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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)

VERY SUBSTANTIAL DISPOSAL & CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY

Reference is made to the Announcement in relation to the Disposal.

THE DISPOSAL

On 18 June 2026 (after trading hours), the Vendor, a direct non-wholly-owned subsidiary of the Company, and China No. 15 Metallurgical entered into the Agreement pursuant to which the Vendor agreed to sell and China No. 15 Metallurgical agreed to purchase the Sale Interest, representing 100% of the equity interest in the Target Company at the Consideration. Upon Completion, the Target Company will cease to be a subsidiary of the Company.

LISTING RULES IMPLICATIONS

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 interest in the Parent Company. China No. 15 Metallurgical is a wholly owned subsidiary of CNMC. Accordingly, China No. 15 Metallurgical is an associate of CNMC and a connected person of the Company. Therefore, the Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the Agreement constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in relation to the Disposal exceeds 5%, the Disposal is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising Ms. Liu Fang, Mr. Wang Qihong and Mr. Kong Hua, who are independent non-executive Directors, has been formed to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder. In this connection, VBG Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder.

The Parent Company, CNMC, and their respective associates, will abstain from voting on the resolutions approving the Disposal at the SGM.

SGM

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (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 20 July 2026 in accordance with the Listing Rules. The expected date of despatch of the circular is more than 15 business days after the publication of the announcement as additional time is required for the preparation of the accountant's report on the Target Company and the pro-forma financial information of the Remaining Group.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 18 June 2026

Parties: Vendor: Daye Nonferrous Metals Co., Ltd.* (大冶有色金屬有限責任公司)

Purchaser: China No. 15 Metallurgical Construction Group Co., Ltd.* (中國十五冶金建設集團有限公司)

Target Company: Daye Nonferrous Design and Research Institute Co., Ltd.* (大冶有色設計研究院有限公司)

Subject matter: Disposal of the Sale Interest representing 100% of the equity interest of the Target Company.

Further information of the Target Company is set out in the section headed "Information of the Target Company" in this announcement.

Consideration: The Consideration is RMB149,409,123 (equivalent to approximately HK\$171,820,491).

If, prior to Completion, any matters relating to the write-off, provision, offset or accounting treatment of assets or liabilities of the Target Company are identified to have been improperly dealt with, resulting in any increase or decrease in the net assets value of the Target Company, the Consideration shall be adjusted in dollar-for-dollar basis by an amount corresponding to such change in net assets value.

Payment terms: The consideration for the Disposal shall be payable by China No. 15 Metallurgical to the Vendor in cash through wire transfer in accordance with the following instalments:

- i) **First instalment:** an amount representing approximately 80% of the Consideration, payable within 10 Business Days after the date on which the Independent Shareholders having approved the Agreement and the transactions contemplated thereunder at the SGM; and
- ii) **Second instalment:** an amount representing approximately 20% of the Consideration, payable within one year after the Effective Date, subject to (i) Completion having taken place and the Target Company having completed industrial and commercial change registration with the relevant Administration for Market Regulation in the PRC; and (ii) the Target Company having fully recovered the Receivables.

If the Target Company fails to recover the Receivables in full prior to the due date for payment of this second instalment of the Consideration, China No. 15 Metallurgical shall be entitled to deduct the outstanding amount of the Receivables from this second instalment, and the amount of the second instalment payable by China No. 15 Metallurgical shall be reduced accordingly.

Any portion of this second instalment of the Consideration subject to deferred payment shall bear interest during the deferral period at a rate not lower than the prevailing loan prime rate (LPR) for the corresponding period, calculated from the date of the Agreement. The deferment period for such payment shall not exceed one year from the date of the Agreement.

