中國大冶有色金屬礦業有限公司

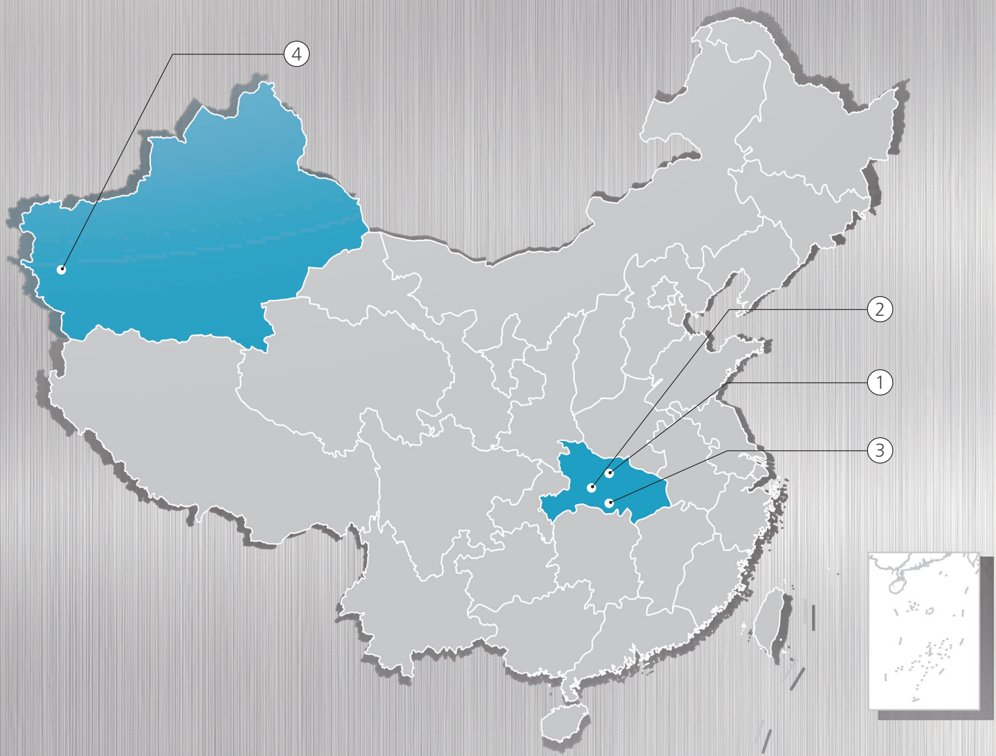
China Daye Non-Ferrous Metals Mining Limited

(Incorporated in Bermuda with limited liability)

Stock Code : 00661

Interim Report 2024

MINERAL RESOURCES



HUBEI MINES
Daye City
① Tonglvshan Mine
② Tongshankou Mine

HUBEI MINES
Yangxin County
③ Fengshan Mine

XINJIANG MINE
Wuqia County
④ Sareke Copper Mine

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Xiao Shuxin *(Chairman)*
Zhang Jinzhong
(Chief Executive Officer)
Zhang Aijun
Chen Xuewen

Independent Non-executive Directors:

Liu Fang
Wang Qihong
Liu Jishun

AUDIT COMMITTEE/ REMUNERATION COMMITTEE

Liu Fang *(Chairman)*
Wang Qihong
Liu Jishun

NOMINATION COMMITTEE

Xiao Shuxin *(Chairman)*
Liu Fang
Wang Qihong
Liu Jishun

COMPANY SECRETARY

Wong Yat Tung

LEGAL ADVISERS

As to Hong Kong law:

Paul Hastings

As to Bermuda law:

Conyers Dill & Pearman

AUDITOR

Baker Tilly Hong Kong Limited
Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited

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Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
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HONG KONG BRANCH SHARE REGISTRAR

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Hong Kong

STOCK CODE

00661

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2024, the Group focused on work objectives throughout the year, striving to enhance the quality of its business development by aligning with the market expectations and implementing comprehensive in-depth reforms.

In the first half of 2024, the Group produced a total of 8,200 tonnes of mined copper, representing a year-on-year increase of 33.14%; 421,500 tonnes of copper cathode, representing a year-on-year increase of 34.57%; 313.99 tonnes of precious metal (including 5.12 tonnes of gold, 292.99 tonnes of silver, 8.00 kg of platinum, 74.00 kg of palladium and 15.80 tonnes of tellurium), representing a year-on-year increase of 65.28%; 1,195,800 tonnes of chemical products (including 1,190,500 tonnes of sulfuric acid, 5,155.24 tonnes of copper sulfate, 58.99 tonnes of nickel sulfate (metal content) and 104.69 tonnes of crude selenium (metal content)), representing a year-on-year increase of 24.86%; 86,100 tonnes of iron concentrate, representing a year-on-year increase of 117,10%; and 22.14 tonnes of molybdenum concentrate, representing a year-on year increase of 303.28%.

The Company fully implements the requirements of the half-year work arrangement formulated at the begin of the year, summarizes the Company's work in the first half of the year, sets the goals for the year, makes every effort to do all the work in the second half of the year, and makes positive contributions to building a world-class mining enterprise.

I. Review of Work in the First Half of the Year

Since the beginning of the year, under the severe situation of the continuous expansion of copper concentrate supply gap and dramatical drop in smelting and processing fees, centering on the work objectives and tasks of "three stability and four progress" (三穩四進) set at the beginning of the year, with the six efficiency enhancement measures of "increasing production and efficiency, scientific and technological efficiency, reform efficiency, management efficiency, policy efficiency and investment efficiency" as the main line, we have adhered to hard work to coordinate the promotion of production and operation, reform and innovation.

A. Focus on the production and strengthen the scheduling, and ensure that business operations move forward under pressure

The output of major products increased across the board. Compared with the schedule, copper concentrate, gold, iron concentrate, blister copper were overproduced, production of sulfuric acid, silver, mined copper were deficient, but the output of each product has a large increase on year-on-year basis. The copper content of self-produced copper concentrate has reached the best level in the same period in 2022.

Revenue and profit met expectations. In the first half of the year, the Company achieved an increase in operating revenue compared with the budget schedule, mainly due to the increase in non-ferrous metal sector revenue affected by price rise, operating profit increased compared with the budget schedule (decomposed according to the production plan), reaching the schedule target, but it was worse than the time schedule. The main reason was that TC/RC in the first half of the year decreased and the profit decreased compared with the budget level, and the mined copper output decreased and the profit decreased.

Initial results have been achieved in reducing costs and increasing efficiency. In the first half of this year, except for Xinjiang Hui Xiang Yong Jin Mining Co., Ltd. (新疆匯祥永金礦業有限公司) ("Xinjiang Hui Xiang Yong Jin"), the cash cost per ton of mine increased compared with the budget and the actual ratio of the previous year, and the other mining departments decreased in different degrees compared with the budget and the actual ratio of the previous year. In the smelter, except for the cash cost of blister copper sector which increased compared with the budget, the cash cost of other products decreased compared with the budget and the actual ratio of the previous year. In Yangxin Hongsheng, except for the sulfuric acid sector whose cash cost increased compared with the budget, the cash costs of the other products all decreased in different degrees compared with the budget.

B. *Focus on rectification and strengthen governance, safety and environmental protection to strengthen the system defense line*

The rectification of environmental protection inspection has been completed. All 34 rectification measures led by the Company have been completed. Among them, Fengshan Copper Mine completed the main project of closure of the tailing pond in May which was two months ahead of schedule. A mediation agreement was reached on the follow-up compensation and disposal of "3·12" dam break at Tonglvshan Mine. Fengshan Copper Mine was included in the municipal green mine list, and other mines were awarded the green mine license. The Company's environmental rectification results were broadcast twice on CCTV's "Morning News World" (《朝聞天下》).

The overall situation of safety production was stable. We systematically planned a three-year action to address the root causes of safety production, identified key tasks, broke down tasks and measures, and made monthly special arrangements. In order to develop new quality productivity, we have promoted the three-year action of intelligent construction of mines and scientific and technological revitalization of safety and environmental protection. 17 major accidents and hidden dangers have been independently investigated; and the progress of the construction of the dump ditch in the Liantaishan of Tongshankou Mine has been accelerated to create conditions for the completion and acceptance of the subsequent major hidden dangers.

C. *Focus on innovation and strengthen capacity, and accelerate the pace of scientific and technological innovation*

Strengthen top-level design for innovation. We integrated the resources of design and research company, relevant departments at headquarters, professional committees and related R&D platforms to establish an innovation and research center and strengthen research functions, so as to create a source of technological innovation and an incubator for the transfer of achievements for the Company. We compiled and released the Company's Science and Technology Innovation Promotion Plan for 2024-2027 (《公司2024–2027年科技創新推進計劃》) and the Company's Scientific Research Management Measures (《公司科研管理辦法》), etc., to clarify the direction of technological breakthroughs, promote breakthroughs in key projects, improve the scientific and technological assessment system, and establish an incentive mechanism that "determining salaries based on work performance, rewarding scientific research results, and sharing the results of transforming and creating efficiencies".

Technological innovations have achieved milestones. We actively promoted the construction of digital mines and intelligent factories, completed the basic network transformation project of the headquarters, promoted the construction of ERP system, realized the full coverage of core personnel, financial and material data, promoted the Company's AKTD work and information-based and data-based production and operation. We deepened the breakthrough of the "Science and Technology Reward Scheme" (科技懸賞制) project, and the test stope of the "Research and Application of Key Technology for Paste-Filled and Efficient Mining in the Large Panel of Complex Ore Bodies" project. The project of "Research and Application of Key technology of Green Production of Ausmelt Furnace's smelting-PS converter" has achieved breakthroughs in two sub-projects. The converter achieved stable production under 3H2B mode. Sulfuric acid exhaust (SO_2), nitrogen oxide and particulate matter have achieved ultra-low emissions.

