



# 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

**2020**



# MINERAL RESOURCES



## HUBEI MINES Daye City

- 1 Tonglvshan Mine
- 2 Tongshankou Mine

## HUBEI MINES Yangxin County

- 3 Fengshan Mine
- 4 Chimashan Mine

## XINJIANG MINE Wuqia County

- 5 Sareke Copper Mine

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors:

Wang Yan (*Chairman*)  
Long Zhong Sheng  
(*Chief Executive Officer*)  
Yu Liming  
Chen Zhimiao

### Independent Non-executive

#### Directors:

Wang Guoqi  
Wang Qihong  
Liu Jishun

## AUDIT COMMITTEE/

### REMUNERATION COMMITTEE

Wang Guoqi (*Chairman*)  
Wang Qihong  
Liu Jishun

## NOMINATION COMMITTEE

Wang Yan (*Chairman*)  
Wang Guoqi  
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

SHINEWING (HK) CPA Limited

## PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong)  
Limited  
Bank of Communications Co., Limited

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite No. 10B, 16/F, Tower 3  
China Hong Kong City  
China Ferry Terminal  
33 Canton Road  
Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited  
4th floor North Cedar House  
41 Cedar Avenue  
Hamilton HM 12  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
Level 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

## STOCK CODE

00661

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In the first half of 2020, 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 2020, the Group produced a total of approximately 9,645 tonnes of mined copper, representing a year-on-year decrease of 26.84%; approximately 240,930 tonnes of copper cathode, representing a year-on-year decrease of 10.54%; approximately 286.58 tonnes of precious metal (including approximately 2.76 tonnes of gold, approximately 268.81 tonnes of silver, approximately 7 kg of platinum, approximately 90 kg of palladium and approximately 14.91 tonnes of tellurium), representing a year-on-year decrease of 56.15%; approximately 539,276 tonnes of chemical products (including approximately 537,846 tonnes of sulfuric acid, approximately 1,199 tonnes of copper sulfate, approximately 157 tonnes of nickel sulfate (metal content) and approximately 74 tonnes of crude selenium (metal content)), representing a year-on-year decrease of 9.47 %; approximately 71,700 tonnes of iron concentrate, representing a year-on-year decrease of 16.14%; and approximately 31 tonnes of molybdenum concentrate, representing a year-on-year decrease of 21.58%.

### Rebound of Copper Price

Since the second quarter of the year, driven by contraction of overseas raw material supply and strong domestic consumption due to economic recovery, copper price has steadily rebounded from the low point of US\$4,371/tonne on 19 March 2020 to the high point of US\$6,633/tonne on 13 July 2020, recording a strong V-shaped rebound. Meanwhile, price of sulphuric acid rose along with volatility, with selling price rising compared with beginning of the year. As a professional organisation predicts, with the gradual investment of “new infrastructure” in the PRC, copper price will continue to rise due to strong consumption, and the copper industry will usher in a new round of rapid growth.

### Narrowing Decline in Operation Indicators

In recent years, we have carried out alignment with market expectations and in-depth reforms, resulting in significant improvement in scale of production and sales, labour productivity, technical and economic indicators as well as operating quality as compared with those before the alignment. Two sets of idle small-plate electrolyzers in the smelting plant have been transformed into large-plate electrolyzers, achieving monthly increase in output of approximately 600 tonnes of cathode copper. During late February to early March this year, we carried out alternate overhaul for the two sulfuric acid systems, thus creating favourable conditions for later full-load production and increased Ausmelt furnace life from 18 months to 26 months. Till now, the daily output of mined copper has reached 894 tonnes, laying foundation for achieving the annual objectives and targets. Meanwhile, the assessment and appointment for our reform of duties and ranks have also been completed with emerging internal vitality.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Gradual Realisation of Project Implementation

The 400,000-tonnes project has now fully entered the construction stage, and all tasks are advancing in full swing; the Tongshankou non-metal resource development project has been launched, and currently work such as the geological survey and construction, tendering for the main equipment together with the “preparatory works (三通一平)” and demolition of the gravel processing plant have been completed. The Tongshankou Mine’s open-pit southern boundary optimisation project has completed 320,000 tonnes of topsoil stripping.

## Double-lined Battles against Epidemic and Flood

Despite the unexpected epidemic which has brought a great impact to the Company’s production and operation, all work of the Company processed orderly and its production and operation have gradually stabilised, while the metallurgical industry chain remained in order amid the fight against the epidemic. During the most critical period of the epidemic from February to March, we have carefully organised production of the smelting plant, ensuring that front-line production personnel were on their posts and thus achieving a daily output of 734 tonnes of mined copper with a capacity utilisation rate of 84.3%, and a daily output of 1,167 tonnes of cathode copper with a capacity utilisation rate of 83.8%. Solving of sluggish sales and bottleneck of inventory of sulfuric acid achieved sales of sulfuric acid of 162,000 tonnes. Relevant departments actively communicated and coordinated with government departments, ports and shipping companies, thus ensuring the smooth logistics and transportation of more than 500,000 tonnes of raw materials, pharmaceuticals and products. In the face of flood prevention and flood control, the Company immediately set up a rescue team to timely deal with two major pipings in the Yangtze River levee, thus effectively ensuring the safety of the tailing ponds along the river during the flood.

## OUTLOOK

The Company will unswervingly keep a close eye on the production target. Under the premises of ensuring safety, we will increase daily as well as monthly production to recover the losses resulted from the epidemic, and will strive to stabilise and increase the output of the smelting plant. We shall further strengthen the effort to tackle key problems in the life span of the Ausmelt furnace, and will increase the utilisation rate of the smelting system under operation to ensure achieving an annual output of 300,000 tonnes while striving for reaching 305,000 tonnes of mined blister copper. We shall manage to balance the anode plates to improve the efficiency of electric current, and shall ensure to reach an annual output of 510,000 tonnes of copper cathode through the transformation and utilisation of idle production capacity of small plates.

We will earnestly implement the measures formulated at the beginning of the year, especially the tasks that lagged behind the progress in the first half of the year, to ensure that various measures will be proceeded on time; we will further strengthen cost control, while all departments of the Company shall keep a close eye on the target of annual cost control, strengthen supervision and control of key cost and expense indicators and cost deviation analysis, and will promote deep integration of professional linear management and cost control to ensure achieving the cost control target that the annual cash unit cost of major products decreases by 3% year-on-year while non-tax and other administrative expenses decrease by 5% year-on-year.



# MANAGEMENT DISCUSSION AND ANALYSIS

We will attach great importance to risk management, and will realise effective prevention of internal and external risks of the Company through continuously improved risk management and control systems as well as risk management techniques and methods. We shall prevent and control the risk of capital chain disruption to ensure that there will be no debt default event. We will earnestly carry out post-investment project pilot evaluation, enhance audit supervision, strengthen review of investment budget and project completion progress, and improve the accuracy of project final accounts and the standardisation of asset transfer.