**Conditions
precedent:**

Under the Agreement, Completion shall be subject to the satisfaction of the following conditions precedent:

- (1) the Agreement having been executed by all parties thereto and having become effective, and the internal approval of the Agreement by CNMC having been obtained;
- (2) all requisite consents, authorizations and approvals (or, as the case may be, the relevant waiver) from any governmental authorities or any other third party in connection with the entering into and performance of the terms of the Agreement having been obtained by the Vendor and the Target Company;
- (3) the approval by the Independent Shareholders of all resolution(s) relating to the transactions contemplated under the Agreement having been obtained by the Company;
- (4) no actual or potential change in the financial or market conditions that would have a Material Adverse Effect on the transfer of the Sale Interest or on the Target Company having occurred, and no material change in the prevailing relevant laws and regulations applicable to the existence and operation of the Target Company and the Disposal having occurred;
- (5) no judgement, ruling, or material litigation, arbitration or administrative penalty (being litigation, arbitration or administrative penalty with a claim amount exceeding RMB1,000,000, or which, even if the claim amount does not meet such threshold, would bring Material Adverse Effect on the holding of the Sale Interest and control of the Target Company by China No. 15 Metallurgical, or on the Target Company's holding of its assets and operations) in respect of the Target Company; or where any of the foregoing circumstances exists, the Vendor or the Target Company having disclosed the same in writing to China No. 15 Metallurgical and undertaken to bear the losses caused thereby to the Target Company or China No. 15 Metallurgical;
- (6) no guarantee, indemnity, mortgage, lien or other indebtedness having been provided by the Target Company to any third party (in particular, no loan having been provided by the Target Company to, or on behalf of, its directors or shareholders);
- (7) no judicial or administrative compulsory measures, entrusted shareholding, nominee arrangement, trust or any other form of restriction on rights or encumbrance having been imposed on the equity interest in the Target Company held by the Vendor and the ancillary rights and interests attached thereto; and

- (8) no material change in laws and regulations that would have a Material Adverse Effect on the principal business licences, qualifications or operating compliance of the Target Company (including but not limited to material adjustment to the testing and inspection industry access policies or the equity management policies for central enterprises) having occurred.

Undertakings: During the period from the date of the Letter of Intent up to the date of completion of industrial and commercial change registration by the Target Company with the relevant Administration for Market Regulation, the Vendor and the Target Company have undertaken to China No. 15 Metallurgical that the Target Company has not conducted, and shall not conduct, any of the following actions without the prior written consent of China No. 15 Metallurgical:

- (i) terminating any business or changing any existing business;
- (ii) selling or disposing of all or a substantial part of its goodwill or assets;
- (iii) increasing or reducing its registered capital or changing its equity structure (other than the Disposal);
- (iv) distributing dividends, profits or capitalising reserves to its shareholder;
- (v) appointing directors, general manager, chairman, chief financial officer or other key personnel, or adjusting their terms and conditions of employment;
- (vi) establishing or amending any bonus, incentive scheme, profit-sharing scheme, employee option or share participation plan;
- (vii) amending any approved accounting policies or changing its financial year;
- (viii) appointing or changing its auditors;
- (ix) providing any loans to any third party or making any external investments;
- (x) incurring any borrowings other than trade finance facilities obtained from banks or financial institutions in the ordinary course of business;
- (xi) creating any encumbrance, lien or other restrictions over its assets, business or rights, or over the Sale Interest;
- (xii) selling, transferring, licensing, pledging or otherwise disposing of any trademarks, patents, copyrights or other intellectual property rights;
- (xiii) entering into any merger or disposal of the whole business;
- (xiv) amending the articles of association of the Target Company;

- (xv) approving, adjusting or amending any terms of connected transactions involving its directors or shareholders, including providing loans or guarantees to any director or shareholder;
- (xvi) transferring, exchanging, gifting or otherwise disposing of the Sale Interest, or creating any trust, entrustment, nominee arrangement, pledge or encumbrance over the Sale Interest;
- (xvii) passing any resolution for winding-up, entering into any special arrangement or reorganisation; or
- (xviii) creating any pre-emptive rights or restrictions over any equity interest.

Completion: Subject to the fulfilment of the conditions precedent, Completion shall take place on the Completion Date. On the Completion Date, China No. 15 Metallurgical shall become the sole shareholder of the Target Company and shall be entitled to all rights and interests as a shareholder of the Target Company.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

BASIS OF THE CONSIDERATION

The Consideration was determined by reference to (i) the Appraised Value as at 31 December 2025 based on the Valuation using the asset-based approach; (ii) the profits or losses of the Target Company for the period from 1 January 2026 to 30 April 2026, based on the Special Audit; and (iii) the benefits of the Disposal to be brought to the Group as stated in the section headed “Reasons for and benefits of the Disposal” of this announcement.

