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**中國大冶有色金屬礦業有限公司**

**China Daye Non-Ferrous Metals Mining Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00661)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of China Daye Non-Ferrous Metals Mining Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the audited consolidated annual results of the Group for the year ended 31 December 2024 (the “**year**”) prepared in accordance with HKFRS Accounting Standards as follows (together with the comparative figures for the corresponding period of the previous year):

**HIGHLIGHTS**

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Revenue	<b>57,852,731</b>	44,784,723
Gross profit	<b>1,620,132</b>	1,814,275
Profit for the year	<b>9,596</b>	202,496
Profit/(loss) for the year attributable to owners of the Company	<b>40,197</b>	(56,327)
Basic earnings/(loss) per share	<b><u>RMB0.22 fen</u></b>	<b><u>RMB(0.31) fen</u></b>

During the year, revenue increased by approximately 29.18% to approximately RMB57,852,731,000 compared with approximately RMB44,784,723,000 in the same period of 2023. Gross profit decreased by approximately 10.70% to approximately RMB1,620,132,000, compared with approximately RMB1,814,275,000 in the same period of 2023. Profit for the year decreased by approximately 95.26% to approximately RMB9,596,000 compared with the profit of approximately RMB202,496,000 in the same period of 2023.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
<b>Revenue</b>	3	57,852,731	44,784,723
Cost of sales		<u>(56,232,599)</u>	<u>(42,970,448)</u>
<b>Gross profit</b>		1,620,132	1,814,275
Other income	5	62,796	45,983
Selling expenses		(26,784)	(21,892)
Administrative expenses		(861,878)	(741,077)
Other operating expenses		(132,332)	(294,794)
Impairment losses recognised			
under expected credit loss model, net	6	(1,725)	(14,178)
Other gains and losses	7	(98,594)	54,227
Finance costs	8	(509,780)	(553,766)
Share of loss of an associate		<u>(1,570)</u>	<u>–</u>
<b>Profit before tax</b>		50,265	288,778
Income tax expenses	9	<u>(40,669)</u>	<u>(86,282)</u>
<b>Profit and total comprehensive income for the year</b>	10	<u><u>9,596</u></u>	<u><u>202,496</u></u>
<b>Profit/(loss) and total comprehensive income/(expense) attributable to:</b>			
Owners of the Company		40,197	(56,327)
Non-controlling interests		<u>(30,601)</u>	<u>258,823</u>
		<u><u>9,596</u></u>	<u><u>202,496</u></u>
<b>Earnings/(loss) per share</b>			
Basic and diluted	12	<u><u>RMB0.22 fen</u></u>	<u><u>RMB(0.31) fen</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		8,790,387	9,244,752
Right-of-use assets		855,593	881,627
Exploration and evaluation assets		5,280	5,128
Intangible assets		533,803	594,030
Interest in an associate		8,081	9,651
Deferred tax assets		157,765	188,757
Other deposits		75,196	73,028
		<u>10,426,105</u>	<u>10,996,973</u>
<b>CURRENT ASSETS</b>			
Inventories		12,215,866	12,576,489
Trade and bills receivables	13	85,587	343,048
Other deposits		531,260	545,027
Prepayments and other receivables		1,013,953	647,453
Derivative financial instruments		63,551	12,082
Restricted bank deposits		3,219	—
Cash, deposits and bank balances		1,532,031	991,883
		<u>15,445,467</u>	<u>15,115,982</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	14	2,456,859	3,568,124
Other payables and accrued expenses		1,481,762	1,348,098
Contract liabilities		218,834	77,458
Bank and other borrowings		8,130,983	7,591,272
Lease liabilities		5,779	6,332
Derivative financial instruments		20,211	31,108
Early retirement obligations		10,650	13,170
Current income tax liabilities		2,864	91,019
		<u>12,327,942</u>	<u>12,726,581</u>
<b>NET CURRENT ASSETS</b>		<u>3,117,525</u>	<u>2,389,401</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>13,543,630</u>	<u>13,386,374</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>		
Other payables	375,039	385,119
Bank and other borrowings	6,899,371	6,775,110
Lease liabilities	117,980	122,278
Promissory note	1,223,012	1,180,548
Provision for mine rehabilitation, restoration and dismantling	99,901	94,529
Deferred income	115,413	125,062
Early retirement obligations	26,400	26,810
	<u>8,857,116</u>	<u>8,709,456</u>
<b>NET ASSETS</b>	<u><b>4,686,514</b></u>	<u><b>4,676,918</b></u>
<b>CAPITAL AND RESERVES</b>		
Share capital	727,893	727,893
Share premium and reserves	2,355,718	2,315,521
	<u>3,083,611</u>	<u>3,043,414</u>
<b>Equity attributable to owners of the Company</b>	<b>3,083,611</b>	3,043,414
Non-controlling interests	1,602,903	1,633,504
	<u>4,686,514</u>	<u>4,676,918</u>
<b>TOTAL EQUITY</b>	<u><b>4,686,514</b></u>	<u><b>4,676,918</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. GENERAL

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 address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the address of the principal place of business of the Company is Room 1, 11/F., China United Plaza, 1008 Tai Nan West Street, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The subsidiaries are principally engaged 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 consolidated financial statements of the Company and its subsidiaries (together the “**Group**”) are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

As at 31 December 2024, the Group had cash, deposits and bank balances, current portion of bank and other borrowings of approximately RMB1,532,031,000 and RMB8,130,983,000 respectively. Taking into account (i) the expected future cash flows of the Group, (ii) the unutilised bank facilities of RMB23,365,559,000 and (iii) bank borrowings of RMB2,194,122,000 raised after 31 December 2024 and due after 31 December 2025, the directors 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 consolidated financial statements have been prepared on a going concern basis.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the 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

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **Impacts on application of Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)” (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)**

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

### **New and amendments to HKFRS Accounting Standards issued but not yet effective**

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

- 1 Effective for annual periods beginning on or after a date to be determined.
- 2 Effective for annual periods beginning on or after 1 January 2025.
- 3 Effective for annual periods beginning on or after 1 January 2026.
- 4 Effective for annual periods beginning on or after 1 January 2027.

Except for the amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### **HKFRS 18 “Presentation and Disclosure in Financial Statements”**

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Operating Segments” and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

### **3. REVENUE**

An analysis of the Group’s revenue for the year is as follows:

	<b>2024</b>	2023
	<b><i>RMB’000</i></b>	<i>RMB’000</i>
Disaggregation of revenue from contracts with customers		
Sales of goods	<b>57,817,161</b>	44,750,442
Rendering of services	<b>35,570</b>	34,281
	<b><u>57,852,731</u></b>	<u>44,784,723</u>
Timing of revenue recognition		
At a point in time	<b>57,817,161</b>	44,750,442
Over time	<b>35,570</b>	34,281
	<b><u>57,852,731</u></b>	<u>44,784,723</u>

### **4. 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 consolidated financial statements of the Group prepared in accordance with HKFRS Accounting Standards as a whole. No further discrete financial information is available. Accordingly, no operating segments information is presented other than entity-wide disclosures.