In the first half of the year, the Company remained stable in its safety and environmental protection. However, as various risks during this year are far greater than those in previous years, we must maintain the bottom line of safety and environmental protection to guarantee the stable reform and development of the Company. We shall carry out intensive three-year safety rectification actions to thoroughly solve the key and difficult problems of production safety; we shall fully assess systemic risks of tailings ponds to strictly prevent tailings pond accidents, and shall strengthen enhancement of safety skills for high-risk industries, so as to effectively eliminate the “three violations” behaviors; we shall establish a link mechanism for ecological and environmental protection management, complete the establishment of green mine standards and the safety and environmental protection grade evaluation of tailings ponds; we shall revise and improve relevant systems according to new state policies and new requirements to pay close attention to and correct the shortcomings of the system.

# 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 2020:

Mines	Exploration activities	Development activities	Mining production activities
Tonglvshan Mine	Horizontal drilling reached 2,474.8m/27 holes, and pit drilling reached 555m/4,329m <sup>3</sup> .	The total completed drilling volume of middle portion and mining preparation work for the development of the -545m and -605m middle portion of No. III and IV ore bodies of Tonglvshan Mine was 5,163m <sup>3</sup> from January to June 2020.	Mining volume: 353,566 tonnes Ore processing volume: 445,601 tonnes
Fengshan Mine	Horizontal drilling reached 491m/6 holes, and pit drilling reached 1,174.8m/7,983.7m <sup>3</sup> .	The total completed drilling volume of middle portion for the development of the -440m middle portion of Fengshan Copper Mine was 5,265 m <sup>3</sup> from January to June 2020. The total completed drilling volume of ramps and middle portion for the development of the -440m to -550m of the south edge of Fengshan Copper Mine was 2,496m <sup>3</sup> from January to June 2020.	Mining volume: 327,589 tonnes Ore processing volume: 332,845 tonnes
Tongshankou Mine	Horizontal drilling reached 919.7m/16 holes. No pit drilling were conducted.	No development activities were conducted in the first half of the year.	Mining volume: 630,372 tonnes Ore processing volume: 629,949 tonnes
Chimashan Mine	No exploration works were conducted.	N/A	Production suspended
Sareke Copper Mine	Due to the impact of the COVID-19 pandemic, works and production gradually resumed in June except for exploration activities.	Due to the impact of the COVID-19 pandemic, works and production gradually resumed in June except for investing activities.	Due to the impact of the COVID-19 pandemic, works and production gradually resumed in June. In the first of the year, 114,700 tonnes of raw ore was processed, and 1,246 tonnes of copper concentrate containing copper was produced.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Infrastructure projects, subcontracting arrangements and purchases of equipment

During the six months ended 30 June 2020, 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	2,688	–	–	2,688
Fengshan Mine	620	–	1,753	2,373
Tongshankou Mine	–	–	6,400	6,400
Chimashan Mine	–	–	–	–
Sareke Copper Mine	–	–	4,964	4,964
Others	–	–	50	50
<b>Total</b>	<b>3,308</b>	<b>–</b>	<b>13,167</b>	<b>16,475</b>

## Expenditures incurred

During the six months ended 30 June 2020, the Group incurred expenditures of approximately RMB524,751,000 (six months ended 30 June 2019: RMB1,021,820,000) on exploration, development and mining production activities, details of which are set out below:

Mines	Operating expenses RMB'000	Capital expenditures RMB'000	Six months ended 30 June	
			2020 Total RMB'000	2019 Total RMB'000
Tonglvshan Mine	204,992	19,410	<b>224,402</b>	522,103
Fengshan Mine	85,262	1,851	<b>87,113</b>	137,173
Tongshankou Mine	130,361	13,329	<b>143,690</b>	244,568
Chimashan Mine	2,955	0	<b>2,955</b>	2,585
Sareke Copper Mine	66,591	0	<b>66,591</b>	115,391
<b>Total</b>	<b>490,161</b>	<b>34,590</b>	<b>524,751</b>	<b>1,021,820</b>

# MANAGEMENT DISCUSSION AND ANALYSIS

*Exploration, development and mining production activities expenditures*

Unit: RMB'000

	Tonglvshan Mine	Fengshan Mine	Tongshankou Mine	Chimashan Mine	Sareke Copper Mine
<b>Exploration activities</b>					
Drilling and analysis	-	-	-	-	-
Others	-	-	-	-	-
Sub-total	-	-	-	-	-
<b>Development activities (including mine construction)</b>					
Purchase of assets and equipment	4,049	1,412	1,598	-	-
Civil work for construction of tunnels and roads	15,361	439	8,440	-	-
Staff cost	-	-	-	-	-
Others	-	-	3,291	-	-
Sub-total	19,410	1,851	13,329	-	-
<b>Mining production activities (including ore processing)</b>					
Auxiliary material	17,253	5,147	10,795	-	12,161
Power supply	18,983	7,644	12,743	-	2,478
Staff cost	60,250	34,520	27,857	1,474	5,622
Depreciation	59,132	14,236	51,318	-	36,130
Taxes, resource compensation	7,632	4,714	7,062	252	1,637
Sub-contracting service	11,899	3,090	5,438	-	-
Others (administrative expenses, selling expenses, non-operating expenditures)	29,843	15,911	15,148	1,229	8,563
Sub-total	204,992	85,262	130,361	2,955	66,591
Total	224,402	87,113	143,690	2,955	66,591

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

The Group's revenue decreased by 30.62% to RMB12,055,577,000 during the period over the same period last year of RMB17,377,369,000. The decrease in revenue was mainly attributable to the epidemic effect causing poor production and sales of the main products of the Company.

Gross profit for the six months ended 30 June 2020 amounted to RMB278,347,000 (six months ended 30 June 2019: RMB442,340,000), representing a decrease of 37.07% from the previous period. The decrease was mainly due to cessation of production of mines of the subsidiary of the Company and the price of sulfuric acid product dropped sharply during the epidemic period from February to March.

Finance costs for the six months ended 30 June 2020 amounted to RMB179,542,000 (six months ended 30 June 2019: RMB255,266,000), representing a decrease of 29.66% from the previous period. The decrease was mainly due to the reduced interest-bearing debt scale and a portion of preferential loans sought by the Company during the epidemic period.