D. Focus on reform and strengthen challenge-tackling, and streamline and keep healthy to continue to energize

Continue to deepen reform of the three systems. Firstly, we focused on improving efficiency and efficiency. We strengthened the top-level design of human resources optimization, formulated measures to optimize human resources, and took the lead in reforming and optimizing headquarters organizations. We carried out the work of "establishing institutions, functions and staffing" of subsidiaries at all levels, restored the independent structure of rare and precious metals branches, and set up innovation research centers and supply chain management centers. **Secondly, we focused on ability and quality promotion.** We selected the best leaders with high standards, and continued to carry out competitive selection, thus promoting the echelon construction and structural optimization of leading groups. We introduced professional and technical talents with high quality and recruited and hired college graduates with better quality. We implemented high-quality training for talents, organized more than a hundred training sessions with nearly 10,000 participants. **Thirdly, we focused on momentum and vitality enhancement.** We further improved the position evaluation, salary budget, and performance evaluation systems by focusing on the performance management of all employees, adjusted the salary budget structure, changed the way of salary payment, enhanced the timeliness of performance appraisal, and strictly implemented the rigid appraisal results.

E. *Focus on compliance and strengthen control, and constantly strengthen lean management*

Further progress was made in compliance operations. We continued to improve the compliance system, strengthened compliance management evaluation, set up a platform for reporting violations in operation and management, and carried out special training on compliance. We thoroughly implemented regulations on false trading and strengthened trade control at the source. We completed the annual compliance verification work of the Company's London registered brands of copper, gold and silver. The design of safety facilities for the underground mining project (expansion) of Fengshan Copper Mine was approved, and the compliance discharge problem of open-pit tailings was solved. The Company obtained the hazardous waste management license with a 5-year term, which provided guarantee for the long-term stable production of the smelting system. The Company's business risks have been effectively controlled, and the level of compliance construction capacity has been further improved.

Cost control continued to be strengthened. We focused on the cost-benefit diagnosis of smelting industry, refined and improved the economic benefit model of smelting industry, summarized and found the improvement space, and planned the measures to optimize the production organization and tap potential and increase efficiency as a whole. Focusing on the budget, we made the monthly benefit prediction of sub-subsidiaries at all level, carried out the monthly budget scheduling supervision of subsidiaries, highlighted the forward-looking control, focused on and solved the difficult problems, improved the control degree of operation process, and stabilized the overall operation.

Lean management has been continuously improved. Centering on the working idea of "benchmarking, comprehensive coverage and lean collaboration" (標桿引領、全面覆蓋、精益協同), we adhered to the on-site implementation, consolidated 6S+ on-site management of the Company, regularly supervised the site for more than 60 times, incorporated more than 80 on-site problems into the ledger control, achieved closed-loop management, comprehensively promoted safety, standardization and refinement, and constantly improved the level of on-site lean management. We fully started the construction of mine three systems, compiled and completed the system management manual, carried out quality supervision and management, and the copper cathode of Yangxin Hongsheng was approved to be registered and delivered in Shanghai Futures Exchange.

II. Work Arrangements in the Second Half of the Year

We will fully implement the requirements of the mid-year work conference, deeply understand the huge impact of the current severe market situation on the Company's production and operation, further enhance the sense of crisis, urgency and responsibility, and strengthen our confidence and determination to take extraordinary measures to creatively implement and strive to achieve the annual goals and tasks. In the second half of the year, we will focus on the following tasks:

A. Continuously focus on safety and environmental protection to fully strengthen the foundation of high-quality development

Enhance the level of intrinsic safety. We will firmly establish the concept that safety and environmental protection is first priority, anchor in the goal of "zero accident, zero pollution, zero penalty", solidly carry out the three-year action of safety and production to tackle the root causes, push forward the intelligent construction of mines and the key projects of the three-year action of scientific and technological safety and environmental protection, and continue to enhance the ability of risk hierarchical management and control and the investigation and management of hidden dangers, and improve the level of intrinsic safety, strengthen safety precautions during flood seasons and special periods, and keep a close eye on key areas such as underground, tailing ponds, open slopes and dumps, strengthen risk and hidden danger inspections and inspections of key areas, and deal with abnormalities appropriately and in a timely manner. We will continue to consolidate the effectiveness of the special investigation and rectification of major accident hazards, and intensify the promotion of water control and reinforcement along the northern edge of Tonglvshan, the dump ditch in the Liantaishan of Tongshankou, and the safety facilities at the tailings pond of Fengshan Copper Mine in order to strive for the early completion of the tasks.

The rectification of environmental protection inspection will be completed thoroughly. We will strictly implement the main responsibility of enterprise environmental protection, promote the operation of compliance with the law, and make every effort to push forward the compilation of list of problems in the rectification of environmental protection inspection to ensure that the rectification of the central environmental protection inspection issues is completed satisfactorily and completely cleared. We will highlight the strengthening of environmental governance capacity building, solidly promote the five-level risk investigation pilot, and make every effort to accelerate the smelter landfill closure, the old electrolysis area environmental remediation, the old slag swamping treatment, the key project construction such as the rain and sewage diversion of Fengshan Copper Mine and rare branches, to protect the quality of the project and the expected progress. We will also comprehensively promote the establishment of an environmental management system and its operation and control, strengthen the prevention and control of environmental risks at source, strictly control the process, and enhance the ability of environmental prevention and control.

B. *Continuously focus on production and operation, and comprehensively stabilize high-quality development*

Smelting and processing departments should give priority to efficiency. We should recognize and accept the main responsibility of market operation and implement purchasing, sales and production co-ordination and linkage mechanism to give full play to their respective advantages, control the adverse impact of the low market processing fee index to a minimum, and achieve stable smelting and efficient production. **Yangxin Hongsheng** should give full play to the advantages of equipment, capacity and cost after the system maintenance, and continue to produce at full capacity to obtain the maximum marginal contribution; deepen the construction of the intelligent factory, promote the integration of industry and finance, establish and improve the economic efficiency model, and optimize the dynamic cost control; speed up the progress of the construction of the integrated transport corridor and residual pole treatment system, and realize the investment efficiency increase as soon as possible. **The smelter** should further strengthen the equipment management and improve the stable operation capability of the equipment; shut down the old refining system and the breakage system (紫雜系統) of the smelter, study and formulate plans to reduce external costs such as slag treatment fees and oxygen fees, as well as low-temperature residual heat power generation, so as to explore all-round opportunities for cost reductions and efficiency gains, and to increase the utilization rate of production capacity as much as possible. Both smelters should optimize the proportion of raw materials and process parameters, strengthen the management of the whole process of cold material production, classification, sorting, storage and treatment, and continue to do a good job of cold material pressure drop to achieve the goal of pressure control of the two metals. **The rare and precious metals branches** should strengthen the coordination with the relevant subsidiaries of the Company to ensure the timely handling of anode mud; adjust the production organization mode in accordance with the principle of quick-in, quick-out, control the intermediate materials of each system within a reasonable range, and organize the automatic trial production.

Mining department should focus on increasing productivity. We should seize the high price period of copper in the market, and on the premise of ensuring safety, we will do everything possible to fully achieve and increase productivity, so as to make more contributions and show responsibility for the Company to achieve its annual business goals.

Tonglvshan Mine will speed up the development of key medium and deep hole stopes, supply and filling cycle in key medium-deep hole mining sites, especially the progress of the first layer along the north edge of -605m and high-grade stope mining, supply and charging cycle; and speed up the progress of mining and cutting along the second layer of the north edge of -605m, so as to ensure the convergence of the succeeding ore quantity. At the same time, Tonglvshan Mine will also push forward the application for the mining license below -800m, so as to provide conditions for the mine to take over the production. **Tongshankou Mine** will adjust the structure of mine supply and increase the underground production capacity; strengthen the management of the copper processing recovery rate and technological breakthroughs in order to strive for an increase in the recovery rate; and speed up the construction of an intelligent mine and set up an intelligent mine management platform to realize the online management of technology, production, equipment, safety and other production elements as soon as possible. **Fengshan Copper Mine** will accelerate the formation of mining capacity in the line 15-16 mining pit at the northern edge -314m, continue to optimize the production organization in the large panel at the northern edge -372m, and continue to make a good breakthrough in upgrading capacity. The Company will focus on the planning and implementation of the second phase of the intelligent mine construction, gradually complete the systems of tracked unmanned driving in the middle section of the -320m of the shaft, automatic control of ore processing and precise positioning of personnel/equipment, and strengthen the fusion of the system with production and operation, so as to further enhance the construction of the intelligent mine. **Sareke Copper Mine** will accelerate the progress of mining and cutting at the No. 1 ore body panel to ensure that one mining site will be put into production in August and one in October; accelerate the convergence of mining sites, do a good job of ore depletion management; accelerate the progress of the application for license of the prospecting-to-mining project for the expansion of the north mining belt and the application for the safety permit for the tailing pond; and continue to push forward the work of the peripheral survey and the prospecting of the south mining belt for the increase of ore reserves.

The "six efficiency enhancements" should be targeted at precision. We should comprehensively promote the "six efficiency enhancements" of the second half of the year in order to provide important support for achieving the overall goal of annual operating profit. We should strengthen production scheduling, implement production tasks, sprint to the goal; strengthen technological breakthroughs, optimize production processes, and strive to improve economic and technological indicators; continue to tap the internal potential, strengthen cost management, reduce the key consumption; insist on strict control of non-production expenditures; give full play to the supply chain management center intensive management advantages, strengthen information and platform construction, realize collective purchasing and create benefits. On the basis of the previous favorable policies such as equipment renewal and time-sharing tariffs, the Company should focus on important reform initiatives and a series of policies to benefit enterprises, strengthen research and actively strive to make good use of the relevant policies, so as to practically transform the policy dividends into benefits for the enterprises.