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Sales of goods:		
Copper cathodes	<b>40,143,775</b>	36,948,887
Other copper products	<b>6,792,738</b>	1,495,847
Gold and other gold products	<b>5,791,719</b>	2,335,747
Silver and other silver products	<b>4,198,732</b>	3,346,380
Sulphuric acid and sulphuric concentrate	<b>358,782</b>	179,546
Iron ores	<b>155,565</b>	98,016
Copper sulphate	<b>122,881</b>	97,031
Others	<b>252,969</b>	248,988
	<b><u>57,817,161</u></b>	<u>44,750,442</u>
Rendering of services:		
Copper processing	<b>8,342</b>	15,464
Others	<b>27,228</b>	18,817
	<b><u>35,570</u></b>	<u>34,281</u>
Total revenue	<b><u><u>57,852,731</u></u></b>	<u><u>44,784,723</u></u>

### **Geographical information**

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

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Mainland China	<b>57,047,896</b>	44,192,030
Hong Kong	<b>437,622</b>	372,494
Others	<b>367,213</b>	220,199
	<b><u>57,852,731</u></b>	<u>44,784,723</u>

### **Information about major customers**

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Company A	<b>14,112,903</b>	11,776,876
Company B	<b>N/A (note)</b>	6,212,744

Note: The corresponding revenue of this customer is not disclosed as it did not contribute 10% or more of the Group's total revenue for the year.

## 5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest income from banks	6,951	8,744
Interest income from Nonferrous Mining Group Finance Co., Ltd ("Finance Company")	9,126	8,447
Government grants ( <i>note</i> )	24,553	3,855
Deferred income recognised	15,613	18,285
Others	6,553	6,652
	<u>62,796</u>	<u>45,983</u>

*Note:* The government grants for 2024 mainly represented subsidies for environmental restoration and incentive fund for foreign trade, and those for 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 were no conditions and other contingencies attached to the receipts of these subsidies.

## 6. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net impairment losses recognised on:		
Trade receivables	987	2,675
Other receivables	738	11,503
	<u>1,725</u>	<u>14,178</u>

## 7. OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
(Loss)/gain on disposal of property, plant and equipment	(473)	20,736
Gain on disposal of right-of-use assets	–	2,111
Write-off of property, plant and equipment	(132,615)	(24,110)
Fair value changes from:		
Gold forward contracts	–	(61,030)
Gold loans designated as financial liabilities at fair value through profit or loss	–	69,429
Exchange gains, net	30,263	48,324
Reversal of write-off of trade receivables	1,299	–
Write-off of trade payables	2,932	5,204
Loss on loss of control of subsidiaries	–	(6,437)
	<u>(98,594)</u>	<u>54,227</u>

## 8. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank and other borrowings	418,347	441,581
Interest on loans from Daye Nonferrous Metals Group Holdings Company and its subsidiaries	35,583	21,166
Interest on loans from Finance Company	4,198	2,920
Interest on loans from a fellow subsidiary	–	36,211
Interest on lease liabilities	6,236	6,598
Interest on promissory note	42,464	42,348
Unwind interest of provision for mine rehabilitation, restoration and dismantling	2,212	1,622
Unwind interest of early retirement obligations	740	1,320
	<u>509,780</u>	<u>553,766</u>

## 9. INCOME TAX EXPENSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
PRC Enterprise Income Tax		
– Current year	9,322	171,675
– Underprovision in prior years	355	3,734
PRC withholding tax	–	954
Deferred tax	30,992	(90,081)
	<u>40,669</u>	<u>86,282</u>

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the EIT rate of the Group was 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 10. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Depreciation of property, plant and equipment ( <i>note (i)</i> )	798,682	730,376
Depreciation of right-of-use assets ( <i>note (i)</i> )	34,184	34,739
Amortisation of intangible assets ( <i>note (i)</i> )	70,983	78,065
	<u>903,849</u>	<u>843,180</u>
Total depreciation and amortisation		
Capitalised in inventories	(820,597)	(682,629)
	<u>83,252</u>	<u>160,551</u>
Employee benefits expense (including directors' remuneration) ( <i>note (ii)</i> ):		
Salaries, wages and welfare	856,949	866,928
Retirement benefits scheme contributions	128,959	95,667
	<u>985,908</u>	<u>962,595</u>
Total staff costs		
Capitalised in inventories	(742,447)	(756,561)
	<u>243,461</u>	<u>206,034</u>
Cost of sales comprise:		
Cost of inventories recognised as an expense ( <i>notes (iii) and (iv)</i> )	56,213,856	42,945,794
Direct operating expense arising from services provided	18,743	24,654
	<u>56,232,599</u>	<u>42,970,448</u>
Auditors' remuneration	2,188	2,273
Research and development costs ( <i>note (iv)</i> )	187,224	65,440
	<u>189,412</u>	<u>67,713</u>

*Notes:*

- (i) During the year ended 31 December 2024, due to temporary shutdown of a mining site and smelter, depreciation of property, plant and equipment of approximately RMB43,504,000 (2023: RMB85,486,000) and depreciation of right-of-use assets and amortisation of intangible assets of totalling approximately RMB4,231,000 (2023: RMB2,116,000) were classified as other operating expenses in the consolidated statement of profit or loss and other comprehensive income.
- (ii) During the year ended 31 December 2024, due to a temporary shutdown of a mining site and smelter, employee benefits expense in relation to production of approximately RMB19,967,000 (2023: RMB92,305,000) was classified as other operating expenses in the consolidated statement of profit or loss and other comprehensive income.
- (iii) During the year ended 31 December 2024, a write-down of raw material of approximately RMB4,485,000 (2023: RMB19,860,000) has been recognised and included in cost of sales.
- (iv) Research and development costs and cost of inventories recognised as an expense included approximately RMB41,384,000 (2023: RMB12,674,000) in total relating to staff costs which are included in employee benefits expense disclosed separately above.

## 11. DIVIDEND

No dividend was paid or proposed for shareholders of the Company during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: nil).

## 12. EARNINGS/(LOSS) PER SHARE

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

### Earnings/(loss)

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	<u>40,197</u>	<u>(56,327)</u>

### Number of shares

	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u>17,895,580</u>	<u>17,895,580</u>

The computation of diluted earnings/(loss) per share for both years 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.

## 13. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	126,637	376,530
Less: Allowance for credit losses	<u>(42,382)</u>	<u>(40,984)</u>
	<u>84,255</u>	<u>335,546</u>
Bills receivables	<u>1,332</u>	<u>7,502</u>
Total trade and bills receivables	<u>85,587</u>	<u>343,048</u>

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 were matured within 1 year.

The following is an ageing analysis of trade and bills receivables, net of allowance for credit losses, 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.

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>66,286</b>	324,974
More than 1 year, but less than 2 years	<b>1,245</b>	230
More than 2 years	<b>18,056</b>	17,844
	<b>85,587</b>	343,048
	<b><u>85,587</u></b>	<u>343,048</u>

#### 14. TRADE PAYABLES

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

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>2,440,717</b>	3,554,795
More than 1 year, but less than 2 years	<b>12,958</b>	10,360
More than 2 years, but less than 3 years	<b>1,215</b>	697
Over 3 years	<b>1,969</b>	2,272
	<b>2,456,859</b>	3,568,124
	<b><u>2,456,859</u></b>	<u>3,568,124</u>

The average credit period on purchases of goods is ranging from 60 days to 180 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year, revenue increased by approximately 29.18% to approximately RMB57,852,731,000 compared with approximately RMB44,784,723,000 in the same period of 2023. Gross profit decreased by approximately 10.70% to approximately RMB1,620,132,000, compared with approximately RMB1,814,275,000 in the same period of 2023. Profit for the year decreased by approximately 95.26% to approximately RMB9,596,000 compared with the profit of approximately RMB202,496,000 in the same period of 2023.