The Board notes that the Consideration of RMB149,409,123 represents a premium of approximately RMB5,698,564 (equivalent to approximately 3.97%) over the Appraised Value of the Target Company of RMB143,710,559 as at 31 December 2025. In assessing the fairness and reasonableness of such premium, the Board has taken into account the following factors with quantitative analysis: (i) the Appraised Value reflects the valuation of the Target Company as at 31 December 2025 and does not capture the subsequent financial performance of the Target Company; (ii) based on the audited management accounts, the Target Company recorded a net profit of approximately RMB5,698,564 for the four months ended 30 April 2026; and (iii) accordingly, the premium effectively reflects a dollar-for-dollar adjustment for the Target Company’s post-valuation date earnings up to 30 April 2026, thereby ensuring that the Consideration captures the updated financial position and earnings of the Target Company up to the latest practicable cut-off date. The Board considers that such approach is consistent with normal commercial practice in equity transactions, where consideration is adjusted to reflect interim earnings between the Valuation Reference Date and Completion, and that the premium does not represent an overpayment but rather a fair reflection of the additional value generated by the Target Company. Having also taken into account the reasons and benefits of the Disposal to the Group, the Board is of the view that the Consideration, including the premium over the Appraised Value, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

VALUATION

The Appraised Value was determined based on the Valuation Report in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance and the Practice Standards for Asset Appraisal and the Professional Ethics Standards for Asset Appraisal issued by the China Appraisal Society.

Identity of the Valuer

Northern Asia Assets Assessment Co., Ltd.* (北方亞事資產評估有限責任公司), a qualified and independent PRC asset valuation firm engaged by the Vendor.

The Valuer holds the requisite professional qualifications to conduct enterprise value assessments and carried out the Valuation in accordance with applicable PRC laws, regulations and asset valuation standards. The Valuer confirmed that it has no present or expected interest in the Target Company or its shareholders and that the Valuation was conducted independently, objectively and impartially.

Valuation methodology adopted by the Valuer

In accordance with the PRC Asset Valuation Standards, the Valuer considered three generally accepted valuation approaches, that are asset-based approach, income approach, and market approach, and ultimately adopted the asset-based approach as the final Valuation conclusion, with the income approach used for reference only.

(1) Asset-based approach (adopted)

Under the asset-based approach, the Valuer assessed the fair value of all identifiable assets and liabilities of the Target Company as at the Valuation Reference Date, including both on balance sheet assets and identifiable off balance sheet intangible assets. The Valuation involved:

- valuing individual assets (such as fixed assets, identifiable intangible assets, and deferred items) mainly by replacement cost method, market method, or income related methods (where applicable);
- valuing liabilities based on the amounts expected to be actually settled; and
- deriving the shareholders' equity value based on the net asset value after valuation adjustments.

This approach was ultimately adopted as the final valuation conclusion as it more reliably reflects the Target Company's asset composition and value, given that the Target Company's business is still largely reliant on internal group business, and future independent profitability remains subject to uncertainty.

(2) Income approach (as reference)

The income approach was applied using the discounted cash flow (DCF) method, under which the value of shareholders' equity was determined based on the present value of the Target Company's projected future free cash flows, discounted using the weighted average cost of capital (WACC).

Although the income approach resulted in a higher valuation, it was not adopted as the final valuation conclusion due to the higher sensitivity to assumptions regarding future business expansion, income sustainability and market risks.

(3) Market approach (not adopted)

The market approach was not adopted as the Valuer was unable to identify sufficient comparable listed companies or recent comparable equity transactions with similar business scope, asset structure and operating model.

Key assumptions under the Valuation Report

The key assumptions used in the Valuation Report are set out below:

(I). Prerequisite Assumptions

1. *Going concern assumption:* It is assumed that the business operations of the Target Company are legal and that no unforeseeable factors will prevent its continuous operation, and that the assets under appraisal will continue to be used at their existing location under their existing use.
2. *Transaction assumption:* It is assumed that all assets to be appraised are already in the transaction process, and the appraiser conducts the valuation based on a simulated market, such as the terms of the transaction of the subject to be appraised. This is the most fundamental prerequisite assumption for asset valuation.
3. *Open market assumption:* It is assumed that the assets are traded, or are to be traded, in a market where both parties to the transaction have equal status and each has sufficient opportunity and time to access market information to make a rational judgment on the function, use, and transaction price of the assets. The open market assumption is based on the premise that assets can be publicly bought and sold on the market.
4. *Use of assets under existing conditions assumption:* An assumption about the market conditions for the assets and the state of their use under such conditions. It is first assumed that the assets within the valuation scope are in a state of use, and secondly, that they will continue to be used according to their current purposes and methods, without considering any change in purpose or optimal utilization conditions.