Planning ahead for 2025 operations. In 2025, the global new copper refining capacity will be released intensively, the gap between supply and demand for copper concentrate will widen dramatically, and processing fees are expected to remain below the industry's average cash-conservation point for an extended period of time, placing the Company under unprecedented operating pressure. We need to plan ahead for the production and operation work ideas and measures in 2025. Mining department should be aware that slow progress is the biggest crisis, and strive to set a new goal of "do our best and do our utmost". The smelting department should always focus on achieving net operating cash inflow, study and refine the business plan, and rethink and re-optimize the mode of production organization and business cooperation. We should embed the overall cost reduction and labor productivity improvement in the whole process of deepening reform, and deploy it as soon as possible, start it early, and implement it as soon as possible. The production management and financial risk control departments should focus on the prevention of liquidity risk as the core, further enhance the sense of control and strengthen their own platform and penetration of the construction. We should insist on moving the threshold forward, and discover and resolve structural risks in a timely manner.

C. *Continuously focus on deepening reforms to comprehensively enhance the vitality of high-quality development*

Firstly, we will promote the streamlining and optimization of our structure. We will implement flat management, streamline non-essential management levels, shorten management chains and strengthen penetrating control; explore the reform of specialization and legalization of inspection and testing business, and vigorously expand external markets. **Secondly, we will promote the reform of the medium- and long-term incentive mechanism.** We will push forward the implementation of the salary incentive scheme for the mining department and other medium- and long-term incentives, supervise the improvement of the incentive scheme for key talents within the relevant subsidiaries and implement the scheme, so as to promote the reform and achieve substantive results through quality improvement and expansion. **Thirdly, we will pay close attention to the management of loss-making enterprises.** We will increase the monitoring and control of loss-making enterprises, focus on helping Xinjiang Hui Xiang Yong Jin to optimize production organization and increase the output of mined copper products.

Deepening the "three-capacity mechanism" (三能機制). Firstly, we will make great efforts to promote the optimization of human resources. In accordance with the requirements, we will complete the work of "organization, function and establishment" at all levels, facilitate the transfer of second- and third-line staff to the first line, and withdrawal various types of temporary staff. We will strictly implement the staff incentive and punishment scheme. **Secondly, the Company will endeavor to promote the selection and cultivation of leaders.** We will implement the implementation program for outstanding young senior management personnel, and make practical and detailed efforts in key areas such as training, cultivation, selection, utilization and assessment; continue to increase the coverage of management personnel of second-tier subsidiaries who compete for employment, implement mid-term evaluation of headquarters departments and offices, and implement in-depth adjustments to the last grade of leadership personnel and withdrawal of incompetence. **Thirdly, we will make great efforts to promote overall performance management.** We will revise and improve the method of total wage management, strictly control labor costs, implement full labor cost management, regulate the management of wage payments and improve the distribution of incentive mechanisms; implement the "Guiding Opinions on Further Strengthening All Employees Performance Management" (關於進一步加強全員績效管理指導意見), widen the income gap between managers at all levels; achieve the same direction of change in the total wage distribution as the profit index; abolish individual incentives, and strictly control specialized incentives.

D. *Continuously focus on scientific and technological capabilities to comprehensively build high-quality development momentum*

Firstly, we will cultivate and build new quality productivity. We will establish and improve the operation mechanism of the innovation and research center, clarify the responsibilities and positioning of the center, strengthen the upgrading of software and hardware and the introduction and cultivation of talents, and promote breakthroughs in key research and development projects; supervise and promote the development of clean laboratory construction for high-purity metal products, and provide on-site verification and testing conditions for high-purity metal preparation. **Secondly, we will strengthen the transformation and application of scientific and technological achievements.** As for mines, we will accelerate the transfer and application of the results of the "safe and efficient mining technology for paste-filling in the large panel" to increase the production capacity of the mine and reduce the cost per tonne; launch the "breakthrough in improving the copper processing recovery rate in Tongshankou Mine" on-site industrial trial to improve the copper processing recovery rate. In terms of smelting, we will solidify the results of the "Ausmelt Furnace's Smelting-PS Converter Blowing Green Production Technology" and apply the results to reduce the production costs of Ausmelt Furnace, converter and sulfuric acid; launch the research on the optimization of the process of impoverishment of copper smelting slag beneficiation and the application of the results to reduce the copper content of the tailing pond of slag beneficiation; **Thirdly, we will strengthen the information technology capability.** We will push forward the construction of intelligent factory. Yangxin Hongsheng should ensure to achieve industry and financial integration at the end of August, smelter should speed up the intelligent upgrade and transformation of the second phase of the project. We should strengthen the intelligent operation center of digital, intelligent management and control; push forward the construction of digital mines, carry out the relevant system data governance, complete the construction of mine technology collaboration platform; strengthen the Company's safety and environmental protection information system construction, and further develop the system's role in real-time monitoring and risk warning in the Company's daily management of safety and environmental protection; promote the improvement of the ERP and management information system, realize the full integration of the quality management system with the financial ERP system, business marketing system and laboratory system, further optimize the ERP personnel, financial and material systems and enhance the system's interconnectivity.

E. *Continuously focus on lean management to comprehensively enhance the quality and efficiency of high-quality development*

Strengthen equipment management. We will strengthen the control and analysis of equipment status information data to control the operating status of key equipment in the production process; continue to strengthen the safety management of special equipment and mine hoisting equipment, regularly launch special equipment inspections, and strengthen the control of equipment operation process; promote the commencement of large-scale equipment renewal work, continue to follow up on the policy trends, update the equipment project database in a timely manner, and actively strive for the relevant incentives, so as to enhance the level of energy-efficiency of the equipment.

Deepen quality management. We will sort out and establish a quality control index system, supervise the key processes of the production of major products, and refine the supervision of quality and cost; we will carry out performance improvement activities such as internal audits and management audits, cultivate a team of system administrators, and ensure that we will complete the internal audits of the mine system and the external audits of the five systems of the Company.

Strengthen lean management. We will establish a comprehensive data collection, sorting and analysis system to ensure the accuracy and timeliness of data. We will apply data mining and analysis tools to identify potential financial problems and risks. We will give full play to our leading role in financial management, further improve our comprehensive cost management system, and establish a long-term mechanism for cost diagnosis, value chain analysis, and quota justification and optimizations. We will strictly monitor the execution of the budget and provide timely warnings and corrections. We will continue to supervise the on-site improvement of "6S+" management, summaries and exchange experience and results, and actively promote the transition to lean management.

Strict project management. Guided by the project management objectives, the Company will tighten the implementation of the subsidiary's primary responsibility, dynamically track and continuously follow up, and strengthen the management of the whole life cycle of construction projects. We will focus on the smelter key project construction, implement the whole process of project control, focus on the time point of the various stages and the key objectives and tasks, strengthen the comprehensive supervision on the progress, quality and the risk of the project, and strictly supervise and assess the completion of key indicators to ensure the project to achieve the expected results.

Promote compliance management. The Company will thoroughly implement the concept of "governing enterprises in accordance with the law and operating in compliance" and promote compliance with the law; conduct an in-depth investigation of major and important internal control deficiencies in operation and management, and intensify the daily supervision and accountability for the implementation of internal control. The Company will also make reports of non-compliance unimpeded, impose strict penalties for non-compliance, vigorously carry out rectification of non-compliance issues, establish a long-term mechanism for compliance management, and strengthen the culture of compliance and capacity building.

At present, we are in a critical period in the middle of the year, and we should do our best, take extraordinary actions and show extraordinary results. We should seriously implement the Company's overall work arrangement, focus on the Company's established goals, resolutely win the battle of deepening the reform of production and operation with firm confidence, high morale and solid measures, strive to achieve the annual goals and tasks, and make new and greater contributions to building a world-class mining enterprise!

RECTIFICATION OF THE CENTRAL ENVIRONMENTAL PROTECTION INSPECTION

2024 is the final year of the rectification of the central environmental protection inspection. The Company has always insisted on the highest standards, the most stringent requirements, the most practical measures, the best results to do a good job in the second half of the rectification of environmental issues, and the rectification of the environmental protection inspection has achieved a stage of victory. **Firstly, the Company has been making solid progress in the rectification and acceptance of environmental protection inspections.** The main works of the smelter environmental upgrading and plant-wide production system improvement project were completed in March 2024. Fengshan Copper Mine tailings pond closure project was completed in May 2024. As of 30 June 2024, all 34 rectification measures led by the Company have been completed, of which 31 have passed the Group's acceptance and review, and the acceptance of the remaining 3 measures is in good progress. **Secondly, the rectification effectiveness of environmental protection inspection has been tested.** In the first half of 2024, the Company accepted a total of 59 on-site inspections by the central environmental protection inspection team, provincial and municipal ecological environment departments, and the Company's environmental protection inspection rectification and green high-quality development results have been widely recognized. CCTV's "Morning News World" (《朝聞天下》) has three in-depth reports on the rectification of the Company's environmental protection inspection. The Company has changed from a "typical polluting enterprise" to a "model of pollution control", which not only implemented "coordinated promotion of carbon reduction, pollution reduction, green expansion and growth" with practical actions, but also achieved a win-win situation of environmental protection inspection rectification and green and high-quality development.