## DETAILS OF MATERIAL ACQUISITION AND DISPOSAL

On 8 January 2020, Yangxin Hongsheng Copper Industry Company Limited\* (陽新弘盛銅業有限公司), a non-wholly owned subsidiary of the Company (the "Joint venture company"), and State Land and Resources Branch Bureau of Xingang (Logistics) Industrial Park, Yangxin County State Land Bureau\* (陽新縣國土資源局新港(物流)工業園區國土分局) ("Xingang Land and Resources Bureau") entered into the Transfer Contract, pursuant to which Xingang Land and Resources Bureau has agreed to sell, and the Joint venture company has agreed to purchase, the land use rights of a piece of land parcel located to the north of Haizhou Avenue and the west of Hejin Provincial Road at Yangxin County, Huangshi, Hubei Province, the PRC, with a total site area of approximately 281,356 square metres for a consideration of RMB62,440,000. Please refer to the announcement of the Company dated 8 January 2020 for details.

On 24 June 2020, the Joint venture company and Xingang Land and Resources Bureau entered into the Second Transfer Contract, pursuant to which Xingang Land and Resources Bureau has agreed to sell, and the Joint venture company has agreed to purchase, the land use rights of a piece of land parcel located to Tanjiafan Village, Weiyuankou Town at Yangxin County, Huangshi, Hubei Province, the PRC, adjacent to the land parcel described in the announcement dated 8 January 2020, with a total site area of approximately 258,456 square metres for a consideration of RMB57,820,000. Please refer to the announcement of the Company dated 24 June 2020 for details.

# MANAGEMENT DISCUSSION AND ANALYSIS

## PERFORMANCE AND PROSPECTS OF KEY INVESTMENT

Currently the key investment project of the Company is the joint venture's 400,000-ton high-purity copper cathode clean production project, which has adopted the cutting-edge "flash smelting + flash conversion" process to produce copper anode, and the permanent stainless steel cathode plate electrolysis process to produce copper cathode. Completion of the project will enable the production capacity of the Company's copper cathode to reach 1 million tonnes, with output value of the copper industry exceeding 100 billion, forming a scale competitive advantage; it will also be a new benchmark for green manufacturing in the industry, and will realise a win-win for the economy and the environment, supporting the Company's continuous rapid and quality development. With a total investment of RMB5.7 billion in the project, of which RMB2.4 billion is expected to be invested in 2020 and RMB2.3 billion in 2021, the project is planned to be completed by the end of 2021 and achieved expected production in 2022.

## 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 2020, the Group's receipts and payments were mainly denominated in RMB.

## CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group had restricted and pledged bank deposits, and cash and bank balances of RMB2,761,728,000 (31 December 2019: RMB1,546,660,000), of which the majority were denominated in Renminbi, with a current ratio of 1.03 (31 December 2019: 1.01), based on the current assets of RMB8,475,645,000 (31 December 2019: RMB8,324,527,000) and current liabilities of RMB8,196,180,000 (31 December 2019: RMB8,247,770,000). The Group's gearing ratio was 336.36% (31 December 2019: 380.75%) based on the net debts (which includes bank and other borrowings, promissory notes and lease liabilities less restricted and pledged bank deposits, and cash and bank balances) of RMB7,973,890,000 (31 December 2019: RMB9,077,575,000) divided by equity attributable to owners of the Company of RMB2,370,611,000 (31 December 2019: RMB2,384,125,000). The decrease in gearing ratio was mainly due to the decrease in net debts.

As at 30 June 2020, the Group had bank and other borrowings of RMB5,627,246,000 (31 December 2019: RMB5,567,350,000) and RMB3,937,249,000 (31 December 2019: RMB3,898,781,000) 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.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2020, the Group had a total of 5,627 employees (30 June 2019: 5,652). The Group's total staff costs for the six months ended 30 June 2020 was approximately RMB295,166,000 (six months ended 30 June 2019: RMB322,070,000). 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 EXPOSURE

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.

## 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 2020.

## CONTINGENT LIABILITIES

As at 30 June 2020, the Group had no contingent liabilities.

## CHARGES ON ASSETS

As at 30 June 2020, other deposits which amounted to RMB101,619,000 (31 December 2019: RMB111,228,000) were held in futures exchanges and certain financial institutions as security for the commodity derivative contracts and other financing were secured by bank deposits and balances amounting to RMB44,776,000 (31 December 2019: RMB44,776,000).

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2020, 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 2020 (six months ended 30 June 2019: Nil).

## BOARD OF DIRECTORS

### Composition of the Board

As at 30 June 2020, the Board comprised four executive Directors and three independent non-executive Directors, as follows:

<b>Name of Director</b>	<b>Date of first appointment to the Board</b>
<b>Executive Directors</b>	
Wang Yan ( <i>Chairman</i> )	23 April 2019
Long Zhong Sheng ( <i>Chief Executive Officer</i> )	22 March 2012
Yu Liming	19 June 2018
Chen Zhimiao	21 June 2019
<b>Independent Non-Executive Directors</b>	
Wang Guoqi	13 January 2006
Wang Qihong	13 January 2006
Liu Jishun	31 July 2014

# CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company in the 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 or 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:

### Long Positions in the Shares of the Company

Name of Director	Capacity	Nature of interest	Number of shares	Approximate percentage of total shares in issue as at 30 June 2020 (%) (Note 2)
Wang Qihong	Beneficial owner	Personal	594,000	0.00
	Interest of spouse	Personal	1,000,000 (Note 1)	0.01
Wang Guoqi	Beneficial owner	Personal	600,000	0.00

#### Notes:

1. Mr. Wang Qihong is deemed to be interested in 1,000,000 shares through the interests of 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 2020.

Save as disclosed above, as at 30 June 2020, 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' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 2020, so far as is known to the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### Long Positions in the Shares/Underlying Shares of the Company

Name of shareholder	Capacity	Number of shares/ underlying shares	Approximate percentage of total shares in issue as at 30 June 2020 (%) (Note 4)
China Times Development Limited	Beneficial owner	11,962,999,080	66.85
Daye Nonferrous Metals Group Holding Co., Ltd.	Interest in a controlled corporation	11,962,999,080 (Note 1)	66.85
China Nonferrous Metal Mining (Group) Co., Ltd.	Interest in a controlled corporation	11,962,999,080 (Note 2)	66.85
China Cinda (HK) Asset Management Co., Limited	Beneficial owner	936,953,542	5.24
China Cinda Asset Management Co., Limited	Interest in a controlled corporation	936,953,542 (Note 3)	5.24

#### Notes:

1. These shares were held by China Times Development Limited, the entire issued share capital of which was beneficially owned by Daye Nonferrous Metals Group Holding Co., Ltd.
2. These Shares were held by China Times Development Limited, 57.99% of the share capital in Daye Nonferrous Metals Group Holding Co., Ltd. were beneficially owned by China Nonferrous Metal Mining (Group) Co., Ltd.
3. These shares were held by China Cinda (HK) Asset Management Co., Limited, the entire issued share capital of which was beneficially owned by China Cinda Asset Management Co., Limited.
4. These percentages are calculated based on 17,895,579,706 issued shares of the Company as at 30 June 2020.





# CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 30 June 2020, the Directors are not aware of any other persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## **EQUITY**

As at 30 June 2020, 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 HK\$894,779,000.

## **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, Mr. Wang Guoqi, 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 2020.

## **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 2020.



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 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 (the “**CG Code**”) throughout the six months ended 30 June 2020, save for the deviation as summarised below:

Pursuant to code provision A.4.1 of the CG Code, non-executive Directors of a listed issuer should be appointed for a specific term, subject to re-election. All independent non-executive Directors were not appointed for a specific term in their respective letter of appointment. However, they are still subject to retirement by rotation and re-election at least once every three years (after he was elected or re-elected) at the annual general meetings of the Company pursuant to the relevant provisions of the Company’s Bye-laws, which achieves the same effect as having the non-executive Directors being appointed for a specific term.

## EVENTS AFTER THE REPORTING PERIOD

SHINEWING (HK) CPA Limited has been appointed as the auditor of the Company with effect from 28 August 2020 to fill the casual vacancy following the resignation of Deloitte Touche Tohmatsu with effect from 18 August 2020 and to hold office until the conclusion of the next annual general meeting of the Company.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Revenue	4, 5	<b>12,055,577</b>	17,377,369
Cost of sales and services rendered		<b>(11,777,230)</b>	(16,935,029)
Gross profit		<b>278,347</b>	442,340
Other income	6	<b>27,323</b>	34,265
Selling expenses		<b>(26,872)</b>	(22,789)
Administrative expenses		<b>(148,146)</b>	(154,974)
Other operating expenses		<b>(4,995)</b>	(8,026)
Other gains and losses	7	<b>43,556</b>	(4,801)
Impairment losses under expected credit loss model, net	8	<b>(37,853)</b>	(20,139)
Finance costs	9	<b>(179,542)</b>	(255,266)
(Loss)/profit before tax		<b>(48,182)</b>	10,610
Income tax expense	10	<b>(2,287)</b>	(6,709)
(Loss)/profit and total comprehensive (expense)/income for the period	11	<b>(50,469)</b>	3,901
(Loss)/profit and total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		<b>(13,514)</b>	1,281
Non-controlling interests		<b>(36,955)</b>	2,620
		<b>(50,469)</b>	3,901
<b>(Loss)/earnings per share</b>	13		
– Basic		<b>RMB(0.08)fen</b>	RMB0.01fen
– Diluted		<b>RMB(0.08)fen</b>	RMB0.01fen

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Notes	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	6,566,837	6,789,956
Right-of-use assets		884,058	824,883
Exploration and evaluation assets		8,074	8,074
Intangible assets		630,871	659,513
Investment in joint ventures		–	–
Deferred tax assets	15	73,154	71,324
Other deposits	18	79,244	76,311
Restricted bank deposits	20	44,776	44,776
		<b>8,287,014</b>	8,474,837
<b>CURRENT ASSETS</b>			
Inventories	16	4,431,930	4,869,157
Trade and bills receivables	17	408,153	1,009,800
Other deposits	18	101,619	111,228
Prepayments and other receivables	19	412,725	172,029
Derivative financial instruments	24	404,266	220,429
Structured bank deposits		–	440,000
Restricted and pledged bank deposits	20	79,533	–
Cash and bank balances	20	2,637,419	1,501,884
		<b>8,475,645</b>	8,324,527
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	21	1,507,007	1,808,990
Other payables and accrued expenses	22	740,668	758,085
Contract liabilities		242,079	43,781
Bank and other borrowings	23	5,627,246	5,567,350
Lease liabilities		4,605	4,495
Derivative financial instruments	24	38,125	24,053
Early retirement obligations		36,450	38,820
Current income tax liabilities		–	2,196
		<b>8,196,180</b>	8,247,770
<b>NET CURRENT ASSETS</b>		<b>279,465</b>	76,757
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,566,479</b>	8,551,594

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

	Notes	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)
<b>CAPITAL AND RESERVES</b>			
Share capital		727,893	727,893
Share premium and reserves		1,642,718	1,656,232
Equity attributable to owners of the Company		2,370,611	2,384,125
Non-controlling interests		488,482	485,437
<b>TOTAL EQUITY</b>		<b>2,859,093</b>	2,869,562
<b>NON-CURRENT LIABILITIES</b>			
Other payables	22	276,333	278,333
Bank and other borrowings	23	3,937,249	3,898,781
Lease liabilities		134,362	142,570
Promissory note		1,032,156	1,011,039
Provisions for mine rehabilitation, restoration and dismantling		53,110	51,332
Deferred income		161,150	176,087
Early retirement obligations		113,026	123,890
		5,707,386	5,682,032
		8,566,479	8,551,594

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Equity attributable to owners of the Company										
	Share capital RMB'000	Other reserve RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Transition reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Six months ended 30 June 2020</b> <b>(unaudited)</b>											
At 1 January 2020 (audited)	727,893	1,554,303	124,592	4,373,075	(4,184,848)	114,038	5,876	(330,804)	2,384,125	485,437	2,869,562
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	(13,514)	(13,514)	(36,955)	(50,469)
Appropriation of maintenance and production funds	-	-	-	-	-	26,947	-	(26,947)	-	-	-
Utilisation of maintenance and production funds	-	-	-	-	-	(18,192)	-	18,192	-	-	-
Capital injection from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	-	-	40,000	40,000
<b>At 30 June 2020 (unaudited)</b>	<b>727,893</b>	<b>1,554,303</b>	<b>124,592</b>	<b>4,373,075</b>	<b>(4,184,848)</b>	<b>122,793</b>	<b>5,876</b>	<b>(353,073)</b>	<b>2,370,611</b>	<b>488,482</b>	<b>2,859,093</b>
<b>Six months ended 30 June 2019</b> <b>(unaudited)</b>											
At 1 January 2019 (audited)	727,893	1,554,303	124,592	4,373,075	(4,184,848)	115,451	5,876	(478,881)	2,237,461	178,553	2,416,014
Profit and total comprehensive income for the period	-	-	-	-	-	-	-	1,281	1,281	2,620	3,901
Appropriation of maintenance and production funds	-	-	-	-	-	30,968	-	(30,968)	-	-	-
Utilisation of maintenance and production funds	-	-	-	-	-	(28,582)	-	28,582	-	-	-
<b>At 30 June 2019 (unaudited)</b>	<b>727,893</b>	<b>1,554,303</b>	<b>124,592</b>	<b>4,373,075</b>	<b>(4,184,848)</b>	<b>117,837</b>	<b>5,876</b>	<b>(479,986)</b>	<b>2,238,742</b>	<b>181,173</b>	<b>2,419,915</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<b>955,155</b>	419,507
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		
Interest received	<b>13,050</b>	15,812
Payments for property, plant and equipment	<b>(62,197)</b>	(130,792)
Payments for exploration and evaluation assets	–	(27,745)
Payments for intangible assets	–	(13,704)
Payments for right-of-use assets	<b>(71,068)</b>	–
Decrease in short-term advances to Daye Nonferrous Metals Group Holding Co., Ltd (“Daye Group”)	<b>5,628</b>	1,143,670
Proceeds from disposal of property, plant and equipment	<b>5,638</b>	84
Repayments from joint ventures	–	28,775
Advances to fellow subsidiaries	–	(562)
Decrease in structure bank deposits	<b>440,000</b>	–
Placement of restricted and pledged bank deposits	<b>(158,674)</b>	(288,881)
Withdrawal of restricted and pledged bank deposits	<b>79,141</b>	12,500
Receipts of government grants	<b>3,030</b>	7,700
	<b>254,548</b>	746,857

