

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

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*

*This announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Company's shares mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Company's shares will be made in the United States.*



**China Nonferrous Mining Corporation Limited**  
**中國有色礦業有限公司**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

(Stock Code: 01258)

**PLACING OF EXISTING SHARES AND  
TOP-UP SUBSCRIPTION OF  
NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



## **THE PLACING AND THE SUBSCRIPTION**

On 6 May 2021 (after trading hours), the Company, the Placing Shareholder and the Placing Agent entered into the Placing and Subscription Agreement, pursuant to which (i) the Placing Shareholder has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent for the Placing Shareholder, to use its best efforts, to procure Placees to purchase 250,000,000 Placing Shares at HK\$3.96 per Placing Share; and (ii) the Placing Shareholder has agreed to subscribe for, and the Company has agreed to issue to the Placing Shareholder, the Subscription Shares (being equivalent to the number of Placing Shares sold by the Placing Shareholder pursuant to the Placing).

The Placing Shares represent: (i) approximately 7.17% of the total number of Shares in issue as at the date of this announcement; and (ii) approximately 6.69% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The net proceeds (after deducting all costs and expenses incurred by the Placing Shareholder and to be reimbursed by the Company, and other expenses incurred by the Company) from the Subscription is estimated to be approximately HK\$984.78 million.

**Completion of the Placing and the Subscription is subject to fulfilment of the conditions thereunder. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AND SUBSCRIPTION AGREEMENT**

On 6 May 2021 (after trading hours), the Company, the Placing Shareholder and the Placing Agent entered into the Placing and Subscription Agreement. The principal terms of the Placing and Subscription Agreement are summarised below:

### **Date**

6 May 2021 (after trading hours)

### **Parties**

- (1) the Company;
- (2) China Nonferrous Mining Development Limited, as the Placing Shareholder; and
- (3) CLSA Limited, as the sole Placing Agent.

### **Placing Shareholder**

The Placing Shareholder holds 2,600,000,000 Shares, including the Placing Shares, representing approximately 74.52% of the total number of Shares in issue as at the date of this announcement.

### **Placing Agent**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is: (i) independent of, and not connected with, the Placing Shareholder, the Company and their respective associates and connected persons; and (ii) independent of, and not acting in concert with, the Placing Shareholder, their respective associates and persons acting in concert with the Placing Shareholder.

Details of the Placing and the Subscription are set out below.

## **THE PLACING**

### **Placing Shares**

The Placing Shareholder has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent for the Placing Shareholder to procure Placees, on a best effort basis, to purchase the Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing and Subscription Agreement.

The total number of the Placing Shares, being 250,000,000 Shares, represents:

- (1) approximately 7.17% of the total number of Shares in issue as at the date of this announcement; and
- (2) approximately 6.69% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

### **Placees**

It is expected that the Placing Agent will place the Placing Shares to not less than six Placees, all of whom/which are professional, institutional and/or other investors and are third parties independent from the Company and its connected persons.

Immediately after the Placing Completion, it is expected that none of the Placees will become a substantial shareholder of the Company.

The Placing Agent will determine matters in relation to the Placing.

### **Placing Price**

The Placing Price represents:

- (1) a discount of approximately 12.39% to the closing price of HK\$4.52 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 12.43% to the average closing price of HK\$4.52 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (3) a discount of approximately 8.80% to the average closing price of HK\$4.34 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (4) a premium of approximately 6.97% to the average closing price of HK\$3.70 per Share as quoted on the Stock Exchange for the last twenty consecutive trading days up to and including the Last Trading Day; and
- (5) a premium of approximately 23.21% to the average closing price of HK\$3.21 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day.

The Placing Price of HK\$3.96 per Placing Share was determined after arm's length negotiations among the Company, the Placing Shareholder and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange and the general market conditions. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Rights and Ranking of the Placing Shares**

The Placing Shares will be sold free from all pledges, liens, charges and encumbrances, equities, security interests or other claims.

The Placing Shares will, when fully paid, rank *pari passu* in all respects with, all of the other Shares of the same class in issue or to be issued by the Company on or prior to the date of Placing Completion including the rights to all dividends, distributions and other rights declared, distributed or received in respect of the Placing Shares for which a record date occurs on or after the date of the Placing and Subscription Agreement.