In 2024, the Group produced a total of approximately 18,100 tonnes of mined copper, an increase of approximately 17.53% over the same period last year; approximately 703,600 tonnes of copper cathode, an increase of approximately 12.54% over the same period last year; approximately 692.37 tonnes of precious metals (including approximately 10.30 tonnes of gold, approximately 648.87 tonnes of silver, approximately 13.50 kg of platinum, approximately 125.50 kg of palladium and approximately 33.06 tonnes of tellurium), an increase of approximately 14.40% over the same period last year; approximately 2,064,400 tonnes of chemical products such as sulphuric acid (including approximately 2,054,600 tonnes of sulphuric acid, approximately 261.25 tonnes of nickel sulphate, approximately 9,317.64 tonnes of copper sulfate and approximately 211.48 tonnes of crude selenium), an increase of approximately 14.58% over the same period last year; approximately 187,300 tonnes of iron concentrate, an increase of approximately 68.13% over the same period last year; and approximately 43.68 tonnes of molybdenum concentrate, an increase of approximately 126.44% over the same period last year.

The year 2024 was a year for the Company to forge ahead in the midst of a complex and severe market environment and multiple difficult challenges. Over the past year, focusing on the main line of “three stability and four progress” (三穩四進) formulated at the beginning of the year and under the correct leadership, the Company went all out to stabilize operation, strengthen reforms, resolve risks and ensure safety, and production and operation experienced an extraordinary process of “stable start, under pressure, stabilizing and improving”, with significant progress being made in a number of key and fundamental tasks related to the long-term development of the Company, making new and solid steps to build a modernized first-class copper enterprise.

- **The rectification of the central environmental protection inspection has been completed and cleared.** The Company completed the 34 rectification measures of the central environmental protection inspection three months ahead of schedule with high standards, and turned the list of problems of the central environmental protection inspection into an achievement report of green and high-quality development, and the exhaust emission of the smelter after the completion of the renovation was far better than the special emission limit standards of the industry, reaching the leading level in the industry. Fengshan Copper Mine and Tongshankou Mine were re-entered into the provincial green mines directory, Tonglvshan Mine and Sareke Copper Mine maintained the national green mines, and the effectiveness of the Company’s rectification has been fully affirmed by the competent departments of the state, provinces and municipalities at all levels. Mainstream media such as China.com.cn (中國網), People’s Daily and CCTV’s “Morning News World” (《朝聞天下》) reported the story of the Company’s green “transformation” in depth.
- **Production and operation remained generally stable.** The output and income of the main products increased year-on-year, including 18,100 tons of mined copper, 703,600 tons of copper concentrate, 10.3 tons of gold, 648.9 tons of silver and 2.055 million tons of sulfuric acid, representing a year-on-year increase of 18%, 13%, 101%, 12% and 17% respectively.

- **The intelligent construction of the mine has achieved initial results.** Taking the opportunity of intelligent mine construction and science and technology and safety and environmental protection to promote the digital and intelligent transformation of mining enterprises, Fengshan Copper Mine vigorously applied advanced trackless equipment to realize multi-post remote control, and the intelligent mine has taken shape. Tongshankou Mine used “one network” (一張網) to integrate multi-source production data into “one map” (一張圖) to achieve visual and dynamic management. Tonglvshan Mine effectively reduced the need for manual operation and maintenance positions through remote centralized control of drainage and other systems. Sareke Copper Mine accelerated the renewal and upgrading of equipment, and the degree of mine mechanization and informatization has been continuously improved.
  
- **Green and low-carbon smelting has reached a new level.** Focusing on the upgrading of traditional industries and the implementation of “double-high smelting” (雙高冶煉) and other key technology research and application, the smelter coal consumption has been reduced by 12%, the converter operation efficiency has been increased by 15%, and the emissions of sulfur dioxide and nitrogen oxides have been reduced to less than half of the national special emission limit. Focusing on promoting cleaner production, Yangxin Hongsheng completed the first round of cleaner production audits, successfully passed the selection of national green factories, was awarded the first batch of excellent smart factories of the Ministry of Industry and Information Technology, and its practice case of building a green, intelligent and efficient benchmark factory was selected into the 2024 Green and Low-carbon Excellent Practice Case Collection of Central Enterprises (《2024中央企業綠色低碳優秀實踐案例集》) by the State-owned Assets Supervision and Administration Commission.

Over the past year, facing the severe and complex market environment, the Company mainly carried out the following work:

**A. STRENGTHEN PLAN MANAGEMENT AND IMPROVE OPERATIONAL QUALITY AND EFFICIENCY WITH LEAN THINKING**

The management team accurately carried out hierarchical and classified scheduling according to the time and situation, actively responded to the impact of multiple unexpected factors, and made every effort to stabilize the business fundamentals. It established a model of total factor economic benefits of the smelting sector, implemented a coordinated linkage mechanism between purchase and sales and production, and smelter and Yangxin Hongsheng gave full play to their respective advantages and overall effects to flexibly schedule and organize smelting production. Mining units promoted the application of advanced trackless equipment, optimized production organization and process technology, improved the mining capacity of mining sites, and achieved increased production and efficiency. In accordance with the principle of fast in and fast out, the Rare and Precious Metals Branch improved the production mode and reduced the occupation of gold and silver.

## **B. BASED ON RISK PREVENTION AND CONTROL, IMPROVE THE SYSTEM CAPACITY BY DOUBLE PREVENTION**

The management team improved the risk identification mechanism, comprehensively used special inspections, sinking inspections, self-inspections and mutual inspections to investigate risks and hidden dangers, and carried out special rectification of common problems. It solidly promoted the three-year action of tackling the root cause of production safety, in-depth implementation of major accident and hidden danger management, the implementation of the mine three-level safety officer system, to achieve the goal of zero general production safety liability accidents and environmental emergencies and zero environmental penalties, and the steady decline of the rate of injuries per thousand people (0.75‰). It improved the compliance management system, compiled special compliance guidelines and three lists, set up a platform for reporting violations in operation and management, gave play to the role of compliance review and gatekeeping, strengthened case litigation management, and properly resolved the follow-up disputes of Tonglvshan Mine “3.12”. It strengthened the quality management of accounting information, promoted the rectification of issues such as the audit of the Audit Office and the audit of final accounts, strengthened the control of capital quotas, and reduced the occupation of cold materials and accounts receivable. It deepened the management of major risks, tracked the situation of major risk indicators every month, reported the monitoring of major risks on a quarterly basis, and formed a major business risk assessment report every year, so that all kinds of risks could be effectively prevented and controlled.

## **C. HIGHLIGHT MARKET ORIENTATION, PROMOTE MANAGEMENT TO TAP POTENTIAL WITH COST DIAGNOSIS**

The management team adapted to the new time-of-use electricity price mechanism, participated in the medium and long-term market transactions of electric power in Hubei Province, optimized the production and operation mode, reasonably controlled the demand for electricity and reduced the cost of electricity. Keeping a close eye on the implementation of the state’s financial discount policy for large-scale equipment renewal loans, a loan of RMB455 million for equipment renewal projects was approved, enjoying low interest rates and interest discount policy dividends. It continued to promote the application of green, energy-saving and low-carbon technologies, accelerated the renewal of high-energy-consuming equipment, improved the energy efficiency level of equipment, and effectively reduced the comprehensive cost of equipment operation and maintenance.

## **D. STRENGTHEN THE EMPOWERMENT OF SCIENCE AND TECHNOLOGY, AND SUPPORT TRANSFORMATION AND UPGRADING THROUGH SCIENTIFIC RESEARCH AND INNOVATION**

The management team organized Fengshan Copper Mine to solve “the key technology of complex ore large panel area paste-filling and efficient mining”, the mining capacity of the panel area was increased by four times, the dilution and loss rate was optimized, the operating cost was reduced by 20%, and the annual benefit was RMB11 million. The “improving the copper selection recovery rate of Tongshankou Mine” was promoted, and the copper recovery rate of industrial tests was increased by 5 percentage points, and the annual benefit was RMB8.3 million. The “Key Technology of Ausmelt Furnace’s Smelting-PS Converter Blowing Green Production” was tackled to achieve one-click remote furnace and clean production, and annual economic benefit was more than RMB60 million. The Company has won 3 provincial and ministerial science and technology awards and 2 science and technology progress awards of China Nonferrous Metal Mining (Group) Co., Ltd\* (中國有色礦業集團有限公司), and 176 patent applications have been accepted throughout the year.