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from new bank borrowings	<b>3,599,977</b>	4,590,802
Repayments of bank borrowings	<b>(3,560,070)</b>	(3,676,038)
Repayments of other loans	<b>(500)</b>	(500)
Loans from Daye Group	<b>84,782</b>	7,202
Repayment of loans from Daye Group	-	(11,878)
Advance from a fellow subsidiary	<b>227,161</b>	234,003
Repayments to a fellow subsidiary	<b>(215,117)</b>	(426,820)
Loans from Nonferrous Mining Group Finance Co., Ltd* ("Finance Company")	<b>150,000</b>	100,000
Repayment of loans from Finance Company	<b>(150,000)</b>	(250,000)
Proceeds from gold loans	<b>795,000</b>	885,659
Repayments of gold loans	<b>(890,001)</b>	(1,585,915)
Advance from joint ventures	-	77
Repayment to Daye Group	-	(955)
Capital injection from non-controlling Shareholders of a subsidiary	<b>40,000</b>	-
Finance costs paid	<b>(155,420)</b>	(234,578)
Other financing cash flows	-	3,896
	<b>(74,188)</b>	(365,045)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<b>1,135,515</b>	801,319
Cash and cash equivalents at beginning of the period	<b>1,501,884</b>	861,616
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	<b>20</b>	861
Cash and cash equivalents at end of the period, represented by:		
Cash and bank balances	<b>2,637,419</b>	1,663,796

\* A non-banking financial institution.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 1. GENERAL INFORMATION

China Daye Non-Ferrous Metals Mining Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group”) 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 “Hong Kong 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 “Directors”), the ultimate holding company of the Company is China Nonferrous Metal Mining (Group) Co., Ltd., a state-owned enterprise established in the People’s Republic of China (the “PRC”).

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 Group for the six months ended 30 June 2020 have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. 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 2019.

## 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 as disclosed in Note 26, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 3. PRINCIPAL ACCOUNTING POLICIES – CONTINUED

In the current interim period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in Hong Kong Financial Reporting Standards (“HKFRS”) and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning 1 January 2020:

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>

The application of the Amendments to References to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the current 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 FROM GOODS AND SERVICES

Disaggregation of revenue from contracts with customers for the period is as follows:

	Six months ended 30 June	
	2020 RMB’ 000 (unaudited)	2019 RMB’ 000 (unaudited)
Sales of goods	12,044,499	17,355,593
Rendering of services	11,078	21,776
	<b>12,055,577</b>	17,377,369
Timing of revenue recognition:		
A point in time	12,044,499	17,355,593
Over time	11,078	21,776
	<b>12,055,577</b>	17,377,369

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 5. SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker (“CODM”), for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or 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. However, 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 disaggregation of revenue by major product and service categories:

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Sales of goods:		
Copper cathodes	<b>9,463,595</b>	12,224,896
Other copper products	<b>167,942</b>	521,904
Gold and other gold products	<b>1,084,667</b>	2,032,100
Silver and other silver products	<b>1,182,102</b>	2,275,475
Sulphuric acid and sulphuric concentrate	<b>8,549</b>	119,361
Iron ores	<b>55,316</b>	62,127
Others	<b>82,328</b>	119,730
	<b>12,044,499</b>	17,355,593
Rendering of services:		
Copper processing	<b>6,948</b>	15,701
Others	<b>4,130</b>	6,075
	<b>11,078</b>	21,776
Total revenue	<b>12,055,577</b>	17,377,369

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 5. SEGMENT INFORMATION – CONTINUED

### Geographical information

The Group operates in three principal geographical areas – the PRC, Hong Kong and The Republic of Mongolia (“Mongolia”).

The Group’s information about its non-current assets (excluding deferred tax assets and financial instruments) by location of assets are detailed below:

	<b>At 30 June 2020 RMB’ 000 (unaudited)</b>	At 31 December 2019 RMB’ 000 (audited)
PRC	<b>8,168,837</b>	8,358,420
Hong Kong	<b>196</b>	243
Mongolia	<b>51</b>	74
	<b>8,169,084</b>	8,358,737

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

	<b>Six months ended 30 June</b>	
	<b>2020 RMB’ 000 (unaudited)</b>	2019 RMB’ 000 (unaudited)
PRC	<b>11,563,019</b>	16,448,326
Hong Kong	<b>51,069</b>	413,157
Others	<b>441,489</b>	515,886
	<b>12,055,577</b>	17,377,369

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 6. OTHER INCOME

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Interest income from banks	8,606	2,186
Interest income from Daye Group	–	13,622
Interest income from Finance Company	4,444	2,658
Interest income from a joint venture	1,152	2,784
Government grants	1,994	288
Deferred income released	10,787	10,619
Rental income	340	2,108
	<b>27,323</b>	34,265

## 7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Fair value changes from:		
Commodity derivatives contracts	–	(223)
Currency forward contracts	(224)	(1,301)
Currency option contracts	16,584	37,308
Gold forward contracts	269,699	97,426
Currency exchange swap contracts	(7,402)	4,461
Gold loans designated as financial liabilities at fair value through profit or loss (“FVTPL”)	(271,575)	(118,729)
Gain/(loss) on disposal of property, plant and equipment, net	2,541	(2)
Exchange losses, net	33,933	(23,741)
	<b>43,556</b>	(4,801)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Impairment losses under expected credit loss model, net, on:		
Trade receivables measured at amortised cost	37,638	–
Other receivables	215	20,139
	<b>37,853</b>	20,139

## 9. FINANCE COSTS

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Interest on bank and other borrowings	129,714	211,594
Interest on loans from Daye Group	12,521	7,595
Interest on loans from Finance Company	6,621	6,374
Interest on loans from and amounts due to a fellow subsidiary	6,026	9,015
Interest on promissory note	21,116	21,000
Unwind interest of provisions for mine rehabilitation, restoration and dismantling	741	652
Unwind interest of early retirement obligations	2,490	3,990
Interest on lease liabilities	3,603	3,708
Total borrowing costs	<b>182,832</b>	263,928
Less: Borrowing costs capitalised in the cost of qualifying assets	<b>(3,290)</b>	(8,662)
	<b>179,542</b>	255,266

