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 2010

The board of the directors (the "Board") of China Daye Non-Ferrous Metals Mining Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2010 together with the comparative figures for the period from 1 May 2009 to 31 December 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	1 January 2010 to 31 December 2010 HK$'000	1 May 2009 to 31 December 2009 HK$'000
REVENUE	5	**954,314**	1,672
COST OF SALES		**(940,955)**	(645)
		13,359	1,027
OTHER REVENUE	5	**459**	300
GENERAL AND ADMINISTRATIVE EXPENSES		**(43,353)**	(112,988)
OPERATING LOSS FOR THE YEAR/PERIOD	6	**(29,535)**	(111,661)
IMPAIRMENT OF MINING RIGHT WRITTEN BACK		**14,038**	87,407
LOSSES ON CHANGES IN FAIR VALUES OF INVESTMENTS HELD FOR TRADING		**–**	(1,186)
LOSS ON DISPOSAL OF A SUBSIDIARY		**(1,514)**	–
FINANCE COSTS	7	**(5,616)**	(5)

	Notes	1 January 2010 to 31 December 2010 HK$'000	1 May 2009 to 31 December 2009 HK$'000
LOSS BEFORE TAXATION		**(22,627)**	(25,445)
INCOME TAX	*8*	**(5,640)**	(21,852)
LOSS FOR THE YEAR/PERIOD		**(28,267)**	(47,297)
OTHER COMPREHENSIVE INCOME:			
Exchange difference arising on translation of foreign operations			
– Exchange differences arising during the year/period		**1,518**	4
– Reclassification adjustments relating to foreign operations disposed of during the year/period		**29**	–
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		**1,547**	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		**(26,720)**	(47,293)
LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO:			
– owners of the Company		**(23,073)**	(91,168)
– non-controlling interests		**(5,194)**	43,871
		(28,267)	(47,297)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
– owners of the Company		**(22,182)**	(91,171)
– non-controlling interests		**(4,538)**	43,878
		(26,720)	(47,293)
		HK cents	*HK cents*
Loss per share:	*10*		
– Basic		**(0.41)**	(1.76)
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Notes	2010 HK$'000	2009 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**55,535**	18,731
Prepaid lease payment		**1,656**	1,670
Jointly controlled entities		**–**	–
Mining rights		**2,156,585**	2,142,547
TOTAL NON-CURRENT ASSETS		**2,213,776**	2,162,948
CURRENT ASSETS			
Deposit for acquisition		**170,000**	–
Prepaid lease payment		**44**	–
Investments held for trading		**–**	6,990
Inventories		**2,885**	1,366
Trade and other receivables	*11*	**82,351**	3,644
Cash and bank balances		**187,304**	343,961
TOTAL CURRENT ASSETS		**442,584**	355,961
CURRENT LIABILITIES			
Trade and other payables	*12*	**7,521**	10,448
Deferred income		**6,966**	3,975
Tax payable		**4,032**	1,901
TOTAL CURRENT LIABILITIES		**18,519**	16,324
NET CURRENT ASSETS		**424,065**	339,637
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,637,841**	2,502,585
NON-CURRENT LIABILITIES			
Cumulative redeemable preference shares		**110**	110
Convertible notes		**89,886**	–
Deferred tax liabilities		**539,146**	535,637
TOTAL NON-CURRENT LIABILITIES		**629,142**	535,747
NET ASSETS		**2,008,699**	1,966,838
CAPITAL AND RESERVES			
Share capital		**279,560**	279,560
Reserves		**818,792**	815,249
Equity attributable to the owners of the Company		**1,098,352**	1,094,809
Non-controlling interests		**910,347**	872,029
TOTAL EQUITY		**2,008,699**	1,966,838

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. Corporate information

China Daye Non-Ferrous Metals Mining Limited (the "Company") was incorporated in Bermuda as an exempted Company with limited liability and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Unit 2001, World Wide House, 19 Des Voeux Road Central, Hong Kong respectively.