While summarizing the achievements, we are also clearly aware that the Company is still facing many problems that cannot be avoided, mainly manifested as: **firstly**, the core competitiveness of the enterprise is not strong, and the complete cost of the main industry is at a disadvantage in the industry, and the gap is obvious compared with the advanced level. **secondly**, the effectiveness of scientific and technological innovation in driving the development of enterprises is not significant, and the conversion rate and contribution of innovation achievements need to be improved; **thirdly**, the foundation of safe and stable production is not yet solid, and the support and efficiency of system guarantee need to be further strengthened; **fourthly**, the shortage of resources has become a bottleneck that is difficult to carry the sustainable development of enterprises, and it is urgent to find a way to solve it.

## **OPERATING OBJECTIVES AND STRATEGIES IN 2025**

The production volume targets of the Group for 2025 include producing 20,200 tonnes of mined coppers, 716,000 tonnes of copper cathode, 7.6 tonnes of gold, 630.6 tonnes of silver, 2,643,000 tonnes of sulphuric acid, 176,000 tonnes of iron concentrate, 10.8 kg of platinum, 109.2 kg of palladium, 202 tonnes of nickel sulfate (containing metal), 205.8 tonnes of crude selenium, 36.4 tonnes of tellurium, 13,140 tonnes of copper sulfate and 39.5 tonnes of molybdenum concentrate.

In 2025, the main goal of the Company’s operation is to steadily increase the output of main products. To accomplish the above goals, there are foundations and challenges, and we must have a more unified will action, a more correct direction guidance, a stricter process control, a more positive and aggressive action and a more scientific evaluation system. To this end, we will continue to strengthen the five business control mechanisms to ensure the high-quality completion of all objectives and tasks:

- Strengthen the leading role of the “business plan”. Through clear business objectives and tasks, we will promote the coordination and unification of investment, production, technology, supply and sales, etc., to ensure that the Company is in step with each other.
- Strengthen the binding role of “budget control”. Through the preparation and implementation of strict budgets, we will strengthen the early warning and correction of the budget, promote the rational use of various funds, and ensure the safety of cash flow.

- Strengthen the navigation role of “benchmarking and upgrading”. We will focus on the core elements and key indicators, and constantly seek the direction and path of “comparing, learning, catching up and surpassing” through the most essential and intuitive data comparison, so as to realize the optimization and management improvement of economic and technical indicators.
- Strengthen the perspective role of “operation analysis”. Through simulation and review, data analysis, management diagnosis and other ways, we will gain insight into the latest trends, find underlying problems, adjust and optimize business strategies in time, prevent business risks and improve business quality.
- Strengthen the incentive role of “assessment and evaluation”. We will strictly implement the rigid performance appraisal, judge employees by their performance and pay based on their contributions, guide units and organizations to take the initiative to take responsibility, and promote all work to strive for advanced positions.

Specifically, the following key tasks should be done in 2025:

**A. Focus on production safety and steady operation, and make every effort to consolidate the foundation for business development**

Only with stable production can there be stable operation. On the premise of ensuring continuous and stable production, all units of the Company should continuously strengthen business awareness and operation management, so as to support the fundamentals of the Company’s healthy and sustainable development with the steady improvement of the quality and efficiency of enterprise operations.

- 1. Improve the level of safe operation.** We will continue to promote the three-year action to address the root causes of production safety, focus on the work arrangement of “the year of strengthening and solidifying the foundation” and combine the requirements of the dynamic clearance of major accidents and “6S+” on-site management to comprehensively strengthen and promote the management of the production safety process, continuously improve the production safety management system, and **promote the transformation of safety governance to more effective and economical prevention**; we will accelerate the implementation of the three-year action of intelligent mine construction and science and technology and safety and environmental protection, promote the key tasks such as the research and application of the unmanned motor vehicle transportation system of Tongshankou Mine and the safe and efficient key recovery technologies for refractory ores of Sareke Copper Mine, **and promote the transformation of production safety to less humanized and unmanned intrinsic safety**; we will carry out the construction of a beautiful China, make good use of favorable policies such as “Implementation of major national strategies and building security capabilities in key areas “and large-scale equipment renewal, promote the rectification effect of the central environmental protection inspection and the rectification “tracing back” of environmental risks and hidden dangers in the Yangtze River basin with high standards, complete the crushing and screening system dust collection transformation and other projects of Fengshan Copper Mine by the end of the year, and strive to return of Fengshan Copper Mine and Tongshankou Mine to the ranks of national green mines and build a “beautiful factory area” model project in the smelter by 2025 **to promote the transformation of ecological construction into modern and clean green factories and mines.**

- 2. Improve the level of efficient operation. We will focus on the efficient operation of equipment**, promote the construction of equipment management system and equipment intelligent operation and maintenance system, simultaneously strengthen equipment spot inspection and routing inspection, continue to optimize equipment operation and maintenance and scheduled maintenance management, timely upgrade and transform equipment with high failure rate, continuously improve the efficiency of shifts, strive to achieve a start-up rate of more than 99.2% of the main equipment in smelting and mining, and effectively reduce unplanned shutdown and suspend production caused by equipment failure; **we will focus on the efficient turnover of funds**, strictly control the total amount of “funds occupied by inventory and accounts receivable” and interest-bearing liabilities, and strive to control the copper inventory of the two plants within 200,000 tons. We will strengthen credit approval at the source and the dynamic warning of account period, improve the forward-looking control of production plans, promote the balanced occupation of inventory materials, improve the turnover efficiency of accounts receivable, strengthen the cash flow constraints of subsidiaries with high debt ratios, and gradually return to a reasonable range.
- 3. Improve the level of intensive operation. We will optimize the centralized deployment of “personnel”**, implement the Group’s internal talent market management practices, and establish a working mechanism for the orderly flow and efficient allocation of human resources within the Company in accordance with the principle of internal priority and making the best use of talents. **We will deepen the centralized management and control of “finance”**, carefully plan and promote the replacement of the financial accounting system, the construction of the second phase of the financial sharing center and the treasury system in accordance with the unified deployment, accelerate the reconstruction of the internal capital and other financial resource management systems, and realize the intensive, efficient and safe management of funds; **we will strengthen the centralized procurement of “supplies”**, further expand the secondary centralized procurement catalog, reduce homogeneous procurement, and continue to improve the scale and efficiency of centralized procurement. We will accelerate the establishment of an inventory sharing mechanism within the Company to further enhance the coordination, flexibility and economy of supplies.
- 4. Improve the level of resilient operation.** Guided by the business plans of the two smelters, we will further expand procurement and sales channels to ensure the stability and smoothness of the industrial chain and supply chain. **In terms of copper concentrate procurement**, it is necessary to strengthen the coordination of imports and domestic raw materials. Imported mines should increase the signing of long-term contracts with mines and major traders, and domestic mines should stabilize the mineral sources inside and outside the province as the primary goal, and flexibly adjust the procurement of imports to domestic trade mines in combination with the arrival of imported ores to ensure the continuity of raw material supply; **in terms of sulfuric acid sales**, we will focus on the development of direct supply manufacturers and customers in the new energy market, strengthen the development of overseas markets for sulfuric acid exports, build diversified and stable sales channels, and ensure smooth production and sales; **in terms of capital protection**, we will strengthen capital forecasting, optimize cash flow management and interest-bearing liability structure, and promote the integrated management and control of business and finance, spot and futures, raw materials and products, so as to ensure the safety of capital liquidity; **in terms of substitution by localized production**, we will accelerate the selection of suitable suppliers and partners around the priority substitution areas identified in the early stage to ensure the reliable supply of key equipment and components.