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 10. INCOME TAX EXPENSE

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Current tax:		
PRC Enterprise Income Tax	4,117	14
Deferred tax (Note 15)	(1,830)	6,695
	<b>2,287</b>	6,709

## 11. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
Employee benefits expense (including directors' remuneration):		
Salaries, wages and welfare	271,061	256,562
Retirement benefit schemes contributions	24,105	65,508
Total staff costs (note (i))	<b>295,166</b>	322,070
Cost of sale and services rendered:		
Cost of inventories recognised as an expense	11,761,829	16,906,941
Impairment loss of inventories	5,618	–
Direct operating expense arising from services provided	9,783	28,088
	<b>11,777,230</b>	16,935,029
Depreciation of property, plant and equipment (note (ii))	313,063	314,639
Amortisation of intangible assets (note (ii))	28,642	26,824
Depreciation of right-of-use assets (note (ii))	14,204	14,409

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 11. (LOSS)/PROFIT FOR THE PERIOD – CONTINUED

Notes:

- (i) During the current interim period, staff costs of RMB246,028,000 (unaudited) (six months ended 30 June 2019: RMB299,272,000 (unaudited)) was capitalised to inventories.
- (ii) During the current interim period, depreciation of property, plant and equipment of RMB306,604,000 (unaudited) (six months ended 30 June 2019: RMB308,007,000 (unaudited)), and amortisation/depreciation of intangible assets and right-of-use assets totaling RMB21,619,000 (unaudited) (six months ended 30 June 2019: RMB18,086,000 (unaudited)) was capitalised to inventories.

## 12. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during both the current and prior interim period, nor has any dividend been proposed since the end of the reporting period and up to the date of this report.

## 13. (LOSS)/EARNINGS PER SHARE

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

	Six months ended 30 June	
	2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
<b>(Loss)/earnings</b>		
(Loss)/earnings for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<b>(13,514)</b>	1,281
	<b>' 000</b>	' 000
<b>Number of ordinary shares</b>		
Number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	<b>17,895,580</b>	17,895,580

The computation of diluted (loss)/earnings per share for both periods does not assume the conversion of the promissory note as the issue price is determined by reference to the market price of the shares of the Company.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 14. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group paid approximately RMB62,197,000 (unaudited) (six months ended 30 June 2019: RMB130,792,000 (unaudited)) for construction costs for copper mines and for acquisition of plant and machinery.

In addition, during the current interim period, the Group disposed of certain plant and machinery, and motor vehicles with an aggregate carrying amount of RMB1,968,000 (unaudited) (six months ended 30 June 2019: RMB86,000 (unaudited)) for cash proceeds of RMB5,638,000 (unaudited) (six months ended 30 June 2019: RMB84,000 (unaudited)), resulting in a gain on disposal of RMB3,006,000 (unaudited) (six months ended 30 June 2019: loss on disposal RMB2,000 (unaudited)).

## 15. DEFERRED TAX

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Deferred tax assets	<b>73,154</b>	71,324

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 15. DEFERRED TAX – CONTINUED

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior interim periods:

### Deferred tax assets

	Accrued expenses RMB' 000	Provision for mine rehabilitation, restoration and dismantling RMB' 000	Early retirement obligations RMB' 000	Impairment losses RMB' 000	Write-down of inventories RMB' 000	Tax losses RMB' 000	Others RMB' 000	Total RMB' 000
At 1 January 2019 (audited)	22,568	11,352	47,059	60,238	10,342	401	2,785	154,745
(Charged)/credited to profit or loss	(909)	163	(6,428)	35	-	-	(211)	(7,350)
At 30 June 2019 (unaudited)	21,659	11,515	40,631	60,273	10,342	401	2,574	147,395
At 1 January 2020 (audited)	17,366	11,678	35	60,404	10,797	137	2,605	103,022
(Charged)/credited to profit or loss	(218)	168	-	28	1,404	-	(348)	1,034
At 30 June 2020 (unaudited)	17,148	11,846	35	60,432	12,201	137	2,257	104,056

### Deferred tax liabilities

	Mining rights RMB' 000
At 1 January 2019 (audited)	(33,007)
Credited to profit or loss	655
At 30 June 2019 (unaudited)	(32,352)
At 1 January 2020 (audited)	(31,698)
Credited to profit or loss	796
At 30 June 2020 (unaudited)	(30,902)

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 16. INVENTORIES

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Raw materials	<b>849,516</b>	741,259
Work in progress	<b>1,628,717</b>	1,261,243
Finished goods	<b>469,334</b>	375,995
Goods in transit	<b>1,484,363</b>	2,490,660
	<b>4,431,930</b>	4,869,157

## 17. TRADE AND BILLS RECEIVABLES

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Trade receivables	<b>228,074</b>	259,610
Less: Allowance for credit losses	<b>(48,343)</b>	(10,705)
	<b>179,731</b>	248,905
Bills receivables, at amortised cost:		
On hand	<b>66,903</b>	149,241
Endorsed to suppliers	<b>2,769</b>	56,420
Discounted to banks	<b>158,750</b>	555,234
	<b>228,422</b>	760,895
Total trade and bills receivables	<b>408,153</b>	1,009,800

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 17. TRADE AND BILLS RECEIVABLES – CONTINUED

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 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.

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Within 1 year	<b>166,369</b>	240,489
More than 1 year, but less than 2 years	<b>9,727</b>	7,177
More than 2 years, but less than 3 years	<b>3,496</b>	365
Over 3 years	<b>139</b>	874
	<b>179,731</b>	248,905

Included in the Group's trade and bills receivables are balances with the following related parties:

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Trade receivables:		
Fellow subsidiaries	<b>117,797</b>	99,737
Daye Group	–	1
Bills receivables:		
Daye Group	–	370,000

The above balances with related parties are unsecured, interest-free and are repayable according to the relevant sales contracts. The bills receivables from Daye Group are matured within one year.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 18. OTHER DEPOSITS

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
<b>Classified under non-current assets:</b>		
Deposits for acquisition of property, plant and equipment	<b>43,187</b>	42,989
Deposits for environment rehabilitation (Note (a))	<b>28,308</b>	28,008
Deposits for land restoration (Note (b))	<b>7,749</b>	5,314
	<b>79,244</b>	76,311
<b>Classified under current assets:</b>		
Margin deposits (Note (c))	<b>101,619</b>	111,228