### **Conditions of the Placing**

The obligation on the Placing Agent to proceed with the Placing Completion is conditional on the following conditions:

- (1) the representations and warranties made by any of the Company and the Placing Shareholder pursuant to the Placing and Subscription Agreement being true and accurate and not misleading;
- (2) each of the Company and the Placing Shareholder having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement;
- (3) the Placing Agent having received customary legal opinions in form and substance reasonably satisfactory to it; and
- (4) the Placing Agent not having terminated the Placing and Subscription Agreement.

If any of the conditions set out above are not fulfilled, or not waived by the Placing Agent by the Placing Completion Date, the Placing Agent may elect, in its sole discretion, after consultation with the Company and the Placing Shareholder (to the extent reasonably feasible and practicable), to terminate the Placing and Subscription Agreement forthwith, provided certain terms shall survive such termination and remain in full force and effect.

## **Completion of the Placing**

The Placing Completion shall take place on the Placing Completion Date.

## **Lock-Up Undertakings**

Pursuant to the Placing and Subscription Agreement, the Placing Shareholder has undertaken to the Placing Agent that it will not and will procure that none of its nominees, any person controlled by it, any trust associated with it or any person acting on its or their behalf will (without the prior written approval of the Placing Agent):

- (i) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Placing Shareholder or any Affiliate of the Placing Shareholder or any person in privity with the Placing Shareholder or any Affiliate of the Placing Shareholder, directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) publicly announce an intention to effect any such transaction,

for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Placing Completion Date. The foregoing shall not apply to the sale of the Placing Shares under the Placing and Subscription Agreement.

Pursuant to the Placing and Subscription Agreement, the Company shall not, and the Placing Shareholder shall procure that the Company will not, without the prior written consent of the Placing Agent, (a) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Placing Completion Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement.

## **THE SUBSCRIPTION**

### **Subscription Shares**

Under the Placing and Subscription Agreement, the Placing Shareholder has agreed to subscribe for, and the Company has agreed to issue to the Placing Shareholder, the Subscription Shares (being equivalent to the number of Placing Shares sold by the Placing Shareholder pursuant to the Placing).

The maximum number of the Subscription Shares represents:

- (1) approximately 7.17% of the total number of Shares in issue as at the date of this announcement; and
- (2) approximately 6.69% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

## **Subscription Price**

The Subscription Price is equivalent to the aggregate Placing Price but less the commissions, fees and expenses incurred by the Placing Shareholder in connection with the Placing.

The Subscription Price was determined after arm's length negotiations among the Company, the Placing Shareholder and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange and the general market conditions. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Rights and Ranking of the Subscription Shares**

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue at the date of allotment, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

## **Conditions of the Subscription**

The Subscription is subject to the following conditions:

- (1) the Placing Completion; and
- (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares.

None of the above conditions can be waived. If any of the above conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement, or such later date, as may be agreed among the Company, the Placing Shareholder and the Placing Agent, the obligations and liabilities of the Placing Shareholder and the Company under the Subscription shall become null and void.

## **Completion of the Subscription**

Completion of the Subscription shall take place on the second business day after the date upon which the last of the conditions to completion of the Subscription as set out above shall have been so satisfied, provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement, or at such other time and/or date as the Company, the Placing Shareholder and the Placing Agent may agree in writing and in compliance with the Listing Rules.



Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed no later than a date falling 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Placing Shareholder and its associates).

In the event that completion of the Subscription does not take place on or before the second business day after the date upon which the last of the conditions to completion of the Subscription as set out above, the Company will use its best endeavours at its own cost to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Placing Shareholder may reasonably require, to effect the Subscription (including, without limitation, to comply with the applicable requirements under Chapter 14A of the Listing Rules).

### **General Mandate to Issue the Subscription Shares**

The issue of the Subscription Shares is not subject to the approval by the Shareholders. The Subscription Shares will be allotted and issued under the General Mandate, subject to the limit of up to 697,807,200 new Shares (representing 20% of the number of issued Shares of the Company on the date when the General Mandate was granted). As at the date of this announcement, no Shares have been issued under the General Mandate and therefore the total number of new Shares that can be allotted and issued under the General Mandate is 697,807,200 Shares. The General Mandate is sufficient for the allotment and issue of the Subscription Shares.

