containing copper) of approximately 45,000 tonnes; and anode plates of approximately 18,000 tonnes.
- (d) As of January 2026, the prices of copper continued to rise, reaching RMB106,000/ton. Taking into account the prevailing market forecasts for a continuous increasing trend in the prices of copper and in order to allow operational flexibility of the Group in case of potential increase in operational costs due to subsequent commodity price hikes, the estimated product base prices for the three years ending 31 December 2028 have been determined at RMB105,600/ton for copper. The Company considered that the aforesaid pricing adheres to the realized prices of the relevant products as of the beginning of 2026, and also provides a reasonable buffer to allow for further potential moderate increase in price levels in the future.

Save as disclosed above in relation to the revision of the Existing Annual Caps, the terms of the Yangxin Hongsheng Sales Framework Agreement have not been changed or amended in any way, and the principal terms (including the pricing mechanism for the supply of products under the Yangxin Hongsheng Sales Framework Agreement) are set out in the section headed “*Yangxin Hongsheng Sales Framework Agreement*” in the Previous Announcement and the Previous Circular.

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

Upon re-assessment of a series of comprehensive factors (including the market environment and the actual business needs of the Group and Yangxin Hongsheng), it is expected that the estimated transaction amounts for certain products required by the contracting parties from time to time under the Yangxin Hongsheng Sales Framework Agreement will increase significantly, and the Board envisages that the Existing Annual Caps will not be sufficient to fulfill the increased transaction amounts under the Yangxin Hongsheng Sales Framework Agreement for the financial years ending 31 December 2026, 2027 and 2028.

Accordingly, the Directors consider that the revision of the Existing Annual Caps 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.

The Directors (excluding the independent non-executive Directors whose view will be expressed after receiving advice from the Independent Financial Adviser) are of the view that the Revised Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the Yangxin Hongsheng Sales Framework Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

INTERNAL CONTROL MEASURES

As disclosed in the Previous Announcement and the Previous Circular, the Company has established a connected transactions management committee, which is the discussion and decision-making body for the management of connected transactions, and is led by the Board which directly and comprehensively manages matters relating to connected transactions.

PRICING

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 pricing of the proposed connected transactions of the Group. Such initial pricing 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 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 these review processes, the legal representative or authorized representative of the Company will execute such connected transactions on behalf of the Company. The capital operation department, finance department and legal department of the Company are responsible for monitoring each of the connected transactions of the Group to ensure that they are conducted in accordance with its terms, including the relevant pricing mechanism and the periodic reporting of the relevant transaction amounts. The corporate development department and the finance department of the Company will monitor the continuing connected transactions and summarize the transaction amounts incurred under each of the connected transaction framework agreements regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. In the event 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 corporate development department of the Company, on a quarterly basis, reviews the list of transaction parties to ascertain whether they are connected persons of the Company, so as to maintain a list of connected persons for staff members to identify transactions constituting connected transactions of the Company. Any alteration to the list of connected persons can only be made after checking with the counterparty to ascertain its relationship with the Company. In the case of an addition to the list of connected persons, evidence such as an organization chart of the connected party will have to be obtained, and in the case of a removal from the list of connected persons, evidence will have to be obtained to confirm the date on which the relevant party ceased to be a connected person of the Company. Any update to the list of connected persons must be immediately reported to and approved by the management of the Group to ensure the management is aware of such update.

MONTHLY MONITORING 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 corporate development department will confirm that the Group still has a sufficient unused transaction amount under the annual caps for carrying out the relevant continuing connected transactions. The finance department will on a regular basis review the continuing connected transactions carried out during the period under review to assess the monthly transaction 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 to by all levels of the Group in the management of connected transactions through mandatory internal training for its subsidiaries and business units, details of which are set out in the section headed “*Internal Training*” below.

POLICY REVIEW AND ASSESSMENT

The internal control department of the Company shall review the monitoring policies and procedures for continuing connected transactions on a half-year basis to ensure that the aforementioned policies and procedures are adequate and effective, and the head of the internal control department shall report the review results to the person in charge of finance of the Company. The internal control department regularly reviews and monitors whether the continuing connected transactions are conducted on normal commercial terms and are 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 department will immediately report such matters to the executive Directors of the Company and will take remedial actions.

In addition, as a mandatory disciplinary mechanism to prevent non-compliance and enhance the compliance awareness of various business units, the corporate development department (acting as the performance evaluation office of the Group) may, at its discretion, include “compliance with the Listing Rules” as a performance indicator when evaluating the relevant business units. If a business unit fails to notify the Group’s management of a violation of the Listing Rules in respect of a connected transaction, points will be deducted from the relevant performance appraisal score, which will in turn affect wages and performance bonuses.

INTERNAL TRAINING

In order to strengthen procedural management, enhance the business standard of connected transactions and the compliance awareness of the Group’s business staff, as well as the internal audit and daily management of connected transactions, the corporate development department of the Company will conduct connected transaction management training annually in accordance with the “Connected Transactions Management Measures of China Daye Non-Ferrous Metals Mining Limited”. It is expected that the training will include the provision of reading materials, detailed case studies of past non-compliance incidents, explanations, Q&A sessions, and answering questions from time to time after the training. The target audience for the training shall include (i) relevant personnel from the Group’s finance department and business staff of individual subsidiaries; and (ii) relevant personnel from the Company’s legal and compliance department, the chief financial officer, finance personnel, and legal personnel of various business units.