MANAGEMENT DISCUSSION AND ANALYSIS

EXPLORATION, DEVELOPMENT AND MINING PRODUCTION ACTIVITIES

Description of activities

The following table sets out the various exploration, development and mining production activities of the Group conducted at each of our mines during the six months ended 30 June 2024:

Mines	Exploration activities	Development activities	Mining production activities
Tonglvshan Mine	Horizontal drilling reached 3,417.8m/39 holes, and pit drilling reached 587m/6,258.6m³.	The total completed drilling volume of middle portion, mining ramps for the development of No. IV ore body (including IV West) of the -665m to -725m middle portion of Tonglvshan Mine from January to June 2024 was 5,088m³.	Copper: 2,461 tonnes Gold: 125 kg Silver: 932 kg Iron concentrate: 86,060 tonnes
Fengshan Mine	1. Horizontal drilling reached 3,373m/41 holes, 2. The deep supplementary exploration project of Fengshan Copper Mine 7~17 line reached 1,761m/3 holes.	Nil	Copper: 2,145 tonnes Gold: 54 kg Silver: 1,701 kg Molybdenum: 22 tonnes
Tongshankou Mine	Horizontal drilling reached 11,809.2m/208 holes.	Nil	Copper: 2,393 tonnes Silver: 1,320 kg
Sareke Copper Mine	1. The peripheral exploration drilling reached 864.16m; 2. Horizontal drilling reached 1,704.1m/75 holes, with cumulative ore volume increase of 63,900 tonnes, copper metal volume of 436.24 tonnes, and average grade of 0.682%.	Underground drilling reached 2,023.9m/34,520.05m³, and the drilling operation is mainly located in the middle portion of 2,640m, 2,670m and 2,730m.	Ore processing capacity: 1,860 million tonnes Copper: 1,256 tonnes Silver: 1,213 kg

Infrastructure projects, subcontracting arrangements and purchases of equipment

During the six months ended 30 June 2024, the new contracts entered into and commitments undertaken by the Group in relation to exploration, development and mining production activities were as follows:

Mines	Infrastructure projects RMB'000	Subcontracting arrangements RMB'000	Purchases of equipment RMB'000	Total RMB'000
Tonglvshan Mine	1,059,950.00	0	47.52	1,059,997.52
Fengshan Mine	2,190.50	0	3,069.58	5,260.08
Tongshankou Mine	381,980.00	0	162.90	382,142.90
Sareke Copper Mine	0	0	0	0
Total	1,444,120.50	0	3,280.00	1,447,400.50

Expenditures incurred

During the six months ended 30 June 2024, the Group incurred expenditures of approximately RMB676,414,000 (six months ended 30 June 2023: RMB445,231,000) on exploration, development and mining production activities, details of which are set out below:

			Six months ended 30 June	
Mines	Operating expenses RMB'000	Capital expenditures RMB'000	**2024 Total RMB'000**	2023 Total RMB'000
Tonglvshan Mine	236,385	1,207	**237,592**	190,174
Fengshan Mine	138,486	4,263	**142,749**	111,920
Tongshankou Mine	163,769	469	**164,238**	140,418
Sareke Copper Mine	131,835	0	**131,835**	2,720
Total	670,475	5,938	**676,414**	445,231

MANAGEMENT DISCUSSION AND ANALYSIS

Exploration, development and mining production activities expenditures
Unit: RMB'000

	Tonglvshan Mine	Fengshan Mine	Tongshankou Mine	Sareke Copper Mine
Exploration activities				
Drilling and analysis	–	150.00	–	480,000
Others	–	–	–	–
Sub-total	–	150.00	–	480,000
Development activities (including mine construction)				
Purchase of assets and equipment	47.52	3,069.58	162.90	–
Civil work for construction of tunnels and roads	1,159.30	1,043.46	305.67	–
Staff cost	–	–	–	–
Others	–	–	–	–
Sub-total	1,206.82	4,113.04	468.57	–
Mining production activities (including ore processing)				
Auxiliary material	25,771.79	10,622.66	20,488.48	46,006.46
Power supply	19,129.04	9,008.96	19,049.66	3,926.23
Staff cost	80,551.38	45,052.76	43,494.46	29,862.75
Depreciation	58,010.53	12,713.25	36,076.85	39,922.47
Taxes, resource compensation	15,628.06	11,229.97	11,406.25	4,907.10
Sub-contracting service	–	–	–	–
Others (administrative expenses, selling expenses, non-operating expenditures)	37,294.44	49,858.21	33,253.32	7,210.15
Sub-total	236,385.24	138,485.81	163,769.02	131,835.16
Total	237,592.06	142,748.86	164,237.59	131,835.16

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue increased by 55.07% to approximately RMB32,825,163,000 during the period over the same period last year of approximately RMB21,168,130,000. The increase in revenue was mainly attributable to the resumption of production of the smelting plant during the period.

Gross profit for the six months ended 30 June 2024 amounted to approximately RMB821,562,000 (six months ended 30 June 2023: RMB830,813,000), representing a decrease of 1.11% from the previous period. The decrease in gross profit was mainly attributable to the decline of the processing fees of the imported raw material.

Finance costs for the six months ended 30 June 2024 amounted to approximately RMB257,744,000 (six months ended 30 June 2023: RMB239,414,000), representing an increase of 7.66% from the previous period. The increase in financial expenses was attributable to the increase in scale of interest-bearing liabilities.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL

The Group did not make any significant investment during the period ended 30 June 2024.

PERFORMANCE AND PROSPECTS OF KEY INVESTMENT

The environmental upgrading and plant-wide production system improvement projects of the smelter were put into trial production on 10 December 2023 and reached the production and standard targets in March 2024. The converters achieved stable production in 3H2B mode; the conversion rate of sulfuric acid reached more than 99.85%, and the tail gas of sulfuric acid (SO_2), nitrogen oxides and particulate matters achieved ultra-low emission. The unit production costs of blister copper, anode copper and sulfuric acid decreased significantly compared with those before the transformation. The environmental upgrading project for rare and precious copper anode mud was completed and accepted in May 2024, with the level of automation substantially increasing, the labor productivity increasing, effectively improving economies of scale, gradually reducing production costs, and providing more environmentally friendly benefits, thus laying the foundation for green and high-quality development. The intelligent mine construction projects of Tonglvshan Mine, Fengshan Copper Mine and Tongshankou Mine are being promoted in a synchronous and orderly manner. By increasing the promotion and application of intelligent equipment and technology, we push forward the "less manned, unmanned" operation of mines, enhance the all-factors production rate and the level of essential safety, realize the automated control of mine production, reduce labor cost and improve production efficiency.

In the future, the Company will accelerate the promotion of intelligent factory construction, continue to enhance the level of digital intelligent management of Yangxin Hongsheng. The second phase of intelligent upgrading and transformation project of the smelter will be accelerated, and the upgrading of traditional industries will be promoted by implementing intelligent operation center, intelligent copper warehouse construction and intelligent logistics transformation project. In the future, the Company will focus on implementing the development and utilization of mineral resources, extending the value chain of the copper industry, promoting the high purity of rare and precious metals and cultivating new industries and new driving forces for the Company's high-quality development to lay the foundation for the Company's green and high-quality development.

FINANCIAL MANAGEMENT AND TREASURY POLICY

The Group adopts a conservative approach for cash management and investment on uncommitted funds. We place cash and cash equivalents (which are mostly held in RMB) in short-term deposits with authorized institutions in Hong Kong and the PRC. During the six months ended 30 June 2024, the Group's receipts and payments were mainly denominated in RMB.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group had cash and bank balances of approximately RMB709,866,000 (31 December 2023: RMB991,883,000), of which the majority were denominated in Renminbi, with a current ratio of 1.18 (31 December 2023: 1.19), based on the current assets of approximately RMB17,009,323,000 (31 December 2023: RMB15,115,982,000) divided by current liabilities of approximately RMB14,365,053,000 (31 December 2023: RMB12,726,581,000). The Group's gearing ratio was 504.91% (31 December 2023: 482.47%) based on the net debts (which includes bank and other borrowings, promissory notes and lease liabilities less cash and bank balances) of approximately RMB15,757,492,000 (31 December 2023: RMB14,683,657,000) divided by equity attributable to owners of the Company of approximately RMB3,120,856,000 (31 December 2023: RMB3,043,414,000). The increase in gearing ratio was mainly due to the increase in scale of interest-bearing liabilities.

BORROWINGS

As at 30 June 2024, the Group's total debts (which comprised non-current and current bank and other borrowings and promissory note) amounted to approximately RMB16,341,448,000 (2023: RMB15,546,930,000).

As at 30 June 2024, the Group had bank and other borrowings of approximately RMB8,611,936,000 (31 December 2023: RMB7,591,272,000) and approximately RMB6,527,848,000 (31 December 2023: RMB6,775,110,000) which will be due within one year and after one year respectively. The majority of the Group's bank and other borrowings were denominated in RMB. The majority of the Group's bank and other borrowings bear interest at fixed rates. The Group did not use derivative financial instruments to hedge its interest rate risk during the period. The Group believes its current assets, funds and future revenue will be sufficient to finance the future expansion and working capital requirements of the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group had a total of 5,551 employees (30 June 2023: 5,598). The Group's total staff costs for the six months ended 30 June 2024 was approximately RMB456,922,000 (six months ended 30 June 2023: RMB395,366,000). The remuneration packages consist of basic salary, retirement benefits scheme contributions, medical insurance and other benefits considered as appropriate. Remuneration packages are generally structured with reference to market terms, individual qualification and performance of the employee. They are periodically reviewed based on individual merit and other market factors.

FOREIGN EXCHANGE RISK

The Group operates in the PRC with most of the transactions settled in RMB except for certain purchases from the international market that are conducted in United States dollar ("**US$**") and certain borrowings that are denominated in US$.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entities' functional currency. The Group is exposed to foreign exchange risk primarily with respect to US$.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into derivative financial instruments, when necessary, to manage its foreign exchange exposure. During the period, certain currency forward contracts, currency exchange swap contracts and currency option contracts had been entered into by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not make any material acquisition or disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2024.