(II). General Assumptions

1. There will be no major changes in the country's current macroeconomic situation or relevant laws, regulations, and policies; and there will be no major changes in the political, economic, and social environment of the regions where the parties to the transaction are located.
2. The Target Company is assumed to continue as a going concern, based on the actual state of its assets as at the Valuation Reference Date.
3. The Target Company's operators are assumed to be responsible, and its management has the capability to fulfill their duties.
4. The industry in which the Target Company operates is assumed to maintain a stable development trend, with no major changes in industry policies, management systems, or related regulations.
5. Unless otherwise stated, the company is assumed to be in full compliance with all relevant laws and regulations.

6. The accounting policies the company will adopt in the future are, in all material respects, consistent with those used in the preparation of this report.
7. The Target Company will maintain its business scope and methods consistent with its current direction, based on its existing management practices and standards.
8. There will be no significant changes in relevant interest rates, exchange rates, tax bases and rates, or policy-driven fees and charges.
9. There will be no other irresistible or unforeseeable factors that could have a material adverse impact on the enterprise.
10. The cash inflows and outflows of the Target Company after the Valuation Reference Date are assumed to be even.

(III). Special Assumptions

1. The Valuation is subject to the specific valuation purposes set out in the Valuation Report.
2. Each of the assets under appraisal is premised on the actual inventory as of the Valuation Reference Date, and the current market value of the relevant assets is based on the effective domestic prices as of the Valuation Reference Date.
3. It is assumed that the basic and financial information provided by the principal and the Target Company is true, accurate, and complete.
4. The Valuation scope is strictly based on the valuation list provided by the principal and the Target Company, and no consideration is given to any contingent assets or liabilities that may exist but are not included in the said list.
5. The Target Company's business scope and methods will not undergo major changes in its future operation period. Its core business structure, revenue and cost composition, and future business strategies and cost controls will remain consistent with the status of recent years without significant changes. The management's operational plans and additional investments can be realized as scheduled.
6. The Valuation does not take into account the impact on the Appraised Value of matters such as mortgages or guarantees that the Target Company and its assets may undertake in the future, nor the additional consideration that may be paid under special transaction methods.

According to the requirements of asset valuation, these assumptions are deemed to be established as at the Valuation Reference Date. The valuer will not be held liable for any different valuation conclusions to which changes in these assumptions may lead, should the future economic environment undergo significant changes.

Input for the valuation

The Valuation has taken into account (i) the liquid assets including cash and deposits of the Target Company; (ii) the receivables of the Target Company; (iii) the prepayments of the Target Company; (iv) the other receivables of the Target Company; (v) the raw materials of the Target Company; (vi) the contract assets of the Target Company; (vii) the fixed assets of the Target Company (including buildings, structures, machinery and equipment, vehicles and electronic equipment); (viii) the right-of-use assets of the Target Company; (ix) the intangible assets of the Target Company (including software, patents, software copyrights and domain names); (x) the long-term prepaid expenses of the Target Company; (xi) the deferred tax assets of the Target Company; (xii) the payables of the Target Company; (xiii) the contract liabilities of the Target Company; (xiv) the employee benefits payable of the Target Company; (xv) the taxes payable of the Target Company; (xvi) the other payables of the Target Company; and (xvii) the lease liabilities of the Target Company.

Material differences between the book value of the total assets of the Target Company and the Appraised Value

1. Appraised Value

As of the Valuation Reference Date, assuming that the Target Company is on normal operation, the book value of total assets recorded by Target Company was RMB162.2784 million, with an appraised value of RMB183.4784 million, resulting in an appraisal appreciation of RMB21.2 million, representing an appreciation rate of 13.06%. The book value of total liabilities was RMB40.2679 million, with an appraised value of RMB39.7679 million, resulting in an appraisal appreciation of RMB0.5 million. The book value of net assets was RMB122.0105 million, with an appraised value of RMB143.7105 million, resulting in an appraisal appreciation of RMB21.7 million, representing an appreciation rate of 17.79%.