**B. Focus on internal and external refinement and benchmarking improvement, and make every effort to cope with difficulties and challenges of the industry**

The more difficult it is, the more we must maintain our concentration, practice internal skills, and meet the spring of the next round of development of the industry in a robust status.

**1. *Focus on internal management and anchor “reducing cost and increasing efficiency”.***

**First, we should focus more on increasing production, increasing income and reducing costs.** All relevant units should firmly grasp the general direction of “incremental quality improvement” and find the entry point and strength point for implementation. **Mines and other units should grasp the favorable market to stabilize production and improve production.** Tonglvshan Mine should further optimize the allocation of trackless equipment and operators, continue to release the efficiency of mechanized mining, and achieve an annual output of more than 5,800 tons of mined copper. Fengshan Copper Mine should further optimize the production organization mode of the -380m mid-section large panel test stope, continue to improve the production efficiency of the panel, and achieve an annual production of more than 4,600 tons of mined copper. Tongshankou Mine should give full play to the organizational and coordination advantages of the management and control center to promote the mining work of hob type boring machines and the sorting of ore in open-pit mines and underground mines, so as to achieve an annual output of more than 5,500 tons of mined copper. Sareke Copper Mine should strengthen the control of the ore processing and strengthen the process inspection, so as to achieve an annual output of more than 4,300 tons of mined copper. **Extended industrial units should seize market opportunities to generate income and increase income,** and research and design companies should adopt more active market strategies to increase the proportion of external revenue. **Smelting and other enterprises should step on the rhythm of work to improve standards and efficiency,** smelters should comprehensively strengthen the management of metal materials, reduce the no-load loss, and strive to achieve a comprehensive recovery rate of more than 98.5% in copper smelting. Yangxin Hongsheng should benchmark Southeast Copper (東南銅業), further optimize the slag ore processing, strive to reduce the copper content of tailings by 20%, and achieve a comprehensive recovery rate of more than 98.8% for copper smelting. The Rare and Precious Metals Branch should organize systematic cleaning, product realization and metal loss point control, strengthen process discipline inspection, and strive to achieve gold, silver and tellurium recovery rates of 98.98%, 98.9% and 50% respectively.

**Second, we should make greater efforts to save energy, reduce consumption and reduce costs. We should improve the comprehensive energy consumption level,** firmly grasp the policy window for large-scale equipment renewal and industrial energy efficiency improvement, accelerate the elimination of key energy-consumed equipment below the third level of energy efficiency of the Company, and implement the requirements of the energy efficiency level of newly purchased energy-consumed equipment to reach the second level and above in principle. **We should strengthen daily energy consumption management,** accelerate the construction of energy management information system, highlight the monitoring, measurement and analysis of the whole process of energy use, and achieve real-time control. We should strengthen on-site operation control to prevent leakage. All production units, especially smelters, Yangxin Hongsheng and other large energy consumers, should carry out energy consumption benchmarking and optimization, and strive to reduce the comprehensive energy consumption of copper smelting to less than 225 and 195 kg of standard coal/ton of copper respectively. **We should make good use of the energy trading platform,** make adequate preparations for the entry of the national carbon emission market in advance, scientifically plan to participate in the medium and long-term power trading market in Hubei Province, research, analyze and adjust the power trading strategy and mode in a timely manner, participate in the green electricity trading market, continue to deepen the energy-saving economic operation. **We should implement energy-saving actions for all employees,** strengthen energy-saving publicity and training, carry out various labor competitions and other activities with the theme of energy conservation and consumption reduction, guide all employees to establish a strong sense of “living a tight life”, and strengthen the concept of “energy saving is to reduce consumption and increase efficiency”, so as to better base themselves on the post and try their best to “save”.

**Third, we should make greater efforts to reduce the cost through economic procurement. We should strengthen cost analysis and budget control, carry out cost element and value analysis,** evaluate the relationship between the function and cost of purchased products or services, find out the key points that can reduce costs, formulate strict procurement plans and budgets, strengthen source control, track procurement expenditures, and regularly adjust the procurement budget to ensure the rationality and effectiveness of the budget. **We should strengthen market monitoring and lean procurement,** comprehensively sort out the varieties of bulk materials in use, and scientifically study and judge and classify policies according to actual needs and market conditions. For key materials such as coal, we should formulate one-to-one policy, regularly evaluate and adjust the strategy, implement a time-based procurement strategy, optimize the inventory structure, and achieve economic optimization. We should increase the direct procurement of source manufacturers, actively promote the “consignment system” procurement model, reduce the occupation of inventory funds, and implement on-demand procurement and just settlement. **We should strengthen technical leadership and optimal procurement,** and the production technology department and other departments should assist the supply chain management center to systematically study and classify bulk materials for smelting and mining consumables, combined with production technology, production habits and overall procurement needs. It is necessary not only to accurately select the model according to the on-site working conditions and the early use status to achieve the adaption of procurement to demand and the best value, but also to gradually formulate unified standards and specifications to improve the bargaining power through intensive procurement. The Company’s annual material procurement strives to save more than RMB100 million.

## 2. *Externally grasp business and anchor the “market efficiency”.*

**First, we should pay more attention to market research and accurately implement the purchase and sale pricing strategy.** We should improve the market information collection and analysis mechanism, systematically track the changes in the output of major mines and smelters domestic and overseas, forward-looking predict the impact of changes in the balance of supply and demand of copper concentrate on processing costs, and accurately implement international and domestic raw material pricing strategies to improve the quality and efficiency of procurement in combination with the needs of the Company’s production and operation plan.

**Second, we should pay more attention to the value ratio management and focus on improving the hedging effect.** We should strengthen the full value chain management of raw material procurement, product sales and futures value preservation, improve the control model of the value ratio of imported raw materials, do a good job in stress testing and value ratio risk management in combination with exchange rate fluctuations and internal and external price changes, formulate a monthly risk prevention and control plan for the value ratio of imported mines, and strive to solve the risk of benefit loss caused by RMB appreciation; we should optimize the sales model for copper cathodes, seize the opportunity based on the international and domestic markets, and prevent the risk of price loss caused by the decline of the value ratio.

**Third, we should pay more attention to the price of sulfuric acid and guide the efficient production of smelting capacity.** We should strengthen the analysis of changes in industries of sulfur, fertilizer, new energy and other and their impact on sulfuric acid prices, improve the forward-looking prediction of sulfuric acid prices, and guide smelting units to flexibly organize production on the basis of effectively preventing the risk of inventory expansion, enhance the initiative and adaptability to respond to extremely unfavorable market conditions, and reduce ineffective production.

### C. **Focus on exerting strength on the two ends and to improve in the middle, and make every effort to grasp the momentum and empowerment action**

In the face of the industry retrenchment, we must not only focus on the present and come up with excellent measures to deal with the predicament, but also anchor the Company’s strategic development direction based on the long-term development, thoroughly implement the specific actions, constantly make up for weaknesses, accumulate strength, and insist on doing the right thing on the right track for a long time.