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no contingent liabilities.

CHARGES ON ASSETS

As at 30 June 2024, other deposits which amounted to approximately RMB925,891,000 (31 December 2023: RMB545,027,000) were held in futures exchanges and certain financial institutions as security for the commodity derivative contracts.

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the Company's listed securities.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

BOARD OF DIRECTORS

Composition of the Board

As at 30 June 2024, and up to the date of this report, the Board comprised four executive Directors and three independent non-executive Directors, as follows:

Name of Director	Date of first appointment to the Board	Date of last re-election as Director
Executive Directors		
Xiao Shuxin *(Chairman)*	15 July 2022	27 June 2024
Zhang Jinzhong *(Chief Executive Officer)*	31 August 2023	27 June 2024
Zhang Aijun	28 May 2024	27 June 2024
Chen Xuewen	28 May 2024	27 June 2024
Independent Non-Executive Directors		
Liu Fang	31 March 2023	25 May 2023
Wang Qihong	13 January 2006	27 June 2024
Liu Jishun	31 July 2014	27 June 2024

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules, were as follows:

Name of Director	Nature of interest	Number of shares/ underlying shares	Approximate percentage of shareholding (%) *(Note 2)*	Long position/ short position
Wang Qihong	Beneficial Owner	594,000	0.00	Long position
	Interest of Spouse	1,000,000 *(Note 1)*	0.01	Long position

Notes:

1. Mr. Wang Qihong is deemed to be interested in 1,000,000 shares through his spouse, Ms. Geng Shuang, pursuant to Part XV of the SFO.

2. The percentage of shareholding is calculated based on 17,895,579,706 issued shares of the Company as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors, chief executive of the Company, their respective spouse or children under the age of 18 had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SECURITIES

As at 30 June 2024, so far as is known to the Directors, the following persons, other than the Directors and chief executive of the Company, had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of shares/ underlying shares	Approximate percentage of shareholding (%) *(Note 2)*	Long position/ short position
China Times Development Limited	Beneficial owner	11,962,999,080 shares	66.85	Long position
Parent Company	Interest in a controlled corporation	11,962,999,080 shares *(Note 1)*	66.85	Long position
CNMC	Interest in a controlled corporation	11,962,999,080 shares *(Note 1)*	66.85	Long position
China Cinda Asset Management Co., Limited	Beneficial owner	731,756,000 shares	4.09	Long position

Notes:

1. These shares were held by China Times Development Limited, the entire issued capital of which were beneficially owned by the Parent Company. 57.99% of the equity interest in Parent Company were beneficially owned by CNMC.

2. The percentage of shareholding is calculated based on 17,895,579,706 issued shares of the Company as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, the Directors are not aware of any other persons, other than the Directors and chief executive of the Company who had interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EQUITY

As at 30 June 2024, the total number of issued and fully paid ordinary shares of the Company was 17,895,579,706 with nominal value of HK$0.05 each, amounting to a total issued share capital of approximately RMB727,893,000.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with specific written terms of reference for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Ms. Liu Fang, Mr. Wang Qihong and Mr. Liu Jishun. The Audit Committee has reviewed the interim report of the Company for the six months ended 30 June 2024.

The Company's independent auditor, Baker Tilly Hong Kong Limited, Registered Public Interest Entity Auditor, has reviewed the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2024.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company had complied with the code provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Pursuant to the Yangxin Hongsheng Services Framework Agreement, the Group will provide certain services to Yangxin Hongsheng. In the course of carrying out regular review for the status of the continuing connected transactions in January 2024, the Company noticed that the actual transaction amount for the year ended 31 December 2023 under the Yangxin Hongsheng Services Framework Agreement reached RMB20,815,000, which had exceeded the annual cap for the year ended 31 December 2023 of RMB16,400,000 in the Yangxin Hongsheng Services Framework Agreement. As at 31 December 2023, the highest applicable percentage ratios under the Listing Rules in respect of the Yangxin Hongsheng Services Framework Agreement was less than 5%. As set out in the section headed "Internal Control" in the Announcement, the Company will monitor the continuing connected transactions and summarise the transaction amounts incurred under each of the connected transaction framework agreements regularly on a monthly basis, and reports will be submitted to the Board for its monthly review. The exceeding of the annual cap was mainly attributable to the increase in number of technical services personnel dispatched by Daye Metal to Yangxin Hongsheng and the additional overtime pays temporarily incurred for the actual work done by the technical services personnel. The additional overtime pays were not included in the transaction amount due to insufficient understanding of the nature of additional overtime pay, which caused the transaction amount to exceed the annual caps. The inadvertent mistake was not discovered until the Group carried out regular review for the status of the continuing connected transactions during January 2024.

On 9 February 2024, in view of the annual cap for the year ended 31 December 2023 having been exceeded and considering the increase in number of technical services personnel and the temporary increase in overtime pay for actual work will continue to occur in the foreseeable future, the Board resolved to revise the annual caps for the years ending 31 December 2024 and 2025 for the transactions as contemplated under the Yangxin Hongsheng Services Framework Agreement to RMB21,000,000 respectively. For details, please refer to the announcement dated 9 February 2024.

On 15 April 2024, the Company and Yangxin Hongsheng reached an agreement to revise certain terms to the Yangxin Hongsheng Services Framework Agreement as to the list of certain services the Group provides to Yangxin Hongsheng to include arsenic sulfide slag and neutralized slag disposal service and production technical service and the relevant pricing policies. It is expected that the Group will provide arsenic sulfide slag and neutralized slag disposal service and production technical service to Yangxin Hongsheng and the estimated transaction amount of mineral product examination service and technology development service will be increased, leading to an increase in the transaction amount under the Yangxin Hongsheng Services Framework Agreement. Accordingly, the Board envisages that the Existing Annual Caps will not be sufficient to fulfill the additional previously unforeseen transactions that may take place under the Yangxin Hongsheng Services Framework Agreement for the financial years ending 31 December 2024 and 2025, respectively. Due to the production and operation needs of Yangxin Hongsheng and that the Group is able to provide these services, the provision of arsenic sulfide slag and neutralized slag disposal service and production technical service by the Group is conducive to the smooth and convenient production and operation of Yangxin Hongsheng, which enables convenient and cost-efficient sharing of the various services between the Group and Yangxin Hongsheng. Confidentiality of business secrets regarding technology development service is also under consideration, mainly because the laboratory inspection involves metal content balance relationship. If the third parties outside the Group provides such service to Yangxin Hongsheng, our raw material procurement situation and production metal recovery rate may be divulged, which will impact the Company's negotiation of the raw material market purchase price (processing fee). The Board resolved to revise the annual caps for the years ending 31 December 2024 and 2025 for the transactions as contemplated under the Yangxin Hongsheng Services Framework Agreement to RMB39,750,000 respectively. For details, please refer to the announcement dated 15 April 2024.

Continuing Connected Transaction

On 26 February 2024, the Company and Huangshi State-owned Assets Management Co., Ltd.* (黃石市國有資產經營有限公司), a connected person of the Company at the subsidiary level, entered into (i) the Huangshi State-owned Assets Management Sales Framework Agreement in relation to the supply of certain products by the Group to Huangshi State-owned Assets Management Group, the annual caps for the years ending 31 December 2024 and 2025 being RMB4,026,060,000 and RMB4,852,518,000 respectively, and (ii) Huangshi State-owned Assets Management Purchase Framework Agreement in relation to the supply of certain products by Huangshi State-owned Assets Management Group to the Group, the annual caps for the years ending 31 December 2024 and 2025 being RMB5,908,225,000 and RMB7,020,042,000 respectively. For details, please refer to the announcement dated 26 February 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

On 30 May 2024, the Company and China Color International Alumina Development Co., Ltd.* (中色國際氧化鋁開發有限公司) ("**CCIA**"), an associate of CNMC and a connected person of the Company entered into the CCIA Services Framework Agreement in relation to the supply of certain services by the Group to CCIA. Entering into of the CCIA Services Framework Agreement will facilitate the Group to fully utilize the capability of its technical know-how and technical team, increase the revenue of the Group and diversify the revenue base of the Group. The annual caps for the CCIA Services Framework Agreement for the years ending 31 December 2024 and 2025 are RMB56,000,000 and RMB96,000,000 respectively. As the highest applicable percentage ratio in respect of the Proposed Annual Caps exceeds 5%, the CCIA Services Framework Agreement is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The resolution was duly passed by way of poll at the special general meeting held on 30 July 2024. For details, please refer to the announcements dated 30 May 2024 and 30 July 2024, and the circular dated 15 July 2024.