Summary of the Appraised Value under the Asset-Based Approach

Unit: RMB0,000

Item		Book Value A	Appraised Value B	Increment or Decrement C=B-A	Appreciation (Impairment) Rate % D=C/A×100 %
Liquid assets	1	6,715.64	6,715.64	0.00	0.00
Non-liquid assets	2	9,512.20	11,632.20	2,120.00	22.29
Of which: Long-term equity investments	3	0.00	0.00	0.00	
Investment properties	4	0.00	0.00	0.00	
Fixed assets	5	9,062.94	9,180.96	118.02	1.30
Construction in progress	6	0.00	0.00	0.00	
Oil and gas assets	7	0.00	0.00	0.00	
Intangible assets	8	46.57	2,048.55	2,001.98	4,298.86
Including: Land use rights	9	0.00	0.00	0.00	
Other non-liquid assets	10	402.69	402.69	0.00	0.00
Total assets	11	16,227.84	18,347.84	2,120.00	13.06
Liquid liabilities	12	3,958.04	3,958.04	0.00	0.00
Non-liquid liabilities	13	68.75	18.75	-50.00	-72.73
Total liabilities	14	4,026.79	3,976.79	-50.00	-1.24
Net assets	15	12,201.05	14,371.05	2,170.00	17.79

When comparing the appraisal result with the book value of net assets of the Target Company, the appraisal appreciation is RMB21.7 million, representing an appreciation rate of 17.79%. When comparing with the book value of each classification item, where:

- (1) Fixed assets: The appraisal appreciation is RMB1.1802 million, representing an appreciation rate of 1.30%.
- (2) Intangible assets: The appraisal appreciation is RMB20.0198 million, representing an appreciation rate of 4,298.86%.
- (3) Deferred income: Deferred income represents government grants relating to assets. Since the government grants do not need to be repaid, they are assessed as zero.

2. Analysis of the reasons for changes in comparison between the Appraised Value and the book value

The comparison of the appraisal result of the Target Company with the book value of the entrusted appraised assets shows an overall appreciation. The main reasons for the appreciation are:

(1) Fixed assets:

- i) Machinery and equipment: The appraised net value increased. The difference between the economic service life of the equipment and the financial depreciation period results in the appraised net value appreciation of the machinery and equipment.
- ii) Vehicles: The main reason for the depreciation of original value of vehicles is the rapid pace of vehicle model updates, which leads to a fall in purchase prices and consequently results in a reduction in the appraised original value. The main reason for the appreciation of net value of vehicles is the difference between the economic service life of the vehicles and the financial depreciation period, which leads to the appraised net value appreciation of vehicles.
- iii) Electronic equipment: The main reason for the impairment of electronic equipment is the rapid pace of its updates, leading to a reduction in its appraised value.

(2) Intangible assets: The main reason for appraisal appreciation is intangible assets – the appraisal appreciation of other intangible assets is RMB20.0198 million, representing an appreciation rate of 4,298.86%. The reason for the appreciation is that the Target Company has off-balance-sheet patents, software copyrights and other intangible assets.

INFORMATION ON THE GROUP AND THE VENDOR

The Group

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

The Vendor

The Vendor is a limited liability company established in the PRC and a direct non-wholly-owned subsidiary of the Company, and is principally engaged in mining and processing of mineral ores and trading of metal concentrates.

INFORMATION ON CHINA NO. 15 METALLURGICAL

China No. 15 Metallurgical is a limited liability company established in the PRC and is principally engaged in metallurgical and mining engineering contracting, with a focus on the construction of non-ferrous metal smelting and mining projects. Its entire issued share capital is ultimately beneficially owned by CNMC, a state-owned enterprise established in the PRC.

INFORMATION ON THE TARGET COMPANY

The Target Company, a limited liability company established in the PRC and a wholly-owned subsidiary of the Vendor immediately prior to the Completion, which is principally engaged in the provision of design consulting, testing and inspection, geological exploration and surveying, and information and intelligentisation services in the PRC.

The audited consolidated net asset value of the Target Company as at 31 December 2025 was approximately RMB122,010,572 (equivalent to approximately HK\$140,312,158).

Set out below is the financial information of the Target Company for the two years ended 31 December 2024 and 31 December 2025, prepared in accordance with the Hong Kong Financial Reporting Standards.