1. **Carry out the specific action of “increasing reserves and production”.** In terms of strengthening the priority of resources and **increasing resource production**, in 2025, the feasibility study and “three-in-one” report shall be completed for the merger and expansion of the isolation zone of the northern section of Sareke Copper Mine, the mining license shall be obtained, and the construction of the mining project shall be started in September. For the transfer of some prospecting rights to mining rights in the south of the river in the north section of the mine section, the detailed investigation report, feasibility study and “three-in-one” report of the area to be applied for mining license, and the preliminary work such as the approval procedures for the construction of the mining project shall be completed. For the transfer of the prospecting rights to mining rights of Fengshan Copper Mine’s – 550 meters below, the preparation of resource reserve verification report should be completed. The expansion of the deep

mining license of Tonglvshan Mine should be supported by the National Cultural Heritage Administration to complete the expansion of the deep mining license. Tongshankou Mine should speed up the implementation of the comprehensive recovery project of molybdenum resources.

**In terms of resource increase,** further exploration of the known ore body in the south ore belt will be carried out by drilling on the periphery of Sareke Copper Mine to expand the scale of resources. Fengshan Copper Mine will continue to carry out supplementary exploration at the deep northern margin to upgrade the level and scale of the resource.

- 2. Implement industrial extension actions.** We should accelerate the optimization of industrial layout, and actively cultivate and expand new industries. The Rare and Precious Metals Branch should focus on the new rare and precious products, do a good job in the preparation of “3N selenium” new products and project promotion, so as to ensure that the construction of the “3N selenium” production line project will be completed by the end of July.
- 3. Pilot the construction of “dark factory”.** Yangxin Hongsheng should take the second phase of the construction of the smart factory as an opportunity to promote the pilot of the dark factory with high standards in accordance with the requirements, follow the principle of “overall planning, step-by-step implementation and key breakthroughs” and the construction concept of “automation, informatization, digitalization and intelligence”, and complete the scene construction of the preparation process by the end of June, and complete the scene construction of the slag separation workshop by the end of December.
- 4. Deepen the intelligent construction of mines and the action of science and technology and safety and environmental protection.** Fengshan Copper Mine should accelerate the optimization of the ventilation system and the construction of the production safety perception system to achieve on-demand ventilation. Tongshankou Mine needs to speed up the construction of remote control systems for mining equipment and realize the automation of the shoveling and transportation process. Tonglvshan Mine should speed up the automatic transformation of ventilation and drainage systems and the construction of intelligent control centers, so as to realize unattended fixed facilities and integrated operation and production control of mines. Sareke Copper Mine should accelerate the application of research results on safe and efficient key recovery technologies for refractory ores.
- 5. Promote the action of tackling the root cause of production safety.** Focusing on the work arrangement of “the year of strengthening and solidifying the foundation”, we will make every effort to promote 20 key tasks and promote the transformation of security governance to pre-prevention. Tonglvshan Mine should set up a special working group to study and solve problems such as mine flooding and chute door failure, so as to promote the long-term stability of the mine. Fengshan Copper Mine should do a good job in safety and environmental protection management after the closure of the tailings pond, and continue to consolidate the rectification results of the central environmental protection inspection.

**D. Focus on scientific and technological innovation and digital and intelligent transformation, and make every effort to cultivate and expand new quality productivity**

We will promote high-level scientific and technological self-reliance, establish a modern industrial system and develop new quality productivity, fully implement the spirit of the fifth science and technology conference, drive development with innovation, lead reform with science and technology, accelerate the pace of intelligent transformation and digital transformation, promote the renewal of traditional industries and the upgrading of demonstration industries, and shape the new advantages of enterprise development with new quality productivity.

- 1. Promote the renewal and development of traditional industries.** We will accelerate the implementation of projects such as Tongshankou Mine's comprehensive management and control and 5G+SPN integrated private network, complete data standardization and the construction of industrial Internet platforms, and empower the transformation and upgrading of mines. We will promote the implementation of the second phase of the Fengshan Copper Mine intelligent mine project to achieve business control of the whole production process. We will complete the construction of Tonglvshan Mine's private network and safety and environmental protection management platform and network security upgrade, laying the foundation for the construction of intelligent mines. We will accelerate the digital transformation, upgrading and application of the production system of the smelter, and realize the integrated control of the whole process of the smelting system.
- 2. Explore the upgrading and development of demonstration industries.** We will fully connect with the "AI +" special action, explore the integration of AI technology and advanced manufacturing technology, and realize more scenarios, more processes and more links of intelligent perception, intelligent decision-making and intelligent control. At present, we will focus on the advantageous areas of copper smelting, take the pilot of Yangxin Hongsheng dark factory as an opportunity to accelerate the development of the copper smelting industrial simulation platform, comprehensively sort out and explore the application of intelligent decision-making scenarios of the whole factory, and accelerate the construction of an intelligent copper smelting "industrial brain".
- 3. Accelerate the development of digital and intelligent transformation.** In line with the general trend of innovation, transformation and development, we will continue to promote the construction and guarantee of daily management informatization. We will accelerate the completion of the independent and controllable application transformation of the office system to achieve upgrading of localized production. We will deepen the construction of the network security system of each unit, establish a unified security supervision center, and continuously improve the Company's digital security level.

**E. Focus on process control and penetrating supervision, and make every effort to promote risk prevention and quality improvement**

- 1. Strengthen penetrating assessment.** We will optimize and adjust the performance appraisal model in a targeted manner, and guide all units and departments of the headquarters to highlight their core functions and achieve value creation. When each unit carries out decomposition of internal task, it is also necessary to coordinate the common quantitative indicators and individual variation, and increase the targeted assessment indicators that reflect the value creation ability according to the functional positioning, industry characteristics, key tasks, etc., so as to penetrate the target tasks to the grassroots level.
- 2. Strengthen penetrating management.** Focusing on “regular production and operation scheduling meetings + daily scheduling coordination”, we will regularly review the overall operation situation and improve the quality and efficiency of supply, production, sales and inventory linkage. We will strengthen the rigid implementation of the plan, promote monthly production with daily production, and ensure annual production with monthly production to ensure that the annual output plan target is achieved. We will consolidate the penetrating control of budget costs, make detailed and solid rolling forecasts of monthly budget indicators on the basis of the overall arrangement of annual budget targets, take monthly forecasts to implement deviation assessment and performance appraisal, and effectively enhance the market awareness and business thinking of each unit. We will carry out careful calculation and strict budgeting. Expense-based maintenance and overhaul projects should be strengthened with reference to the fixed asset investment project model.
- 3. Strengthen penetrating supervision.** We will give full play to the role of the “general supervision” system, strengthen the integration and coordination of internal audit, inspection, discipline inspection and supervision and other types of supervision, and enhance the joint force of supervision. We will strengthen real-time monitoring, use information technology, statistics, evaluation and other methods to expand supervision methods and channels, and timely and effectively prevent all kinds of risks.
- 4. Strengthen compliance with laws and regulations,** deeply practice the concept of “governing enterprises according to law and operating in compliance”, increase education and training, and gradually establish a normalized training mechanism. We will strengthen the “management of business must be on the basis of management of compliance”, and build a solid “three lines of defense” for compliance management. We will deepen the construction of the internal control system, compile the Company’s integrity and compliance manual, and further improve the management system and control and governance mechanism.

## **FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2024, the Group recorded revenue of approximately RMB57,852,731,000 (2023: RMB44,784,723,000), representing an increase of approximately 29.18% from the previous year, attributable to the shut down of sulfuric acid systems for nearly nine months for environmental protection upgrade and pyrometallurgy of smelting system of the smelter in 2023, which led to a significant drop in the output of its main products. It resumed full production in 2024 after the renovation was completed.