Save as disclosed above, the Group had no material event after the reporting period.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF
CHINA DAYE NON-FERROUS METALS MINING LIMITED
(Incorporated in the Bermuda with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of China Daye Non-Ferrous Metals Mining Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 63, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("HKSRE 2410") issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Other Matter

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and relevant notes included in these condensed consolidated financial statements were extracted from the interim financial information of the Group for six-month period ended 30 June 2023 reviewed by another auditor who expressed an unmodified conclusion on that interim financial information on 31 August 2023.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 30 August 2024
Chau Fong, Lily
Practising certificate number P08090

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024
(Expressed in Renminbi)

	Notes	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	**32,825,163**	21,168,130
Cost of sales		**(32,003,601)**	(20,337,317)
Gross profit		**821,562**	830,813
Other income	6	**20,831**	16,500
Selling expenses		**(16,191)**	(41,634)
Administrative expenses		**(335,015)**	(239,369)
Other operating expenses		**(22,819)**	(181,169)
Impairment losses reversed/(recognised) under expected credit loss model, net	7	**698**	(1,646)
Other gains and losses	8	**25,464**	(5,457)
Share of results of an associate		**(450)**	–
Finance costs	9	**(257,744)**	(239,414)
Profit before tax		**236,336**	138,624
Income tax expenses	10	**(88,576)**	(54,326)
Profit and total comprehensive income for the period	11	**147,760**	84,298
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**77,442**	17,362
Non-controlling interests		**70,318**	66,936
		147,760	84,298
Earnings per share			
– Basic and diluted	13	**RMB0.43 fen**	RMB0.10 fen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024
(Expressed in Renminbi)

	Notes	**30 June 2024 RMB'000 (Unaudited)**	31 December 2023 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	14	**8,970,527**	9,244,752
Right-of-use assets	14	**864,621**	881,627
Exploration and evaluation assets		**6,628**	5,128
Intangible assets		**557,993**	594,030
Investment in an associate		**9,201**	9,651
Deferred tax assets		**166,200**	188,757
Other deposits	17	**83,725**	73,028
		10,658,895	10,996,973
Current assets			
Inventories	15	**14,192,339**	12,576,489
Trade and bills receivables	16	**122,930**	343,048
Other deposits	17	**925,891**	545,027
Prepayments and other receivables	18	**658,218**	647,453
Derivative financial instruments	19	**50,079**	12,082
Structured bank deposits	20	**350,000**	–
Cash, deposits and bank balances	20	**709,866**	991,883
		17,009,323	15,115,982
Current liabilities			
Trade payables	21	**4,361,686**	3,568,124
Other payables and accrued expenses	22	**1,142,197**	1,348,098
Contract liabilities		**149,875**	77,458
Bank and other borrowings	23	**8,611,936**	7,591,272
Lease liabilities		**6,205**	6,332
Derivative financial instruments	19	**86,937**	31,108
Early retirement obligations		**6,200**	13,170
Current income tax liabilities		**17**	91,019
		14,365,053	12,726,581
Net current assets		**2,644,270**	2,389,401
Total assets less current liabilities		**13,303,165**	13,386,374

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024
(Expressed in Renminbi)

	Notes	**30 June 2024 RMB'000 (Unaudited)**	31 December 2023 RMB'000 (Audited)
Capital and reserves			
Share capital		**727,893**	727,893
Share premium and reserves		**2,392,963**	2,315,521
Equity attributable to owners of the Company		**3,120,856**	3,043,414
Non-controlling interests		**1,703,822**	1,633,504
Total equity		**4,824,678**	4,676,918
Non-current liabilities			
Other payables	22	**390,615**	385,119
Bank and other borrowings	23	**6,527,848**	6,775,110
Lease liabilities		**119,705**	122,278
Promissory note		**1,201,664**	1,180,548
Provision for mine rehabilitation, restoration and dismantling		**95,088**	94,529
Deferred income		**116,757**	125,062
Early retirement obligations		**26,810**	26,810
		8,478,487	8,709,456
		13,303,165	13,386,374

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024
(Expressed in Renminbi)

	Attributable to owners of the Company										
	Share capital RMB'000	Other reserve *(note (i))* RMB'000	Share premium RMB'000	Contributed Surplus *(note (ii))* RMB'000	Capital reserve *(note (iii))* RMB'000	Statutory reserve *(note (iv))* RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Six months ended 30 June 2024 (unaudited)											
At 1 January 2024 (audited)	**727,893**	**1,563,838**	**124,592**	**4,373,075**	**(4,184,848)**	**256,323**	**8,196**	**174,345**	**3,043,414**	**1,633,504**	**4,676,918**
Profit and total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**77,442**	**77,442**	**70,318**	**147,760**
Appropriation of maintenance and production funds	**-**	**-**	**-**	**-**	**-**	**45,645**	**-**	**(45,645)**	**-**	**-**	**-**
Utilisation of maintenance and production funds	**-**	**-**	**-**	**-**	**-**	**(28,396)**	**-**	**28,396**	**-**	**-**	**-**
Transfer to PRC statutory reserve	**-**	**-**	**-**	**-**	**-**	**18,933**	**-**	**(18,933)**	**-**	**-**	**-**
At 30 June 2024 (unaudited)	**727,893**	**1,563,838**	**124,592**	**4,373,075**	**(4,184,848)**	**292,505**	**8,196**	**215,605**	**3,120,856**	**1,703,822**	**4,824,678**
Six months ended 30 June 2023 (unaudited)											
At 1 January 2023 (audited)	727,893	1,563,838	124,592	4,373,075	(4,184,848)	187,954	5,548	299,041	3,097,093	1,176,515	4,273,608
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	17,362	17,362	66,936	84,298
Appropriation of maintenance and production funds	-	-	-	-	-	53,605	-	(53,605)	-	-	-
Utilisation of maintenance and production funds	-	-	-	-	-	(20,636)	-	20,636	-	-	-
Transfer to PRC statutory reserve	-	-	-	-	-	5,193	-	(5,193)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(465)	(465)
Deregistration of a subsidiary	-	-	-	-	-	-	2,648	-	2,648	16,423	19,071
At 30 June 2023 (unaudited)	727,893	1,563,838	124,592	4,373,075	(4,184,848)	226,116	8,196	278,241	3,117,103	1,259,409	4,376,512

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024
(Expressed in Renminbi)

Notes:

(i) Other reserve represents (i) the deemed contribution from a shareholder during the group reorganisation in 2012 and (ii) contribution from a shareholder for environmental rectification in 2021.

(ii) In accordance with the provisions of Section 46(2) of the Bermuda Companies Act, the entire amount standing to the credit of the share premium account of the Company was cancelled and was partly applied to eliminate in full accumulated losses of the Company with the remainder credited to the contributed surplus of the Company during the year ended 31 December 2013.

(iii) Capital reserve mainly arose from the group reorganisation in 2012.

(iv) Statutory reserves comprise statutory surplus reserve and specific reserve for maintenance and production funds.

Statutory surplus reserve

Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements prepared in accordance with relevant PRC accounting standards (as determined by the management of the subsidiary) to the reserve fund (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective subsidiary and can be used to make up for previous years' losses or to convert into additional capital of the subsidiary. The enterprise development fund can only be used for development and is not available for distribution to shareholders.

Specific reserve for maintenance and production funds

Pursuant to the relevant PRC regulations, provision for production maintenance, production safety and other related expenditures are accrued by the Group at fixed rates based on production volume or operating revenues (the "maintenance and production funds"). The Group is required to make a transfer for the provision of maintenance and production funds from retained earnings to a specific reserve. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve back to retained earnings.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024
(Expressed in Renminbi)

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(222,861)**	(1,282,149)
Investing activities		
Placement of structured bank deposits	**(350,000)**	(800,000)
Payments for property, plant and equipment	**(494,873)**	(397,254)
Release of structured bank deposits	**–**	500,000
Interest received	**4,569**	5,175
Proceeds from disposal of property, plant and equipment	**5,434**	4,050
Net cash used in investing activities	**(834,870)**	(688,029)
Financing activities		
Proceeds from new bank borrowings	**8,173,201**	8,043,344
Proceeds from gold loans	**704,889**	877,279
Advance from Daye Nonferrous Metals Group Holdings Company Limited and its subsidiaries ("Daye Group")	**209,320**	691,471
Advance from Nonferrous Mining Group Finance Company Limited ("Finance Company", a fellow subsidiary of the Company)	**17,442**	200,000
Repayments of bank borrowings	**(7,747,171)**	(6,499,365)
Repayments to Daye Group	**(119,360)**	(871,266)
Repayments of gold loans	**(207,176)**	(226,775)
Finance costs paid	**(256,909)**	(205,506)
Advance from/(repayments to) a fellow subsidiary	**1,478**	(989)
Dividend paid to non-controlling interests	**–**	(465)
Net cash from financing activities	**775,714**	2,007,728
Net (decrease)/increase in cash and cash equivalents	**(282,017)**	37,550
Cash and cash equivalents at the beginning of the period	**991,883**	820,040
Cash and cash equivalents at the end of the period, represented by		
Cash, deposits and bank balances	**709,866**	857,590

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024
(Expressed in Renminbi)

1 GENERAL INFORMATION

China Daye Non-Ferrous Metals Mining Limited (the "Company"), was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The Company's subsidiaries are principally involved in mining and processing of mineral ores and selling/trading of metal products. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is China Times Development Limited (incorporated in the British Virgin Islands) and China Nonferrous Metal Mining (Group) Co., Ltd., a state-owned enterprise established in the People's Republic of China (the "PRC"), respectively.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the six months ended 30 June 2024 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

As at 30 June 2024, the Group had cash, deposits and bank balances, current portion of bank and other borrowings of approximately RMB709,866,000 and RMB8,611,936,000 respectively. Taking into account (i) the future cash flows of the Group, (ii) the unutilised bank facilities of not less than RMB19,286,601,000 and (iii) bank borrowings of RMB763,796,000 raised after 30 June 2024, the directors of the Company are of the view that the Group will have sufficient working capital to finance its normal operations for the twelve months from the end of the reporting period. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

3 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of the reporting period.

The accounting policies used in the condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the additional/change in accounting policy resulting from application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") as described below.

Application of amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Disaggregation of revenue from contracts with customers		
Sales of goods	**32,806,937**	21,151,022
Rendering of services	**18,226**	17,108
	32,825,163	21,168,130
Timing of revenue recognition		
A point in time	**32,806,937**	21,151,022
Over time	**18,226**	17,108
	32,825,163	21,168,130

5 SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services provided. The CODM of the Company reviews revenue by respective products and services and the condensed consolidated financial statements of the Group prepared in accordance with HKFRSs as a whole. No further discrete financial information is available. Accordingly, no operating segment information is presented other than entity-wide disclosures.