	For the year ended 31 December	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
Revenue	82,577,575	115,841,880
Net profit/(loss) before taxation	31,392,562	26,560,966
Net profit/(loss) after taxation	27,186,254	23,309,392

The unaudited consolidated net assets value of the Target Company as at 31 March 2026 was approximately RMB127,237,280 (equivalent to approximately HK\$146,322,872).

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Target Company will cease to be a subsidiary of the Vendor and the Company, and the financial statements of the Target Company will no longer be consolidated into the Group's financial statements.

It is estimated that the Group will recognise a gain of approximately RMB27,398,551 (equivalent to approximately HK\$31,508,334) from the Disposal. The estimated gain is based on the difference between (i) the Consideration; and (ii) the Company's audited consolidated net assets value of the Target Company of approximately RMB122,010,572 (equivalent to approximately HK\$140,312,158) as at 31 December 2025.

The actual amount of gain or loss as a result of the Disposal to be recorded by the Group will be subject to the review and final audit by the auditors of the Company. The net proceeds will be used for the Group's general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal is undertaken in response to, and in alignment with, the strategic initiatives promulgated by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, which encourage central state-owned enterprises to advance professional specialisation and integration, optimise industrial layouts and improve the quality and efficiency of state-owned capital deployment.

Pursuant to such initiatives, central state-owned enterprise groups are encouraged to streamline their business structures, reduce duplication of auxiliary functions and rationalise the allocation of resources, with a view to enhancing overall competitiveness and operational efficiency. In line with this policy direction, the Group has conducted a systematic review of its subsidiaries and business segments. The Board considers that the Disposal represents a concrete step taken by the Group to implement such national policy requirements by divesting non-core and auxiliary operations that are not directly aligned with the Group's principal business focus.

The Target Company is principally engaged in the provision of design consulting, testing and inspection, geological exploration and surveying, and information and intelligentisation services in the PRC. The Target Company is primarily involved in project construction activities such as site investigation and design, and does not participate in the operation of such projects. A substantial portion of the Target Company's revenue and profits (which were consolidated by the Group) was derived from internal group projects, and its recent profit growth was largely attributable to certain temporary and non-recurring projects. Having regard to the Target Company's business characteristics and its limited contribution to the Group's core mining and metallurgical production chain, the Board considers that retaining such auxiliary functions within the Group is no longer optimal under the current policy environment emphasising professional focus and industry-wide integration.

The approximate amounts of the Target Company's revenue and profits derived from the internal group projects for the financial years ended 31 December 2024 and 31 December 2025 are set out as follows:

Item	2024 (RMB)	2025 (RMB)
1. Total Operating Revenue	115,841,879	82,577,575
Internal projects	88,808,379	59,107,824
External projects	27,033,500	23,469,750
2. Net Profit (after taxation)	23,309,391	27,186,254
Internal projects	20,640,466	23,478,048
External projects	2,668,925	3,708,204

The Disposal also facilitates the revitalisation of idle or low-efficiency assets held by the Target Company. Certain properties and fixed assets of the Target Company have relatively low utilisation efficiency and involve significant capital commitment. Through the Disposal, the Group is able to realise the value of such assets, enhance asset turnover efficiency and avoid continued capital lock-up in non-core businesses, thereby improving the overall efficiency of state-owned asset utilisation.

In addition, the Disposal supports the optimisation of the Group's personnel structure. The Target Company has an ageing workforce and a relatively high proportion of non-active personnel. Upon Completion, the relevant employees will be transferred together with the Target Company on a "staff follows business" basis, which allows the Group to rationalise staffing levels, reduce structural employment burdens and redeploy human resources towards its principal business operations. After Completion, the Group expects its labour costs burden to decrease by approximately RMB6,670,000.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's financial statements. The existing and any future transactions after Completion between the Remaining Group and the Target Company will be covered under the CNMC Group Purchase and Production Services Framework Agreement dated 6 November 2025 entered into between the Company and CNMC. Given that the Target Company's assets and revenue represent only a small proportion of the Group as a whole, and taking into account the temporary nature of its recent profit growth, the Board is of the view that the Disposal will not have any material adverse impact on the Group's core operations, business sustainability or operating capability.