REVIEW BY INDEPENDENT NON-EXECUTIVE DIRECTORS

In addition, the transactions under the Yangxin Hongsheng Sales Framework Agreement are subject to the reporting requirements, and the independent non-executive Directors will conduct an annual review of the transactions to assess whether the relevant transactions are conducted in accordance with the terms (including the pricing mechanism) as set out in the Yangxin Hongsheng Sales Framework Agreement.

The Directors consider that (i) after the implementation of the above measures, incidents involving non-compliance with the Listing Rules are expected to be significantly reduced or even eliminated going forward; and (ii) the internal control system of the Group is adequate to ensure that such transactions will be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE CONTRACTING PARTIES

The Group

The Group is principally engaged in the exploitation of mineral resources, the mining and processing of mineral ores and the trading of metal products.

Yangxin Hongsheng

Yangxin Hongsheng is a limited company incorporated in China, principally engaged in the manufacturing and sale of metal materials, production and sale of chemical products, and sale of non-ferrous metal alloys and gold and silver products. It is owned as to 52.00% by Daye Metal, 24% by China No. 15 Metallurgical (a wholly-owned subsidiary of CNMC), 12% by Huangshi Xingang Development and 12% by Hubei Edong Industrial Investment. Accordingly, Yangxin Hongsheng is a connected subsidiary of the Company.

LISTING RULES IMPLICATIONS

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

As at the date of this announcement, 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. Therefore, each of the Parent Company and CNMC is a connected person of the Company.

Yangxin Hongsheng is owned as to 52.00% by Daye Metal, 24% by China No. 15 Metallurgical (a wholly-owned subsidiary of CNMC), 12% by Huangshi Xingang Development and 12% by Hubei Edong Industrial Investment. Accordingly, Yangxin Hongsheng is a connected subsidiary of the Company. As a result, the transactions contemplated under the Yangxin Hongsheng Sales Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Revised Annual Caps is expected to exceed 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.

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 the Revised Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the continuing connected transactions contemplated under the Yangxin Hongsheng Sales Framework Agreement have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Mr. Xiao Shuxin, an executive Director, is a director of the Parent Company. Accordingly, Mr. Xiao Shuxin is deemed to have a material interest in the proposed adoption of the Revised Annual Cap and has therefore abstained from voting on the relevant resolution approved by the Board. Save as disclosed above, none of the Directors has any material interest in the relevant continuing connected transactions, or is required to abstain from voting on the relevant resolution(s) passed by the Board.

SGM

An SGM will be convened for the purpose of considering and, if thought fit, approving the fairness and reasonableness of the adoption of Revised Annual Caps, after taking into account the recommendations of the Independent Financial Adviser. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders. The Parent Company, CNMC and their respective associates will abstain from voting on the resolutions approving the adoption of the Revised Annual Caps at the SGM.

Amasse Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the adoption of the Revised Annual Caps.

An Independent Board Committee, comprising all three of the independent non-executive Directors, has also been formed to advise the Independent Shareholders on whether or not the adoption of the Revised Annual Caps are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further details of the adoption of the Revised Annual Caps; (ii) the letter of advice from the Independent Financial Adviser; (iii) the letter of recommendation from the Independent Board Committee; (iv) the notice of the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 4 June 2026 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, 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 of the Company
“China No. 15 Metallurgical”	China No. 15 Metallurgical Construction Group Co., Ltd.* (中國十五冶金建設集團有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of CNMC
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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 of the Company

“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
“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)”	the director(s) of the Company
“Existing Annual Caps”	the existing annual cap amounts for the Yangxin Hongsheng Sales Framework Agreement for the three financial years ending 31 December 2028 as set out in the Previous Announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangshi Xingang Development”	Huangshi Xingang Development Co., Ltd.* (黃石新港開發有限公司), a limited liability company incorporated in the PRC, holding 12% of the equity interest in Yangxin Hongsheng
“Hubei Edong Industrial Investment”	Hubei Edong Industrial 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% of the equity interest in Yangxin Hongsheng
“Independent Board Committee”	independent non-executive Directors established for the purpose of advising the Independent Shareholders on the adoption of Revised Annual Caps
“Independent Financial Adviser”	Amasse Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the adoption of Revised Annual Caps

“Independent Shareholder(s)”	Shareholder(s) other than the Parent Company, CNMC and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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 of the Company
“Previous Announcement”	the announcement of the Company dated 6 November 2025 in relation to, among other things, the entering into of the Yangxin Hongsheng Sales Framework Agreement and the Existing Annual Caps
“Previous Circular”	the circular of the Company dated 19 December 2025 in relation to, among others, the entering into of the Yangxin Hongsheng Sales Framework Agreement and the Existing Annual Caps
“Revised Annual Caps”	the revised annual caps for the provision of certain products by the Group to Yangxin Hongsheng under the Yangxin Hongsheng Sales Framework Agreement for the financial years ending 31 December 2028
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be held to consider and if thought fit, approve the adoption of Revised Annual Caps
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Yangxin Hongsheng Sales Framework Agreement”	the sales framework agreement entered into between the Company and Yangxin Hongsheng on 6 November 2025, details of which are set out in the Previous Announcement and the Previous Circular, and the Revised Annual Caps for which are set out in the section headed “ <i>REVISED ANNUAL CAPS - Yangxin Hongsheng Sales Framework Agreement</i> ” in this announcement
“Yangxin Hongsheng”	Yangxin Hongsheng Copper Industry Company Limited (陽新弘盛銅業有限公司), a non-wholly owned subsidiary of the Company
“%”	per cent

On behalf of the Board
China Daye Non-Ferrous Metals Mining Limited
Xiao Shuxin
Chairman

Hong Kong, 13 May 2026

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

* *For identification purpose only*