The following is an analysis of the Group's revenue by major product and service categories:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Sales of goods:		
Copper cathodes	**27,736,350**	18,534,989
Other copper products	**243,112**	600,659
Gold and other gold products	**1,534,245**	806,754
Silver and other silver products	**2,853,446**	1,014,464
Sulphuric acid and sulphuric concentrate	**163,003**	84,397
Iron ores	**105,630**	32,087
Others	**171,151**	77,672
	32,806,937	21,151,022
Rendering of services:		
Copper processing	**4,950**	6,584
Others	**13,276**	10,524
	18,226	17,108
Total revenue	**32,825,163**	21,168,130

5 SEGMENT INFORMATION – CONTINUED

Geographical information

All the Group's non-current assets (excluding financial instruments and deferred tax assets) as at 30 June 2024 and 31 December 2023 are located in the Mainland China based on geographical location of the assets.

The Group's revenue from external customers by location of customers are detailed below:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**32,275,614**	20,469,998
Hong Kong	**196,893**	384,079
Others	**352,656**	314,053
	32,825,163	21,168,130

6 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income from banks	**564**	1,484
Interest income from Finance Company	**4,005**	3,691
Deferred income recognised	**7,717**	10,594
Other government grants (note)	**7,998**	450
Others	**547**	281
	20,831	16,500

Note: The government grants for the six months ended 30 June 2024 and 2023 mainly represented subsidies for employment support and incentive fund for foreign trade of which the relevant expenses had been previously charged to profit or loss. There are no conditions and other contingencies attached to the receipts of those subsidies.

7 IMPAIRMENT LOSSES REVERSED/(RECOGNISED) UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Impairment losses reversed/(recognised), net on:		
Trade receivables	**899**	(1,474)
Other receivables	**(201)**	(172)
	698	(1,646)

8 OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/gain on disposal of property, plant and equipment	**(12,430)**	3,619
Write-off of property, plant and equipment	**(110)**	(507)
Fair value changes from:		
Gold forward contracts	–	115,352
Gold loans designated as financial liabilities at fair value through profit or loss ("FVTPL")	–	(118,479)
Exchange gains, net	**38,004**	11,962
Loss on deregistration of a subsidiary (note)	–	(17,404)
	25,464	(5,457)

Note: During the last interim period, a subsidiary, China Reservoir Mining Limited, with net liabilities of RMB11,465,000 was deregistered. This resulted in a loss on deregistration of RMB17,404,000, after taking into account the release of non-controlling interests of RMB16,423,000, release of exchange reserve of RMB2,648,000 and waiver of other payables due to the Group of RMB9,798,000.

9 FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**212,504**	203,978
Interest on loans from Daye Group	**14,300**	8,704
Interest on loans from Finance Company	**1,549**	835
Interest on loans from a fellow subsidiary	**4,311**	12
Interest on lease liabilities	**3,129**	3,299
Interest on promissory note	**21,116**	21,000
Unwind interest of provisions for mine rehabilitation, restoration and dismantling	**835**	810
Unwind interest of early retirement obligations	**–**	776
Total finance costs	**257,744**	239,414

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax	**66,019**	29,178
Deferred tax	**22,557**	25,148
	88,576	54,326

11 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment (notes (i))	**380,536**	363,596
Amortisation of intangible assets (notes (i))	**35,465**	35,465
Depreciation of right-of-use assets (notes (i))	**16,908**	16,908
Total depreciation and amortisation	**432,909**	415,969
Capitalised in inventories	**(365,294)**	(345,772)
	67,615	70,197
Employee benefits expense (including directors' remuneration) (note (ii)):		
Salaries, wages and welfare	**403,875**	344,246
Retirement benefit schemes contributions	**53,047**	51,120
Total staff costs	**456,922**	395,366
Capitalised in inventories	**(360,365)**	(273,232)
	96,557	122,134
Cost of sales comprise:		
Cost of inventories recognised as an expense (note (iii))	**31,994,754**	20,325,520
Direct operating expense arising from service provided	**8,847**	11,797
	32,003,601	20,337,317

11 PROFIT FOR THE PERIOD – CONTINUED

Notes:

(i) During the six months ended 30 June 2024, due to temporary shutdown of a mining site and certain melting plant, depreciation of property, plant and equipment of approximately RMB8,173,000 (six months ended 30 June 2023: RMB38,744,000) and depreciation of right-of-use assets and amortisation of intangible assets of totalling approximately RMB4,231,000 (six months ended 30 June 2023: RMB3,702,000) were classified as other operating expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

(ii) During the six months ended 30 June 2024, due to a temporary shutdown of a mining site, employee benefits expense in relation to production of approximately RMB6,273,000 (six months ended 30 June 2023: RMB50,584,000) was classified as other operating expenses in the condensed consolidated statement of profit or loss and other comprehensive income.

(iii) During the six months ended 30 June 2024, reversals of write-down of inventories of approximately RMB5,157,000 (six months ended 30 June 2023: write-down of inventories of approximately RMB16,810,000) has been recognised and included in cost of sales.

12 DIVIDEND

No dividend was paid or proposed for shareholders of the Company during both the current and prior interim periods, nor has any dividend been proposed since the end of the reporting period.

13 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**77,442**	17,362

	Six months ended 30 June	
	2024	2023
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	**17,895,580**	17,895,580

The computation of diluted earnings per share for both periods does not include the impact of any potential ordinary shares to be allotted for settlement of the promissory note issued as the number of shares to be issued is not fixed and to be determined by reference to the market price of the Company's shares quoted on the Stock Exchange.

14 PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

Property, plant and equipment

During the current interim period, the Group acquired property, plant and equipment with a cost of approximately RMB127,945,000 (six months ended 30 June 2023: RMB237,565,000).

During the current interim period, the carrying amount of certain plant and machinery of approximately RMB110,000 (six months ended 30 June 2023: RMB507,000) was written off. The write-off is included in the "other gains and losses" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

In addition, during the current interim period, the Group disposed of certain property and machinery, and motor vehicles with an aggregate carrying amount of RMB21,255,000 (six months ended 30 June 2023: RMB431,000) for proceeds of RMB8,825,000 (six months ended 30 June 2023: RMB4,050,000), resulting in a loss on disposal of RMB12,430,000 (six months ended 30 June 2023: gain on disposal of RMB3,619,000).

Right-of-use assets

As at 30 June 2024, right-of-use assets of approximately RMB864,621,000 (31 December 2023: RMB881,627,000) represents land use rights located in the PRC.

15 INVENTORIES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Raw materials	**2,259,302**	3,010,515
Work in progress	**4,973,508**	4,439,204
Finished goods	**372,156**	290,550
Goods in transit	**6,587,373**	4,836,220
	14,192,339	12,576,489

16 TRADE AND BILLS RECEIVABLES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Trade receivables	**159,115**	376,530
Less: Allowance for credit losses	**(40,085)**	(40,984)
	119,030	335,546
Bills receivables	**3,900**	7,502
Total trade and bills receivables	**122,930**	343,048

The Group does not hold any collateral over these receivables.

The majority of sales are made under contractual arrangements whereby a significant portion of transaction price is received before delivery or promptly after delivery. Bills receivables are matured within one year.

The following is an ageing analysis of trade and bills receivables, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised, net of allowance for credit losses.

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Within 1 year	**95,960**	324,974
More than 1 year, but less than 2 years	**8,914**	230
More than 2 years, but less than 3 years	**230**	17,844
Over 3 years	**17,826**	–
	122,930	343,048

Included in trade and bills receivables, net of allowance for credit losses, is a balance with Daye Group of RMB21,489,000 (31 December 2023: RMB18,483,000), which is unsecured, interest-free and is repayable according to the relevant sales contracts. The bill receivables from Daye Group are matured within one year.

17 OTHER DEPOSITS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Classified under non-current assets:		
Deposits for acquisition of property, plant and equipment and intangible assets	**77,300**	66,640
Deposits for environment rehabilitation (note (a))	**800**	800
Deposits for land restoration (note (b))	**5,625**	5,588
	83,725	73,028
Classified under current assets		
Margin deposits (note (c))	**925,891**	545,027

Notes:

(a) The deposits for environment rehabilitation represent estimated environment restoration costs placed with the PRC government.

(b) The deposits are held in a designated saving account in Finance Company as required by the PRC government which represent estimated land restoration costs for mining area of a copper mine held by the Group.

(c) The balances represent deposits in margin accounts held in Shanghai Futures Exchange and certain financial institutions as security for the commodity derivative instruments.

18 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Prepayments for inventories	**71,014**	22,512
Value-added tax recoverable	**518,819**	596,726
Amounts due from Daye Group (note a)	**15,483**	–
Amounts due from fellow subsidiaries (note b)	**1,708**	230
Other receivables	**95,880**	72,470
	702,904	691,938
Less: Allowance for credit losses on other receivables	**(44,686)**	(44,485)
	658,218	647,453

Notes:

(a) The amounts due from Daye Group are unsecured, interest-free and repayable on demand.

(b) The amounts due from fellow subsidiaries are unsecured, interest-free and repayable on demand.

19 DERIVATIVE FINANCIAL INSTRUMENTS

	Current assets		Current liabilities	
	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)	**At 30 June 2024 RMB'000 (Unaudited)**	At 31 December 2023 RMB'000 (Audited)
Carried at fair value:				
– Copper futures contracts	**44,705**	10,582	**71,751**	16,391
– Gold futures contracts	**2,770**	–	**12,155**	13,375
– Silver futures contracts	**2,604**	1,500	**3,031**	1,342
	50,079	12,082	**86,937**	31,108

The Group uses commodity derivative contracts as an economic hedge of its commodity price risk and its exposure to variability in fair value changes attributable to price fluctuation risk associated with certain copper, gold and silver products. Commodity derivative contracts utilised by the Group include standardised copper futures contracts in Shanghai Futures Exchange.