Below are the relevant percentage ratios for the total assets, total revenue, total profit before taxation and net profit of the Target Company compared to the Group for the past seven years:

	For the year ended 31 December						
	2019	2020	2021	2022	2023	2024	2025
Total assets ratio	0.12%	0.15%	0.13%	0.12%	0.18%	0.36%	0.56%
Total revenue ratio	0.15%	0.14%	0.11%	0.13%	0.18%	0.20%	0.13%
Total profit ratio	1.37%	1.16%	0.44%	0.84%	3.11%	52.84%	90.55%
Net profit ratio	1.51%	1.13%	0.66%	-14.28%*	4.06%	242.91%	506.26%

* The net profit of the Target Company was RMB916,397, while the net loss of the Group was RMB6,416,000

Approximately three-quarters of the Target Company's revenue and profits have been derived from within the Group. The significant increase in the Target Company's profits in 2024 and 2025 is primarily attributable to profits from the EPC survey and design project for the Group's newly established 400,000-tonne cathode copper project of Yangxin Hongsheng, as well as the environmental protection rectifications design project for the old smelter. These projects generate one-time profits recognized on an annual basis. Once these projects are fully settled, these profit sources may be unsustainable. Therefore, the increase in the Target Company's profits for the year 2024 to 2025 is a temporary and incidental occurrence. Furthermore, starting in 2026, the Group will engage an external design and research firm to provide laboratory testing services, which will reduce the number of elements tested by the Target Company and result in a significant decrease in testing volume, leading to fewer business opportunities to the Target Company.

Further details of the above-mentioned relevant projects are set out below:

Item	Newly Constructed Yangxin Hongsheng 400,000-ton Cathode Copper EPC Survey and Design Project	Environmental Protection Upgrade EPC Project for the Old Smelter
Project Type	EPC Engineering Project	EPC Engineering Project
Project Description	Design, survey and mapping, laboratory testing, and environmental testing for Yangxin Hongsheng	“EPC General Contracting Project for the Environmental Protection Upgrade of the Copper Anode Slime Treatment System at the Smelter”. Under conditions where the copper anode slime raw materials are approaching full production capacity, the project involves upgrading and renovating various environmental protection facilities associated with the production system to ensure that wastewater, exhaust gas and other pollutants stably meet or exceed national discharge standards. This includes comprehensive and systematic upgrades to environmental protection equipment and facilities across roasting, smelting, refining, platinum-palladium, refined tellurium, and wastewater treatment systems.
Total Contract Amount	Approximately RMB8.5-9.5 million	Approximately RMB80.57 million
Revenue for 2024	Approximately RMB9 million	Approximately RMB32 million
Revenue for 2025	Approximately RMB8-9 million	Approximately RMB1.8 million
Project Status	Completed	Completed

Following the Disposal, the Remaining Group will continue to focus on its principal businesses, namely the exploitation of mineral resources, the mining and processing of mineral ores and the trading of metal products, while benefiting from a more streamlined business structure and improved capital allocation efficiency. The net proceeds from the Disposal will enhance the Group's liquidity position and provide additional financial flexibility to support its ongoing operations and long-term development.

On the basis of the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable, and the transactions contemplated under the Agreement are on normal commercial terms or better and are 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. Therefore, Mr. Xiao Shuxin is deemed to have a material interest in the Agreement. He has therefore abstained from voting on the resolutions passed by the Board to approve the Agreement. Save as disclosed above, none of the Directors has any material interest in, or is required to abstain from voting on the resolution passed by the Board to approve the Agreement.

LISTING RULES IMPLICATIONS

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 interest in the Parent Company. China No. 15 Metallurgical is a wholly owned subsidiary of CNMC. Accordingly, China No. 15 Metallurgical is an associate of CNMC and a connected person of the Company. Therefore, the Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the Agreement constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in relation to the Disposal exceeds 5%, the Disposal is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee comprising Ms. Liu Fang, Mr. Wang Qihong and Mr. Kong Hua, who are independent non-executive Directors, has been formed to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder. In this connection, VBG Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder.

The Parent Company, CNMC, and their respective associates, will abstain from voting on the resolutions approving the Disposal at the SGM.

SGM

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder; (ii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (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 20 July 2026 in accordance with the Listing Rules. The expected date of despatch of the circular is more than 15 business days after the publication of the announcement as additional time is required for the preparation of the accountant's report on the Target Company and the pro-forma financial information of the Remaining Group.