### **Application for Listing of the Subscription Shares**

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares on the Stock Exchange.

### **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

The Directors confirm that, immediately after completion of the Placing and the Subscription, the public float of the Company will be no less than 25% of the Company's issued share capital as enlarged by the Subscription (assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the Subscription save for the issue of the Subscription Shares).

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 3,489,036,000 Shares in issue.

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Placing Completion but before the completion of the Subscription; and (iii) immediately after the completion of the Placing and the Subscription, assuming that the maximum number of the Placing Shares, being 250,000,000 Shares, are placed under the Placing and Subscription Agreement and that no other change in the number of issued Shares of the Company other than the issue of Subscription Shares:

	As at the date of this announcement		Immediately after the Placing Completion but before the completion of the Subscription		Immediately after the completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>Approximate % shareholding</i>	<i>Number of Shares</i>	<i>Approximate % shareholding</i>	<i>Number of Shares</i>	<i>Approximate % shareholding</i>
<b>Placing Shareholder</b>	2,600,000,000	74.52	2,350,000,000	67.35	2,600,000,000	69.54
<b>Public Shareholders</b>						
The Placees	–	–	250,000,000	7.17	250,000,000	6.69
Other public shareholders	889,036,000	25.48	889,036,000	25.48	889,036,000	23.77
<b>Total</b>	<u>3,489,036,000</u>	<u>100.00</u>	<u>3,489,036,000</u>	<u>100.00</u>	<u>3,739,036,000</u>	<u>100.00</u>

### Notes:

1. The percentage figures have been rounded up to the nearest second decimal place to achieve a total of 100.00%.
2. The Placing Shareholder is a wholly-owned subsidiary of CNMC.

## INFORMATION ON THE COMPANY, THE GROUP AND THE PLACING SHAREHOLDER

### The Company and the Group

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting of copper and cobalt, and sale of copper cathodes, blister copper and copper anodes, copper-cobalt alloy, cobaltous hydroxide and sulfuric acid.

As (i) Mr. Jinjun ZHANG, an executive Director of the Company, is also the deputy general manager of CNMC; and (ii) Mr. Xiaowei WANG, an executive Director of the Company, is also the sole director of the Placing Shareholder, the Company considers that each of Mr. Jinjun ZHANG and Mr. Xiaowei WANG is deemed to have material interests in the Placing and Subscription Agreement and the transactions contemplated thereunder (including the Placing and the Subscription). Therefore, each of Mr. Jinjun ZHANG and Mr. Xiaowei WANG has abstained from voting on the relevant resolutions of the Board. Save as disclosed above, none of the other Directors have material interests in the Placing and Subscription Agreement and the transactions contemplated thereunder (including the Placing and the Subscription), nor has any other Director abstained from voting on the relevant resolutions of the Board.

### **The Placing Shareholder**

The Placing Shareholder is a company incorporated in the British Virgin Islands which is principally engaged in investment holding. The Placing Shareholder is a wholly-owned subsidiary of CNMC.

### **REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION**

The Group has been focusing on the exploration, mining, ore processing, leaching, smelting of copper related products. The Directors consider that the net proceeds arising from the Subscription can enable the Group to further promote the development of its principal businesses and to provide better investment returns to the Shareholders.

The Directors have also considered various options of raising funds. Having reviewed the terms and conditions to the Placing and the Subscription, the Board considers that it is in the interests of the Company to raise equity funding through the Placing and the Subscription so as to broaden its shareholder base, strengthen the capital base and enhance the financial position and net assets base of the Group for its long-term development and growth.

On the above basis, the Directors are of the view that the terms of the Placing and Subscription Agreement are fair and reasonable, and consider that the Placing and the Subscription are in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The gross proceeds and net proceeds (after deducting all costs and expenses incurred by the Placing Shareholder and to be reimbursed by the Company, and other expenses incurred by the Company) from the Subscription is estimated to be approximately HK\$990.00 million and HK\$984.78 million, respectively. The net price to the Company for each Subscription Share after deduction of such expenses is approximately HK\$3.94 per Subscription Share.