During the year, the Company and its subsidiaries (collectively referred to the "Group") was involved in the following principal activities:

– Corporate investment and trading in securities;

– Minerals exploitation; and

– Trading in non-ferrous metals.

The financial year end date of the Company has changed from 30 April to 31 December during 2009. The reason for the change is to coincide with the financial year end date of the Company's principal operating subsidiaries, which are mainly situated in the People's Republic of China, and thereby facilitating the preparation of the consolidated financial statements of the Company and its subsidiaries. As a result of the change, the previous financial statements covered a period from 1 May 2009 to 31 December 2009 which was shorter than one year as compared with the current financial statements covered a period from 1 January 2010 to 31 December 2010. The comparative amounts for the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes are not entirely comparable.

In the opinion of the directors, as at 31 December 2010 the ultimate holding company is Daye Non-Ferrous Metals Corporation Holdings Limited ("Daye Corp") (formerly known as "Hubei Daye Non-Ferrous Metals Company"), a company incorporated with limited liability under the laws of the PRC.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by The Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial instruments, which are measured at fair values.

3. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Group and the Company have applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKFRS 5 (Amendments)	Non-current Assets Held for Sale and Discontinued Operations
HKAS 1 (Amendments)	Presentation of Financial Statements
HKAS 7 (Amendments)	Statement of Cash Flows
HKAS 17 (Amendments)	Leases
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 28 (as revised in 2008)	Investments in Associates
HKAS 39 (Amendments)	Eligible Hedged Items
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HK – Int 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the new and revised HKFRSs has no material effect on the financial statements of the Group and the Company for the current and prior accounting periods.

The Group and the Company have not early applied the following new and revised Standards, Amendments and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[(1)]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[(2)]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[(5)]
HKFRS 9	Financial Instruments[(3)]
HKAS 1 (Amendments)	Presentation of Financial Statements[(5)]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[(6)]
HKAS 24 (as revised in 2009)	Related Party Disclosures[(4)]
HKAS 32 (Amendments)	Classification of Rights Issues[(5)]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of Minimum Funding Requirement[(4)]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity[(2)]

[(1)] *Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.*
[(2)] *Effective for annual periods beginning on or after 1 July 2010.*
[(3)] *Effective for annual periods beginning on or after 1 January 2013.*
[(4)] *Effective for annual periods beginning on or after 1 January 2011.*
[(5)] *Effective for annual periods beginning on or after 1 February 2010.*
[(6)] *Effective for annual periods beginning on or after 1 January 2012.*

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of financial assets.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on financial statements.

4. Segment information

HKFRS 8 Operating Segments requires the Group to disclose reported segments in accordance with internal reports that are provided to the Group's chief operating decision maker. The Group considers its directors to be the chief operating decision maker. For management purposes, the Group is organised into three operating segments. These operating segments form the basis on which the Group's directors make decisions about resource allocation and performance assessment. The Group has three reportable segments under HKFRS 8:

(a) Corporate investment and trading in securities;

(b) Minerals exploitation; and

(c) Trading in non-ferrous metals.

For the purposes of assessing segment performance and resources allocation between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment revenue represents revenue generated from external customers. There were no inter-segment sales during the year/period.

Segment result represents the profit/(loss) earned by each segment without allocation of corporate income and expense, central administration cost, directors' salaries, interest income and impairment of other receivables.

Segment assets include all tangible, intangible assets and current assets.

Segment liabilities include all trade and other payables other than tax payable and deferred tax liabilities.