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, other futures exchanges and certain financial institutions as security for the commodity derivative contracts.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 19. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)
Prepayments for inventories	319,563	40,851
Value-added tax recoverable	9,062	5,795
Short-term advances to Daye Group (Note (a))	–	5,628
Loans to a joint venture (Note (b))	127,270	119,836
Amounts due from joint ventures of the Group (Note (c))	11,740	11,680
Amounts due from fellow subsidiaries (Note (c))	104	20
Insurance claim receivable	–	35,693
Receivable from brokers	11,992	19,229
Other receivables	50,103	50,192
	<b>529,834</b>	288,924
Less: Allowance for credit losses on other receivables	<b>(117,109)</b>	(116,895)
	<b>412,725</b>	172,029

Notes:

- (a) The short-term advances to Daye Group as at 31 December 2019 carried fixed interest rate at 3.92% per annum and repayable on demand.
- (b) The loans to a joint venture are unsecured, carry fixed interest rates ranging from 4.35% to 4.60% (31 December 2019: 4.35% to 4.60%) per annum and repayable within one year.
- (c) The amounts due from joint ventures and fellow subsidiaries are unsecured, interest-free and repayable on demand.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 20. RESTRICTED AND PLEDGED BANK DEPOSITS, AND CASH AND BANK BALANCES

### Restricted and pledged bank deposits

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Classified under non-current assets: Bank deposits (Note (a))	<b>44,776</b>	44,776
Classified under current assets: Restricted bank balances (Note (b))	<b>79,533</b>	–

Notes:

- (a) The bank deposits are placed with Finance Company and are pledged as security for the Group's other loans from a third party financing company, which are not repayable within one year (Note 23). These deposits bear interest at a rate of 3.58% (31 December 2019: 3.58%) per annum.
- (b) The bank balances are mainly held in designated bank accounts as security for the letters of credit.

### Cash and bank balances

As at 30 June 2020, the balances included saving deposits of RMB1,255,250,000 (unaudited) (31 December 2019: RMB600,678,000) placed with Finance Company, which bear interest at rates ranging from 0.53% to 1.50% (31 December 2019: 0.53% to 1.50%) per annum.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 21. TRADE AND BILLS PAYABLES

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Trade payables	<b>1,507,007</b>	1,780,050
Bills payables	–	28,940
	<b>1,507,007</b>	1,808,990

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

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Within 1 year	<b>1,476,383</b>	1,759,310
More than 1 year, but less than 2 years	<b>15,718</b>	8,212
More than 2 years, but less than 3 years	<b>6,863</b>	2,549
Over 3 years	<b>8,043</b>	9,979
	<b>1,507,007</b>	1,780,050

Included in the Group's trade and bills payables as at 30 June 2020 were payables to fellow subsidiaries of RMB23,383,000 (unaudited) (31 December 2019: RMB16,945,000). The payables to fellow subsidiaries are unsecured, interest-free and repayable according to respective purchase contracts.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 22. OTHER PAYABLES AND ACCRUED EXPENSES

Included in the Group's other payables under current liabilities as at 30 June 2020 were payables to Daye Group and a joint venture of the Group of RMB31,596,000 (unaudited) (31 December 2019: RMB29,880,000) and RMB15,051,000 (unaudited) (31 December 2019: RMB15,044,000), respectively. The above payables to Daye Group and a joint venture of the Group are unsecured, interest-free and repayable on demand.

Also included in the Group's other payables and accrued expenses under current liabilities and other payables under non-current liabilities as at 30 June 2020 totalling were payables for purchase of property, plant and equipment from fellow subsidiaries of RMB513,057,000 (unaudited) (31 December 2019: RMB466,314,000) in relation to the construction work conducted by these fellow subsidiaries. The above payables are unsecured and repayable in accordance with the terms of the relevant construction contracts, and except for the payables to a fellow subsidiary of RMB276,333,000 (unaudited) (31 December 2019: RMB278,333,000) which bear interest at 4.35% (31 December 2019: 4.35%) per annum, the remaining payables are interest-free.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 23. BANK AND OTHER BORROWINGS

	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)
Bank borrowings:		
Secured	158,750	555,234
Unsecured	6,464,269	6,081,757
Other borrowings:		
Loans from Daye Group, unsecured*	273,570	192,421
Loans from Finance Company, unsecured*	268,150	268,350
Loans from a fellow subsidiary, unsecured*	21,112	6,233
Gold loans	1,872,689	1,855,393
Other loans secured by bank deposits (Note 20(a))	505,955	506,743
	<b>9,564,495</b>	9,466,131
Bank borrowings carrying amounts repayable:		
Within 1 year	3,564,800	4,046,233
More than 1 year, but not exceeding 2 years	2,661,219	2,387,967
More than 2 years, but not exceeding 5 years	397,000	201,033
More than 5 years	-	1,758
	<b>6,623,019</b>	6,636,991
Other borrowings carrying amounts repayable:		
Within 1 year	2,062,446	1,521,117
More than 1 year, but not exceeding 2 years	384,030	618,069
More than 2 years, but not exceeding 5 years	495,000	649,809
More than 5 years	-	40,145
	<b>2,941,476</b>	2,829,140
Less: Amounts due within 1 year shown under current liabilities	<b>(5,627,246)</b>	(5,567,350)
Amounts shown under non-current liabilities	<b>3,937,249</b>	3,898,781

\* The loans from Daye Group bear interests ranging from 1.20% to 6.15% (31 December 2019: 1.20% to 6.15%) per annum and are repayable in various maturity dates up to 24 December 2025. The loans from Finance Company bear interests ranging from 3.915% to 5.225% (31 December 2019: 3.915% to 5.225%) per annum and are repayable in various maturity dates up to 17 September 2021. The loans from a fellow subsidiary include (i) a loan bore a three-year interest rate quoted by People's Bank of China per annum and is repayable on 11 January 2022 and (ii) an interest-free loan and is repayable on demand.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 24. DERIVATIVE FINANCIAL INSTRUMENTS

	Current assets		Current liabilities	
	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)	At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)
Carried at fair value:				
– Copper futures contracts	108,257	25,776	26,582	2,527
– Gold futures contracts	32,162	4,086	6,093	–
– Gold forward contracts	251,745	172,464	–	–
– Silver futures contracts	1,940	955	–	132
– Currency forward contracts	–	224	–	–
– Currency option contracts	10,162	9,522	5,450	21,394
– Currency exchange swap contract	–	7,402	–	–
	<b>404,266</b>	220,429	<b>38,125</b>	24,053

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 and other futures exchanges. Besides, the Group also entered into currency forward, currency exchange swap contracts and currency option contracts with certain banks to hedge certain of its currency risk arising from certain of its bank loans denominated in United States dollar. The Group did not formally designate or document the hedging transactions with respect to the commodity derivative contracts, foreign currency forward contracts and currency option contracts. Therefore, those transactions were not designated for hedge accounting.