The Company intends to use the net proceeds from the Subscription for existing business expansion, strategic investment opportunities, as applicable, and general working capital, as follows:

### Proposed Use of Net Proceeds

- |  |   |
|--|---|
| (1) Project construction and development works | The Group expects to apply part of the net proceeds towards the project construction and development works, including without limitation the extended projects of Kambove Mining and NFCA.                |
| (2) Acquisitions of mineral resources          | The Group expects to utilize part of the net proceeds towards acquisitions of mineral resources. The Company is currently actively identifying mineral resources to further expand its resource reserves. |
| (3) Replenish part of the working capital      | As the scale of business and operations of the Group expands, the Company expects to utilize part of the net proceeds to replenish and supplement the daily general working capital of the Group.         |

**Completion of the Placing and the Subscription is subject to fulfilment of the conditions thereunder. As the Placing and the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Affiliate”	of a person means any other person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such person where the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“CNMC”	China Nonferrous Metal Mining (Group) Co., Ltd* (中國有色礦業集團有限公司), a state-owned enterprise established under the laws of the PRC in 1997 with operating history dating back to 1983, directly administered by The State-owned Assets Supervision and Administration Commission of the State Council, and the ultimate controlling shareholder of the Company;
“Company”	China Nonferrous Mining Corporation Limited (中國有色礦業有限公司) (stock code: 01258), a company incorporated in Hong Kong on 18 July 2011 with limited liability and 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;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 29 June 2020 to allot and issue up to 697,807,200 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Kambove Mining”	Kambove Mining SAS (剛波夫礦業簡易股份有限公司*), a company established in the Democratic Republic of Congo and a subsidiary of the Company;
“Last Trading Day”	6 May 2021, being the last trading day prior to the signing of the Placing and Subscription Agreement;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NFCA”	NFC Africa Mining PLC (中色非洲礦業有限公司*), a company incorporated in the Republic of Zambia on 5 March 1998, and a subsidiary of the Company;
“Placee(s)”	any professional, institutional and other investor(s) whom any Placing Agent has procured to purchase any of the Placing Shares pursuant to its obligations under the Placing and Subscription Agreement;
“Placing”	the placing to the Placees procured by the Placing Agents of the Placing Shares on the terms and subject to the conditions set out in the Placing and Subscription Agreement;

“Placing Agent”	CLSA Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 7 (providing automated trading services) regulated activities under the SFO, acting as a placing agent for the Placing under the Placing and Subscription Agreement;
“Placing and Subscription Agreement”	the placing and subscription agreement dated 6 May 2021 entered into among the Company, the Placing Shareholder and the Placing Agent in respect of the Placing and the Subscription;
“Placing Completion”	the completion of the Placing;
“Placing Completion Date”	11 May 2021 or such other time and/or date as the Placing Agent and the Placing Shareholder may agree on which Placing Completion will take place;
“Placing Price”	HK\$3.96 per Placing Share, as determined in accordance with the terms of the Placing and Subscription Agreement;
“Placing Shareholder”	China Nonferrous Mining Development Limited (中色礦業發展有限公司), a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of CNMC and the controlling shareholder of the Company;
“Placing Share(s)”	250,000,000 Shares held by the Placing Shareholder and to be placed pursuant to the Placing and Subscription Agreement;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force;
“Share(s)”	ordinary share(s) of the Company;
“Shareholder(s)”	holder(s) of the Share(s);

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of new Subscription Shares by the Placing Shareholder;
“Subscription Price”	the aggregate Placing Price less the costs and expenses incurred by the Company and the Placing Shareholder in connection with the Placing and the Subscription;
“Subscription Share(s)”	250,000,000 new Shares to be issued to the Placing Shareholder (equivalent to the number of the Placing Shares actually sold by the Placing Shareholder under the Placing) by the Company under the Subscription;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers for the time being in force; and
“%”	per cent.

By Order of the Board  
**China Nonferrous Mining Corporation Limited**  
**Dayong YANG and Man Yi WONG**  
*Joint Company Secretaries*

Hong Kong, 6 May 2021

*As at the date of this announcement, the Board comprises Mr. Jinjun ZHANG, Mr. Xiaowei WANG and Mr. Chunlai WANG as executive Directors; and Mr. Chuanyao SUN, Mr. Jingwei LIU and Mr. Huanfei GUAN as independent non-executive Directors.*

*\* For identification purpose only*