(a) ***Segment revenues and results***

	1 January 2010 to 31 December 2010			
	Corporate investment and trading in securities *HK$'000*	**Minerals exploitation** *HK$'000*	**Trading in non-ferrous metals** *HK$'000*	**Total** *HK$'000*
Segments revenue	**7,221**	**308**	**946,529**	**954,058**
Segments results	**216**	**(12,570)**	**12,918**	**564**
Interest income				**256**
Unallocated corporate expenses				**(17,831)**
Impairment of other receivables				**–**
Finance costs				**(5,616)**
Consolidated loss before taxation				**(22,627)**

	1 May 2009 to 31 December 2009		
	Corporate investment and trading in securities *HK$'000*	Minerals exploitation *HK$'000*	Total *HK$'000*
Segments revenue	1,587	–	1,587
Segments results	(264)	80,148	79,884
Interest income			85
Unallocated corporate expenses			(105,376)
Impairment of other receivables			(33)
Finance costs			(5)
Consolidated loss before taxation			(25,445)

(b) Segment assets and liabilities

	1 January 2010 to 31 December 2010			
	Corporate investment and trading in securities *HK$'000*	**Minerals exploitation** *HK$'000*	**Trading in non-ferrous metals** *HK$'000*	**Total** *HK$'000*
Segment assets	**40**	**2,275,798**	**183,819**	**2,459,657**
Unallocated assets				**196,703**
Consolidated assets				**2,656,360**
Segment liabilities	**56**	**10,994**	**47**	**11,097**
Unallocated liabilities				**636,564**
Consolidated liabilities				**647,661**

	1 May 2009 to 31 December 2009		
	Corporate investment and trading in securities *HK$'000*	Minerals exploitation *HK$'000*	Total *HK$'000*
Segment assets	8,610	2,166,341	2,174,951
Unallocated assets			343,958
Consolidated assets			2,518,909
Segment liabilities	47	10,292	10,339
Unallocated liabilities			541,732
Consolidated liabilities			552,071

(c) Other segment information

	1 January 2010 to 31 December 2010		
	Corporate investment and trading in securities	**Minerals exploitation**	**Trading in non-ferrous metals**
	HK$'000	***HK$'000***	***HK$'000***
Capital expenditure	**–**	**35,596**	**–**
Depreciation of property, plant and equipment	**–**	**1,012**	**–**
Amortisation of prepaid lease payment	**–**	**42**	**–**
Loss on disposal of property, plant and equipment	**–**	**7**	**–**
Loss on disposal of a subsidiary	**–**	**1,514**	**–**
Impairment of mining right written back	**–**	**(14,038)**	**–**

	1 May 2009 to 31 December 2009	
	Corporate investment and trading in securities	Minerals Exploitation
	HK$'000	*HK$'000*
Capital expenditure	–	2,068
Depreciation of property, plant and equipment	–	1,008
Impairment of mining right written back	–	(87,407)

(d) ***Geographical information***

The Group operates in three principal geographical areas – the People's Republic of China (excluding Hong Kong) (The PRC), Hong Kong, and Mongolia.

The Group's revenue from external customers and information about its non-current assets and capital expenditure by geographical location are detailed below:

	1 January 2010 to 31 December 2010			
	Hong Kong	**The PRC**	**Mongolia**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue	**953,750**	**308**	**–**	**954,058**
Other segment information:				
Non-current assets	**2,154**	**1,473,282**	**738,340**	**2,213,776**
Capital expenditure	**171,194**	**22,156**	**13,439**	**206,789**

	1 May 2009 to 31 December 2009			
	Hong Kong	The PRC	Mongolia	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	1,587	–	–	1,587
Other segment information:				
Non-current assets	–	1,451,859	709,807	2,161,666
Capital expenditure	–	2,061	7	2,068

5. Revenue

(a) An analysis of the Group's revenue for the year/period is as follows:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Sales of marketable securities	**7,221**	1,424
Sales of copper concentrate	**308**	–
Sales of non-ferrous metals	**946,529**	–
Other interest income	**256**	85
Dividend income	**–**	163
	954,314	1,672

(b) An analysis of the Group's other revenue for the year/period is as follows:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Miscellaneous income	**44**	300
Exchange gain	**415**	–
	459	300