Details of fair value measurement are disclosed in Note 26 to the condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 25. CAPITAL COMMITMENTS

	<b>At 30 June 2020 RMB' 000 (unaudited)</b>	At 31 December 2019 RMB' 000 (audited)
Capital expenditure contracted but not provided for in respect of:		
Acquisition of property, plant and equipment	<b>238,855</b>	265,139

## 26. 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 2020 (unaudited)				
<i>Financial assets</i>				
Commodity futures contracts	-	<b>142,359</b>	-	<b>142,359</b>
Other derivative financial instruments	-	<b>261,907</b>	-	<b>261,907</b>
<i>Financial liabilities</i>				
Commodity futures contracts	-	<b>32,675</b>	-	<b>32,675</b>
Other derivative financial instruments	-	<b>5,450</b>	-	<b>5,450</b>
Gold loans	-	<b>1,870,505</b>	-	<b>1,870,505</b>
At 31 December 2019 (audited)				
<i>Financial assets</i>				
Commodity futures contracts	-	30,817	-	30,817
Other derivative financial instruments	-	189,612	-	189,612
Structured bank deposits	-	440,000	-	440,000
<i>Financial liabilities</i>				
Commodity futures contracts	-	2,659	-	2,659
Other derivative financial instruments	-	21,394	-	21,394
Gold loans	-	1,855,393	-	1,855,393

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 26. 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		Fair value hierarchy	Valuation technique
		At 30 June 2020 RMB' 000 (unaudited)	At 31 December 2019 RMB' 000 (audited)		
Copper futures contracts:	Assets	<b>108,257</b>	25,776	Level 2	Note 1
	Liabilities	<b>26,581</b>	2,527	Level 2	Note 1
Gold futures contracts:	Assets	<b>32,162</b>	4,086	Level 2	Note 1
	Liabilities	<b>6,093</b>	–	Level 2	Note 1
Gold forward contracts:	Assets	<b>251,745</b>	172,464	Level 2	Note 2
Silver futures contracts:	Assets	<b>1,940</b>	955	Level 2	Note 1
	Liabilities	–	132	Level 2	Note 1
Currency forward contracts:	Assets	–	224	Level 2	Note 2
Currency exchange swap contracts:	Assets	–	7,402	Level 2	Note 2
Currency option contracts:	Assets	<b>10,162</b>	9,522	Level 2	Note 2
	Liabilities	<b>5,450</b>	21,394	Level 2	Note 2
Gold loans:	Liabilities	<b>1,870,505</b>	1,855,393	Level 2	Note 3
Structured bank deposits:	Assets	–	440,000	Level 2	Note 4

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 26. 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

Notes:

- (1) Calculating by reference to the quoted prices in active markets.
- (2) Discounted cash flows, future cash flows are estimated based on forward exchange rates/prices and contracted forward rates/prices, discounted at a rate that reflects the credit risk of various counterparties.
- (3) Discounted cash flows, future cash flows are estimated based on gold forward prices that are discounted at a rate that reflects the credit risk of various counterparties.
- (4) Discounted cash flows, future cash flows are estimated based on forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between Level 1 and 2 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 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.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 27. 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 Non-ferrous 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.

	Notes	Related parties	Six months ended 30 June	
			2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
<b>Income:</b>				
Sales of non-ferrous metals	(i)	Daye Group	185,159	570,236
	(i)	Fellow subsidiaries	1,126,643	1,783,585
Sales of other materials	(i)	Daye Group	33	63
	(i)	Fellow subsidiaries	15,223	41,952
Rendering of services	(i)	Daye Group	-	-
	(i)	Fellow subsidiaries	3,219	251
Interest income	(ii)	Finance Company	4,444	2,658
	(ii)	A joint venture	1,152	2,784
	(v)	Daye Group	-	13,622
Rental income for leasing of assets	(i)	Daye Group	-	-
	(i)	Fellow subsidiaries	-	1,069
Rental income for leasing of lands	(i)	Fellow subsidiaries	-	699

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 27. RELATED PARTY TRANSACTIONS – CONTINUED

### Transactions and balances with PRC government-related entities – continued

#### *Transactions with China Non-ferrous Metal Mining (Group) Co., Ltd. Group – continued*

	Notes	Related parties	Six months ended 30 June	
			2020 RMB' 000 (unaudited)	2019 RMB' 000 (unaudited)
<b>Expenses:</b>				
Transportation fees	(i)	An associate of Daye Group	–	1,059
Utilities fees	(i)	Fellow subsidiaries	<b>151,686</b>	108,153
Purchases of non-ferrous metals	(i)	Daye Group	–	241,118
	(i)	Fellow subsidiaries	<b>351,827</b>	531,262
Purchase of other products	(i)	Fellow subsidiaries	<b>12,980</b>	20,563
Other service expense	(i)	Fellow subsidiaries	<b>38,104</b>	24,722
Interest expense for financial liabilities at amortised cost	(iii)	Daye Group	<b>12,521</b>	7,595
	(iii)	Finance Company	<b>6,621</b>	6,374
	(iii)	A fellow subsidiary	<b>6,026</b>	9,015
	(iv)	Immediate holding company	<b>21,116</b>	21,000
Interest expense on lease liabilities	(vi)	Daye Group	<b>3,603</b>	3,708
<b>Capital expenditures:</b>				
Construction contract fees	(i)	Fellow subsidiaries	<b>30,459</b>	60,614
Other service fees	(i)	Fellow subsidiaries	<b>1,083</b>	2,227



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

## 27. RELATED PARTY TRANSACTIONS – CONTINUED

### Transactions and balances with PRC government-related entities – continued

#### *Transactions with China Non-ferrous 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 deposits placed with Finance Company and loans to a joint venture. Further details of the balances at the end of the reporting period are set out in Notes 20 and 19, respectively.
- (iii) The interest expense arose from unsecured loans from and/or amounts due to Daye Group, Finance Company and a fellow subsidiary. Further details of the balances at the end of the reporting period are set out in Notes 23 and 22, respectively.
- (iv) The interest expense arose from promissory note from the immediate holding company.
- (v) The interest income arose from short-term advances to Daye Group.
- (vi) The Group leases certain lands from Daye Group. As at 30 June 2020, the related right-of-use assets amounted to RMB140,539,000 (31 December 2019: RMB144,143,000), and the related lease liabilities amounted to RMB138,967,000 (31 December 2019: RMB147,065,000). During the current interim period, lease payments of RMB5,850,000 (six months ended 30 June 2019: 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 are of the opinion that separate disclosures would not be meaningful.

#### *Compensation of key management personnel of the Group*

The key management personnel of the Group includes the directors (which are also top executives of the Company).



# 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
“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
“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
“%”	per cent