The Group did not formally designate or document the hedging transactions with respect to the commodity derivative contracts. Therefore, those transactions were not designated for hedge accounting.

Details of fair value measurement are disclosed in note 25.

20 STRUCTURED BANK DEPOSITS, AND CASH, DEPOSITS AND BANK BALANCES

Structured bank deposits

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Structured bank deposits	**350,000**	–

The balances represented short-term deposits placed with reputable banks in the PRC with variable interest rates determined by reference to foreign currency exchange rate movement. These deposits are stated at FVTPL.

Cash, deposits and bank balances

Included in cash, deposits and bank balances as at 30 June 2024 was an amount of approximately RMB588,709,000 (31 December 2023: RMB938,022,000) placed with Finance Company, which bear interest at rates ranging from 0.35% to 1.32% (31 December 2023: 0.50% to 1.32%) per annum.

21 TRADE PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date at the end of the reporting period:

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Within 1 year	**4,245,006**	3,554,795
More than 1 year, but less than 2 years	**111,496**	10,360
More than 2 years, but less than 3 years	**2,826**	697
Over 3 years	**2,358**	2,272
	4,361,686	3,568,124

Included in the Group's trade payables are payables to fellow subsidiaries of approximately RMB48,314,000 (31 December 2023: RMB35,514,000). The payables to fellow subsidiaries are unsecured, interest-free and are repayable within one year according to respective purchase contracts.

22 OTHER PAYABLES AND ACCRUED EXPENSES

Included in the Group's other payables and accrued expenses under current liabilities as at 30 June 2024 were payables to Daye Group of the Group of RMB70,401,000 (31 December 2023: RMB41,783,000), which are unsecured, interest-free and repayable on demand.

In addition, included in the Group's other payables and accrued expenses under current liabilities and other payables under non-current liabilities as at 30 June 2024 were payables for purchase of property, plant and equipment from fellow subsidiaries in aggregate amount of RMB310,843,000 (31 December 2023: RMB370,658,000) in relation to the construction work conducted by these fellow subsidiaries. These payables are unsecured, interest-free and repayable in accordance with the terms of the relevant construction contracts.

23 BANK AND OTHER BORROWINGS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Bank borrowings:		
Unsecured	**12,358,281**	12,163,565
Other borrowings:		
Loans from Daye Group, unsecured*	**747,984**	660,858
Loans from Finance Company, unsecured*	**50,033**	50,000
Gold loans, unsecured	**1,983,486**	1,491,959
	15,139,784	14,366,382
Bank borrowings carrying amounts repayable:		
Within 1 year	**6,442,797**	5,867,484
More than 1 year, but not exceeding 2 years	**2,852,405**	3,685,566
More than 2 years, but not exceeding 5 years	**2,939,244**	2,500,661
More than 5 years	**123,835**	109,854
	12,358,281	12,163,565

23 BANK AND OTHER BORROWINGS – CONTINUED

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Other borrowings carrying amounts repayable:		
Within 1 year	**2,169,139**	1,723,788
More than 1 year, but not exceeding 2 years	**612,364**	–
More than 2 years, but not exceeding 5 years	**–**	479,029
	2,781,503	2,202,817
Total bank and other borrowings	**15,139,784**	14,366,382
Less: Amounts due within 1 year shown under current liabilities	**(8,611,936)**	(7,591,272)
Amounts shown under non-current liabilities	**6,527,848**	6,775,110

* The loans from Daye Group bear interests ranging from 3.70% to 4.60% (31 December 2023: 3.65% to 4.75%) per annum and are repayable in various maturity dates up to 30 December 2025. The loans from Finance Company bear interests at 2.60% (31 December 2023: 2.60%) per annum and are repayable upon maturity date on 21 November 2025 (31 December 2023: 25 March 2024).

24 CAPITAL COMMITMENTS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Capital expenditure contracted but not provided in respect of acquisition of property, plant and equipment	**385,089**	853,635

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 30 June 2024 (unaudited)				
Financial assets				
Commodity futures contracts	**–**	**50,079**	**–**	**50,079**
Structured bank deposits	**–**	**350,000**	**–**	**350,000**
Financial liabilities				
Commodity futures contracts	**–**	**86,937**	**–**	**86,937**
At 31 December 2023 (audited)				
Financial assets				
Commodity futures contracts	–	12,082	–	12,082
Financial liabilities				
Commodity futures contracts	–	31,108	–	31,108

25 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS – CONTINUED

Fair value of the Group's financial instruments that are measured at fair value on a recurring basis – continued

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

		Fair value			
		At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)	Fair value hierarchy	Valuation technique
Copper futures contracts:	Assets	**44,705**	10,582	Level 2	Note 1
	Liabilities	**71,751**	16,391	Level 2	Note 1
Gold futures contracts:	Assets	**2,770**	–	Level 2	Note 1
	Liabilities	**12,155**	13,375	Level 2	Note 1
Silver futures contracts:	Assets	**2,604**	1,500	Level 2	Note 1
	Liabilities	**3,031**	1,342	Level 2	Note 1
Structured bank deposits:	Assets	**350,000**	–	Level 2	Note 2

Notes:

(1) Calculating by reference to the quoted prices in active markets.

(2) Discounted cash flows, future cash flows are estimated based on historical return rates, discounted at a market interest rate.

There were no transfers between Level 1 and 2, and no transfers into or out of Level 3 for the current and prior interim periods.

Fair value of the Group's financial instruments that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the condensed consolidated financial statements approximate to their fair values.

26 RELATED PARTY TRANSACTIONS

Transactions and balances with PRC government-related entities

The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities").

Transactions with China Nonferrous Metal Mining (Group) Co., Ltd. Group

Other than the transactions and balances with related parties disclosed elsewhere in these condensed consolidated financial statements, the Group also had the following significant transactions with related parties during the current and prior interim periods.

Nature of balances/transactions	Notes	Relationship	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Income:				
Sales of non-ferrous metals	(i)	Daye Group	**7,159,729**	6,238,019
Sales of other materials	(i)	Daye Group	**14,910**	1,179
Rendering of services	(i)	Daye Group	**39**	1,748
	(i)	Fellow subsidiaries	**6,082**	990
Interest income	(ii)	Finance Company	**4,005**	3,691
Expenses:				
Transportation fees	(i)	Daye Group	**26,717**	36,672
Utilities fees	(i)	Daye Group	**155,193**	104,820
Purchases of non-ferrous metals	(i)	Fellow subsidiaries	**596,227**	757,850
Purchase of other products	(i)	Daye Group	**12,299**	21,306
Other service expense	(i)	Daye Group	**67,609**	37,071
Rental expense for leasing of lands	(iii)	Daye Group	**5,851**	4,028

26 RELATED PARTY TRANSACTIONS – CONTINUED

Transactions and balances with PRC government-related entities – continued

Transactions with China Nonferrous Metal Mining (Group) Co., Ltd. Group – continued

Nature of balances/transactions	Notes	Relationship	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Expenses: (continued)				
Rental expense for leasing of assets	(iii)	Daye Group	**485**	2,078
Interest expense for financial liabilities at amortised cost	(iv)	Daye Group	**14,300**	8,704
	(iv)	Finance Company	**5,860**	847
	(v)	Immediate holding company	**21,116**	21,000
Interest expense on lease liabilities	(vi)	Daye Group	**3,129**	3,299
Capital expenditures:				
Construction contract fees	(i)	Fellow subsidiaries	**68,619**	32,905
Other service fees	(i)	Fellow subsidiaries	**–**	5,384

			At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Liabilities				
Lease liabilities	(vi)	Daye Group	**125,910**	128,610

26 RELATED PARTY TRANSACTIONS – CONTINUED

Transactions and balances with PRC government-related entities – continued

Transactions with China Nonferrous Metal Mining (Group) Co., Ltd. Group – continued

Notes:

(i) These transactions were conducted in accordance with terms of the relevant agreements, of which the transaction price was determined based on the government-prescribed price or by reference to market price.

(ii) The interest income arose from the balances placed with Finance Company. Further details of the balances at the end of the reporting period are set out in note 20.

(iii) These transactions were conducted in accordance with terms of the relevant agreements, of which the rentals for leasehold lands/assets were determined by reference to the amortisation/depreciation of the relevant lands/assets.

(iv) The interest expense arose from unsecured loans from and/or amounts due to Daye Group and Finance Company. Further details of the balances at the end of the reporting period are set out in note 23.

(v) The interest expense arose from promissory note from the immediate holding company.

(vi) During the current interim period, lease payments of RMB5,850,000 (six months ended 30 June 2023: RMB5,850,000) payable to Daye Group was settled through the current account balances of Daye Group.

Transactions with other PRC government-related entities

The Group has entered into various transactions, amongst others, including deposit placements, borrowings, and other bank facilities, with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. In view of the nature of these transactions, the directors of the Company are of the opinion that separate disclosures would not be meaningful.

DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the meaning set forth below:

"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 limited liability 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
"Director(s)"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Parent Company"	Daye Nonferrous Metals Group 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
"PRC"	the People's Republic of China, which for the purpose of this report, excludes Hong Kong, the Macau Special Administration of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Yangxin Hongsheng"	Yangxin Hongsheng Copper Industry Company Limited* (陽新弘盛銅業有限公司), a limited liability company incorporated in the PRC and a connected subsidiary of the Company
"%"	per cent

* *For identification purpose only*