6. Operating loss for the year/period

Operating loss of the Group for the year/period has been arrived at after charging the followings:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Staff costs (including directors' remuneration)		
– Salaries and allowances	**9,916**	6,993
– Share-based payments *(note a)*	**–**	33,758
– Other staff costs	**–**	1,087
– Retirement benefits scheme contributions	**67**	60
	9,983	41,898
Amortisation of prepaid lease payment	**42**	–
Depreciation of property, plant and equipment	**2,530**	1,139
Auditors' remuneration		
– Audit services	**780**	720
– Other services	**313**	120
Operating leases on land and buildings	**1,847**	913
Share-based payments – Consultants *(note a)*	**–**	53,869
Impairment of other receivables	**–**	33
Inventories written off	**–**	34
Exploration and related expenses	**16,079**	2,360

Note a: During the year/period, share-based payments arising from share options granted to directors, employees and consultants of the Group recognised as expenses in profit and loss are as follows:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Directors' emolument	**–**	31,493
Staff costs	**–**	2,265
Professional fees	**–**	53,869
	–	87,627

7. Finance costs

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Dividends on cumulative redeemable preference shares *(note 9)*	**5**	5
Interest expenses on convertible notes maturing within five years	**5,611**	–
	5,616	5

8. Income tax

(a) Income tax expense in the consolidated statement of comprehensive income represents:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Current tax:		
Hong Kong	**2,131**	–
Other jurisdictions	**–**	–
	2,131	–
Deferred tax	**3,509**	21,852
Tax expense for the year/period	**5,640**	21,852

Hong Kong profits tax has been provided in the consolidated financial statements at the rate of 16.5% on the estimated assessable profits arising in or derived from Hong Kong during the year (For the period ended 31 December 2009: Nil). Overseas income taxes have not been made as the Group's operation in these countries was operating at a loss during the year (For the period ended 31 December 2009: Nil).

(b) Reconciliation between tax expense and accounting loss at applicable tax rates is as follows:

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Loss before tax	**(22,627)**	(25,445)
Notional tax on loss before tax, calculated at the tax rates applicable to profits in the jurisdictions concerned	**(4,612)**	(10,368)
Tax effect of income not taxable	**(2)**	(27)
Tax effect of expenses not deductible and loss not allowable	**6,745**	–
Tax effect of temporary differences not recognised for the year/period	**–**	(8,741)
Tax effect of estimated tax losses not recognised for the year/period	**–**	19,136
Increase in deferred tax liabilities arising from mining right	**3,509**	21,852
Tax expense for the year/period	**5,640**	21,852

9. Dividends on cumulative redeemable preference shares

	1 January 2010 to 31 December 2010 *HK$'000*	1 May 2009 to 31 December 2009 *HK$'000*
Preference dividends		
Payable of HK$0.151 per share on 16,485 shares (For the period ended 31 December 2009 HK$0.151 on 16,485 shares)	**3**	3
Payable of HK$0.149 per share on 16,485 shares (For the period ended 31 December 2009 HK$0.149 on 16,485 shares)	**2**	2
	5	5

10. Loss per share

The basic loss per share is calculated based on the loss attributable to owners of the Company of approximately HK$23,073,000 (For the period ended 31 December 2009: approximately HK$91,168,000) and the weighted average number of 5,591,195,552 (For the period ended 31 December 2009: 5,187,804,155) ordinary shares in issue during the year/period.

The diluted loss per share for the year ended 31 December 2010 and period ended 31 December 2009 has not been disclosed as the potential shares arising from the exercise and conversion of the Company's share options, warrants, convertible notes and convertible preference shares would decrease the loss per share of the Group for the year/period and is regarded as anti-dilutive.