### **Cost of sales**

For the year ended 31 December 2024, the cost of sales and services rendered of the Group amounted to approximately RMB56,232,599,000 (2023: RMB42,970,448,000), representing an increase of approximately 30.86% from the previous year, which was attributable to the shut down of sulfuric acid systems for nearly nine months for environmental protection upgrade of smelting system and pyrometallurgy of the smelter in 2023, which led to a significant drop in the output of its main products. It resumed full production in 2024 after the renovation was completed.

### **Gross profit**

For the year ended 31 December 2024, gross profit decreased by approximately 10.70% to approximately RMB1,620,132,000, compared with approximately RMB1,814,275,000 in the same period of 2023. The decrease in gross profit was mainly attributable to the two-way effect of the concentrated and accelerated release of domestic and foreign smelting capacity and the tight supply of copper concentrate. The smelting processing charges dropped sharply in 2024 and the benefit space of the subordinating smelting processing enterprises was greatly narrowed.

### **Other income**

Other income for the year ended 31 December 2024 amounted to approximately RMB62,796,000 (2023: RMB45,983,000), representing an increase of approximately 36.56% from the previous year, which was primarily attributable to receiving of additional government funding for the environmental restoration of the Fengshan Mine tailings pond in the year.

### **Other operating expenses**

For the year ended 31 December 2024, other operating expenses decreased by approximately 55.11% to approximately RMB132,332,000, compared with approximately RMB294,794,000 in the same period of 2023. The decrease was primarily attributable to accrual of the costs during the shutdown period to other operating expenses for the shut down of the smelter during 2023 due to environmental upgrades. The smelter resumed normal operations after the upgrade was completed in 2024.

## **Other gains and losses**

Other gains and losses for the year ended 31 December 2024 amounted to a net loss of approximately RMB98,594,000 (2023: net gains of RMB54,227,000), representing a decrease of gains of approximately RMB152,821,000 from the previous year. The loss was primarily due to the scrapped assets disposed by the smelter related to environmental protection upgrades and renovations in the year.

## **Income tax expenses**

Income tax expense for the year ended 31 December 2024 amounted to approximately RMB40,669,000 (2023: RMB86,282,000), representing a decrease of approximately 52.87% from the previous year, which was primarily due to the decrease in total profit in 2024 compared with the previous year resulted in a decrease in income tax expenses.

## **Earnings/loss per share**

For the year ended 31 December 2024, basic earnings per share amounted to RMB0.22 fen (2023: basic loss per share RMB0.31 fen).

## **EQUITY**

The Company's issued and fully paid share capital as at 31 December 2024 amounted to approximately RMB727,893,000 divided into 17,895,579,706 ordinary shares of HK\$0.05 each.

## **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 year ended 31 December 2024, the Group's receipts and payments were mainly denominated in RMB.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Group had restricted bank deposits and cash and bank balances of approximately RMB1,535,250,000 (2023: RMB991,883,000), the majority of which were denominated in Renminbi. The Group's current ratio was approximately 1.25 (2023: 1.19), based on current assets of approximately RMB15,445,467,000 (2023: RMB15,115,982,000) divided by current liabilities of approximately RMB12,327,942,000 (2023: RMB12,726,581,000). The Group's gearing ratio as at 31 December 2024 was approximately 481.31% (2023: 482.47%), based on net debts (which included bank and other borrowings, lease liabilities and promissory note less restricted bank deposits, and cash and bank balances) of approximately RMB14,841,875,000 (2023: RMB14,683,657,000) divided by equity attributable to owners of the Company of approximately RMB3,083,611,000 (2023: RMB3,043,414,000). The gearing ratio remained basically the same on year-on-year basis.

As at 31 December 2024, the Group had sufficient funding to pay off all its outstanding liabilities and meet its working capital requirement.

## **BORROWINGS**

As at 31 December 2024, the Group's total debts (which comprised non-current and current bank and other borrowings and promissory note) amounted to approximately RMB16,253,366,000 (2023: RMB15,546,930,000).

As at 31 December 2024, the Group had bank and other borrowings of approximately RMB8,130,983,000 (2023: RMB7,591,272,000) and approximately RMB6,899,371,000 (2023: RMB6,775,110,000) which was due within one year and after one year respectively. The majority of the Group's bank and other borrowings were denominated in Renminbi. The majority of the Group's bank and other borrowings were at fixed interest rate.

## **FOREIGN EXCHANGE RISK**

The Group operates in the PRC with most of its transactions settled in Renminbi except for certain purchases from international market that are conducted in United States dollars ("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 currency forward contracts and currency option contracts, when necessary, to manage its foreign exchange exposure. During the year, certain currency forward contracts and currency option contracts had been entered by the Group.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

## **PERFORMANCE AND PROSPECTS OF KEY INVESTMENT**

In 2024, the Company invested a lot of money in automation and intelligence, which improved the corporate image, production efficiency and environmental protection, and a number of key and fundamental tasks related to the long-term development of the Company have made significant progress, making new and solid steps towards building a modernized first-class copper enterprise.

The Company's future business core and growth lay in the development of non-ferrous metal mineral resources, non-ferrous metal smelting, precious metal materials research and development and other fields. With the mine mechanization, automation, informatization, intelligent construction and other inputs, the application of new processes, new technologies and new equipment in the mine needs to be adapted. The smelter has undergone metallurgical system upgrading and transformation, optimized production organization and process flow, and systematically solved the problems of waste gas and waste water. At present, the smelter is accelerating the application of intelligent equipment, pushing forward the construction of the intelligent operation center to give full play to the management and control performance of "large-scale centralized control + borderless collaboration". Through big data, the production process can be reliably predicted and accurately controlled to truly realize intelligent operation. Based on the existing industrial Internet platform, Yangxin Hongsheng continues to improve and upgrade software and hardware and the in-depth data mining, promotes the development and application of industrial simulation platform for copper smelting, and builds an intelligent copper smelting "industrial brain", exploring intelligent production and decision-making. Rare and Precious Branch focuses on the in-depth treatment of copper anode mud, focuses on continued efforts made in the development of new products, efficient recycling and other aspects, and carries out research on the preparation technology of 5N-grade gold, silver and high value-added rhenium products to further enhance the added value of the system.

Save as disclosed above, the Group did not make any other significant investment during the year ended 31 December 2024.

## **FUTURE SIGNIFICANT INVESTMENT PLANS FOR THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES OF THE GROUP**

In 2025, the Company will mainly invest in the development of mineral resources, intelligent construction of mines and science and technology and safety and environmental protection, construction of smelting intelligent plants, large-scale equipment renewal and technological innovation. **The first is to** actively carry out deep exploration and prospecting to increase reserves at the edge of its own mines, accelerate the construction of key mine projects, and improve the ability to guarantee mineral resources. **The second is to** steadily promote the intelligent construction of mines, use the Internet, Internet of Things and big data technology as means to increase the promotion and application of intelligent equipment and technology, and improve the total factor productivity and intrinsic safety level of mines. **The third is to** promote the construction of smelting intelligent factories, comprehensively promote the digitalization and intellectualization of equipment, increase technological transformation and equipment investment, promote the application of advanced technology in traditional industries, and accelerate the development of the middle and high-end of the industrial chain. **The fourth is to** actively lay out future industries and new industries, research and develop new materials, extend the industrial chain of rare and precious metals, and increase the added value of products.

The key projects in 2025 are arranged as follows:

### **1. Non-ferrous metal resources development and utilization projects**

#### ***(1) The development of No. IV ore body of the -665m to -725m middle portion of Tonglvshan Mine***

In 2025, it is planned to complete the following: the total drilling volume 27,782m<sup>3</sup> of -725m middle portion of the ore drift, transverse drift and prospecting chamber, -605m to -725m of chute, and -665m to -725m of ramp, and the ancillary installations of wind, water and electricity equipment. The planned investment is RMB15 million.