DEFINITIONS

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

“Agreement”	the equity transfer agreement dated 18 June 2026 entered into by and among the Vendor, China No. 15 Metallurgical and the Target Company in relation to the Disposal
“Announcement”	the announcement of the Company dated 13 August 2025 in relation to the Disposal
“Appraised Value”	the appraised asset value of the Sale Interest as at 31 December 2025 in the amount of approximately RMB143,710,559 (equivalent to approximately HK\$165,267,143) as set out in the Valuation Report
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which banks in the PRC are officially open for business, including any adjusted working day declared by the PRC government as a temporary working day, but excluding statutory holidays and any Saturday or Sunday that is not an adjusted working day
“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 company incorporated in the PRC and a controlling shareholder
“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
“Completion”	completion of the Disposal
“Completion Date”	the date on which the Target Company obtains the amended Business License of Enterprise Legal Person issued by the relevant Administration for Market Regulation in the PRC
“connected person”	has the meaning ascribed to it in the Listing Rules
“connected transaction”	has the meaning ascribed to it in the Listing Rules
“Consideration”	RMB149,409,123 (equivalent to approximately HK\$171,820,491), being the total consideration payable by China No. 15 Metallurgical to the Vendor for the Disposal

“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Interest (being 100% of the equity interest in the Target Company) in accordance with the terms and conditions of the Agreement
“Effective Date”	the later of the following two dates: (1) the day on which all parties to the Agreement have completed their respective internal authorisation procedures (where approval by the board of directors is required, the date of approval by the board of directors shall apply); or (2) the day immediately following the date on which the Independent Shareholders having approved the Agreement and the transactions contemplated thereunder at the SGM.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Ms. Liu Fang, Mr. Wang Qihong and Mr. Kong Hua, to advise the Independent Shareholders on the Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”/“VBG Capital”	VBG Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder
“Independent Shareholder”	the Shareholders other than the Parent Company, CNMC and their respective associates
“Letter of Intent”	the non-legally binding letter dated 11 August 2025 entered into between the Parent Company and China No. 15 Metallurgical in relation to the proposed equity transfer of the Target Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Material Adverse Effect”	(i) in respect of the Target Company, any event not attributable to China No. 15 Metallurgical that, individually or in aggregate, has a material adverse effect on the business, financial condition or operating results of the Target Company, including causing the suspension, interruption or termination of its business, or a material adverse change in its financial condition such as net assets and liabilities where the amount affected, individually or in aggregate, exceeds RMB1,000,000 or 5% of the net assets of the Target Company; and (ii) in respect of the Disposal, any event not attributable to China No. 15 Metallurgical that results in the Disposal being unable to be lawfully and fully carried out, or the basis of the Disposal being lost or undergoing a fundamental change
“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 established in the PRC and a controlling shareholder
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Receivables”	all outstanding receivables due by the Group to the Target Company as set out under the Agreement in the aggregate amount of approximately RMB16,729,956
“Remaining Group”	the Group excluding the Target Company after Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	100% of the equity interest in the Target Company, beneficially and legally owned by the Vendor immediately prior to the Completion
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Special Audit”	the special audit carried out by a qualified and mutually accepted accounting firm on the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Daye Nonferrous Design and Research Institute Co., Ltd.* (大冶有色設計研究院有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Vendor immediately prior to the Completion

“Valuation”	the independent valuation on the Sale Interest conducted by the Valuer
“Valuation Reference Date”	31 December 2025, being the reference date of the Valuation
“Valuation Report”	the valuation report dated 10 April 2026 issued by the Valuer in respect of the valuation of the entire equity interest of the Target Company as at the Valuation Reference Date
“Valuer”	Northern Asia Assets Assessment Co., Ltd.* (北方亞事資產評估有限責任公司), an independent qualified professional valuer
“Vendor”	Daye Nonferrous 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 direct non-wholly-owned subsidiary of the Company
“%”	per cent.

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

Hong Kong, 18 June 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*

For the purpose of this announcement, the exchange rate of RMB1.00 to HK\$1.15 has been used for currency conversion, where applicable. Such conversion is for illustrative purposes and does not constitute representations that any amount in HK\$ or RMB has been, could have been or may be converted at this or any other rate.