11. Trade and other receivables

	As at 31 December 2010	As at 31 December 2009
	HK$'000	*HK$'000*
Trade receivables	**57,468**	–
Other receivables	**1,925**	2,279
Prepayments and deposits	**22,958**	1,365
	82,351	3,644

The amount of HK$3.4 million of margin deposit included in the above carrying amount of prepayments and deposits was pledged as a collateral for banking facilities.

The aging analysis of trade receivables is as follows:

	As at 31 December 2010	As at 31 December 2009
	HK$'000	*HK$'000*
0 – 3 months	**39,108**	–
4 – 6 months	**18,360**	–
	57,468	–

The Group normally offered a credit terms of not over 180 days to customers.

12. Trade and other payables

	As at 31 December 2010 *HK$'000*	As at 31 December 2009 *HK$'000*
Trade payables	**–**	–
Temporary deposits, accruals and other payables	**7,521**	10,448
	7,521	10,448

The aging analysis of trade payable is as follows:

	As at 31 December 2010 *HK$'000*	As at 31 December 2009 *HK$'000*
0 – 3 months	**–**	–

13. Operating leases commitments

At the end of the reporting period, the Group had future aggregate minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 December 2010 *HK$'000*	As at 31 December 2009 *HK$'000*
Properties		
– within one year	**1,912**	1,469
– In the second to fifth years, both inclusive	**184**	574
	2,096	2,043

Operating lease payments represent rental payable by the Group for its office properties and director's apartment.

14. Events after the reporting period

On 23 January 2011, the Company, 大冶有色金屬集團控股有限公司(Daye Non-ferrous Metals Corporation Holdings Limited) and the Vendors(China Times Development Limited, 中國信達資產管理股份有限公司(China Cinda Assets Management Co., Ltd.), 華融資產管理公司(China Huarong Asset Management Corporation) entered into the Acquisition Agreement (as supplemented and amended by the Supplemental Agreement dated 31 January 2011), pursuant to which, among other things, the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares(the China Times Sale Shares, Cinda Sale Shares and Huarong Sale Shares) at a total consideration of RMB6,100,000,000 or HK$7,207,334,940 (based on the exchange rate of HKD1: RMB0.84636), which will be satisfied by the allotment and issue to the Vendors of an aggregate of 12,406,997,784 Ordinary Shares at the Issue Price of HK$0.50 per Consideration Share and (to China Times only) the issue of the China Times Convertible Notes. Details of the acquisition are set out in the announcement of the Company dated 1 February 2011.

FINANCIAL REVIEW

During the year under review, the Group recorded a revenue of approximately HK$954.3 million (For the period ended 31 December 2009: HK$1.6 million), representing an increase of approximately 56,976.2% against the prior period. Net loss attributable to owners of the Company amounted to approximately HK$23.1 million (For the period ended 31 December 2009: HK$91.1 million). During the year, owing to an increase in the fair value of the mining right as at 31 December 2010, the Group recorded an impairment on mining right written back amounted to HK$14.04 million (For the period ended 31 December 2009: HK$87.4 million).

As compared to previous fiscal period, the Group's turnover was increased and the net loss was narrowed significantly. The reason is that the Group engaged in trading non-ferrous metals which recorded a turnover amounted to HK$946.5 million and a gross profit amounted to HK$13.19 million. In addition, the loss of the Group for the period ended 31 December 2009 was significantly disoriented by the one-off share based payment amounted to HK$87.6 million.

BUSINESS REVIEW AND PROSPECT

Business Review

The Group is principally engaged in corporate investment and trading in securities, minerals exploitation and trading in non-ferrous metals.

Given the continuing economic growth and accelerated industrialization and urbanization in the PRC, natural resources are in demand at all times and the Board considers that the demand for natural resources will maintain its growth momentum.