#### ***(2) The development of the -440m middle portion of Fengshan Copper Mine***

In 2025, it is planned to complete the following: the total drilling volume 595m/5,264m<sup>3</sup> of -380m middle portion of the ore drift, transverse drift and chute passage of the south rim, -440m middle portion of the transverse drift and chute of the south rim, and inverted air return shaft, and the ancillary equipment installations. The planned investment is RMB5.46 million.

#### ***(3) Expansion in the north mining belt of Xinjiang Sareke Copper Mine***

In 2025, it is planned to complete the following: infrastructure projects such as 2,631m to -2,610m main ramp (extension), 2,610m mining area substation chamber and 2,610m pump house, tunnel extension of 2,610m to -2,670m inverted air return shaft, and partial construction of ore drift tunnel. The planned investment is RMB15 million.

## **2. The intelligent construction and science and technology and safety and environmental protection of mining**

### ***(1) The intelligent construction of Tonglvshan Mine***

In 2025, it is planned to complete the following: intelligent control platform, intelligent power supply and distribution system (phase II), automatic transformation and upgrading of fixed facility, intelligent control center, increase of network security device and construction of supporting facilities. The planned investment is RMB30 million.

### ***(2) The intelligent construction of Fengshan Copper Mine***

In 2025, it is planned to complete the following: digitization of resources (carry-forward), integrated centralized control system of mining and selection, ventilation system optimization, intelligent power supply and distribution system, video surveillance system upgrade, automation upgrade of ore processing system, intelligent pressed air and water supply system, personnel management, cost management module, etc. The planned investment is RMB16.8 million.

### ***(3) The intelligent construction of Tongshankou Mine***

In 2025, it is planned to complete the following: intelligent construction of mines – integrated control project (carry-forward), purchase of inspection robots, belt anti-tearing devices, hardware configuration of underground AI intelligent dispatching application equipment, development of equipment predictive maintenance system, etc. The planned investment is RMB32.3 million.

### ***(4) The intelligent construction and science and technology and safety and environmental protection of Xinjiang Sareke Copper Mine***

In 2025, it is planned to complete the following: resources digitization system and concentrators and surrounding ecological environment treatment. The planned investment is RMB1.5 million.

## **3. Intelligent factory construction in the smelting segment**

### ***(1) Iterative upgrade project of smelter intelligent operation center***

In 2025, it is planned to complete the following: factory-wide network optimization, MES application module development and application, SCADA system expansion, etc. The planned investment is RMB5 million.

### ***(2) Smelter intelligent spare parts warehouse construction project***

In 2025, it is planned to establish a set of three-dimensional spare parts warehouse based on the old copper warehouse, including stacker cranes, shelves, warehouse management software systems, equipment scheduling and monitoring software systems, safety fences and other equipment, and communicate with the factory DCS and intelligent and factory data acquisition system. The planned investment is RMB5 million.

### ***(3) Intelligent factory phase II project (dark factory) of Yangxin Hongsheng***

In 2025, it is planned to complete the on-line analysis of copper concentrate and electrolyte analytical tests, the intelligent upgrading and transformation of the electrolysis system running, the upgrading and transformation of the grinding and floatation of slag beneficiation system and the intelligent inspection of the belt system, etc. The planned investment is RMB13 million.

### ***(4) Intelligent upgrading and transformation of Rare and Precious Branch***

In 2025, it is planned to complete the project feasibility study, production and operation center and basic automation construction. The planned investment is RMB4 million.

## **4. Large-scale equipment renewal project**

In accordance with the overall arrangement of the Implementation Plan for Large-scale Equipment Renewal of the Company (《公司大規模設備更新實施方案》), it is planned that 611 sets of equipment will be renewed in 2025, with a planned investment of RMB102.68 million (excluding equipment related to the intelligent plant and mine intelligent construction projects). Among them, 72 sets of equipment/RMB12.33 million are planned to be renewed at Tonglvshan Mine; 18 sets of equipment/RMB10.38 million are planned to be renewed at Fengshan Copper Mine; 51 sets of equipment/RMB9.2 million are planned to be renewed at Tongshankou Mine; 10 sets of equipment/RMB0.24 million are planned to be renewed at Xinjiang Sareke Copper Mine; 117 sets of equipment/RMB33.49 million are planned to be renewed at smelter; 74 sets of equipment/RMB29.90 million are planned to be renewed at Yangxin Hongsheng; and 252 sets of equipment/RMB5.28 million are planned to be renewed at the Rare and Precious Branch.

## **PROSPECTS OF THE GROUP**

Under the great changes unseen in a century, the internal and external situations will become more severe and complex in the next five years or beyond. The Group will adhere to long-termism, maintain strategic focus, focus on the strategic philosophy of “making efforts at both ends and improving in the middle” (兩端發力、中間提升), comprehensively and systematically make up for shortcomings and improve weaknesses, go all out to meet the severe market challenges of copper smelting and processing fees at historically low levels, and stabilize production, strengthen management, reduce costs and prevent risks through continuously increasing reform measures such as technological innovation and management innovation, so as to achieve the “three improvements” of asset quality, operating efficiency and development momentum, enhance operational resilience and development potential, and strengthen the foundation for high-quality development. The Group has made all-round breakthroughs in internationalization of operation, mineral resource development and the development of new strategic industries through coordination of two markets and two types of resources, to promote high-quality development and build a comprehensive copper industry base with excellent industrial layout, high quality and efficiency, beautiful ecological environment and strong security, which is second to none in China and even in the world, initially becoming a first-class copper enterprise with good resource reserves, excellent industrial synergy, advanced technology and equipment, strong profitability, scientific and effective governance, and integrated development at home and abroad.

## **CHARGES ON ASSETS**

As at 31 December 2024, other deposits which amounted to approximately RMB531,260,000 (2023: RMB545,027,000) were held in futures exchanges and certain financial institutions as security for the commodities derivative and gold forward contracts, and other financing were secured by bank deposits and balances amounting to approximately RMB nil (2023: RMB nil).

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group had no contingent liabilities.

## **EVENTS AFTER THE REPORTING PERIOD**

The Group had no material event after the reporting period.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2024, the Group had 5,283 employees (2023: 5,568). The Group's total staff costs for the year was approximately RMB985,908,000 (2023: RMB962,595,000). The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate. Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group. The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year under review, the Company had not redeemed any of its listed securities and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

## **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 final results for the year ended 31 December 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 of the Company. 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 year ended 31 December 2024.

## **CORPORATE GOVERNANCE CODE COMPLIANCE**

For the year ended 31 December 2024, the Company had complied with the code provisions of the CG Code except for deviation from code provision A.1.1 of the CG Code as summarized below: Pursuant to code provision A.1.1 of the CG Code, the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2024, only two regular board meetings were held to review and discuss the annual results and interim results. The financial and operational data for the first and the third quarter has been given to the Directors 14 days before the meeting. All the Directors did not have opinion after reviewing and considered the holding of quarterly meetings not necessary.

## **SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

## **PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement is published on the websites of the Company at [www.hk661.com](http://www.hk661.com) and Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The 2024 annual report and the notice of the annual general meeting will be despatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises four executive directors, namely Mr. Xiao Shuxin, Mr. Zhang Jinzhong, Ms. Zhang Aijun and Mr. Chen Xuewen; and three independent non-executive directors, namely Ms. Liu Fang, Mr. Wang Qihong and Mr. Liu Jishun.*