Mining and related businesses

In view of the prospects of the natural resources business, during the year, the Company achieved the following developments as part of the Group's strategy to broaden its business scope and earning base:

(1) in order to further strengthen the existing mining business of the Group, the Group made capital contribution to Xinjiang Gold Forever Mineral Corporation Limited（新疆匯祥永金礦業有限公司）(a subsidiary in PRC) and Reservoir (Mongolia) Limited (a subsidiary in the Republic of Mongolia) amounted to approximately HK$51,820,000 and approximately HK$715,000 respectively.

(2) In order to broaden the income stream of the Company, on 3 May 2010, an agreement ("Agreement") entered into between China National Information Resources Holdings Ltd. ("CNIR"), a subsidiary of the Company incorporated in Hong Kong with limited liability and Daye Non-ferrous Metals Limited ("Daye Non-ferrous"), a company incorporated in the PRC and is an associated company of Daye Non-Ferrous Metals Corporation Holdings Limited (a company incorporated in the PRC and is the ultimate holding company of the Company) pursuant to which:–

    (i) CNIR agreed to sell to Daye Non-ferrous, and Daye Non-ferrous agreed to purchase from CNIR, copper concentrates, scrap copper, cathode copper, etc. during the term of the Agreement; and

    (ii) Daye Non-ferrous agreed to sell to CNIR, and CNIR agreed to purchase from Daye Non-ferrous, silver, gold, cathode copper, etc. during the term of the Agreement.

    Details of the transactions were set out in the announcement of the Company dated 4 June 2010. The transaction was approved in the Special General Meeting of the Company dated 29 June 2010. The transactions had broaden the revenue bases of the Group and helped developing the Group's expertise and experience in raw metal materials trading, which will enhance the competitiveness of the Company in the future.

(3) On 14 July 2010 and 30 December 2010, the Company entered into formal agreement and supplement agreement respectively pursuant to which the Company conditionally agreed to purchase 100% equity interest of Qianyi Limited, a company incorporated with limited liability in the British Virgin Islands which will, upon completion of the reorganization, indirectly hold 80% equity interest in 新疆同興礦業有限責任公司 (Xinjiang Tong Xing Mining Company Limited), a company incorporated with limited liabilities in the PRC ("Tong Xing"), at the consideration of HK$259 million (the "Consideration"). The Consideration will be satisfied as to HK$60 million by cash and as to HK$199 million by the Company's issuing the convertible notes to the vendor. Depending on the amount of reserves to be found in the new mining area situated next to the Mine (defined below), the Consideration may be increased to HK$365

million. Details of the acquisition were set out in the announcements of the Company dated 16 July 2010 and 31 December 2010. The principal businesses of Tong Xing are exploration and exploitation of copper in the PRC. Tong Xing is the owner of the mine located in Xinjiang Uygur Autonomous Region of the PRC (the "Mine") and has obtained the related exploration right in respect of an area of 21.67 square kilometers, it is in the process of applying for the mining right for the Mine from the relevant government authorities in the PRC. According to the valuation report issued by an independent valuer on 1 March 2010, the market value of the Mine as at 31 January 2010 was HK$400,000,000. The Board believed that, in view of the signs of global economy recovery which support the continued appreciation of the price of copper, the Acquisition will increase the Company's copper reserves and enhance the competitiveness of the Company in the future.

As at 31 December 2010, the Group paid an aggregate deposit of approximately HK$60 million and issued convertible notes in the principal sum of HK$220 million, out of which only the first tranche of convertible notes in the principal amount of HK$110 million had been delivered to the vendor for the acquisition.

(4) On 17 August 2010, the Company entered into strategic cooperation agreement pursuant to which the Company shall be responsible for utilizing its capital and status as a listed company for exploration of gold mining resources while 湖北省黃金公司 (Hubei Province Gold Company) shall give priority to the Company for the cooperation of exploration of gold mining resources which are owned or to be acquired by Hubei Province Gold Company in China and overseas. The parties to the Strategic Cooperation Agreement will also cooperate and share their experience and resources in metals mining technologies, project management, capital operations and human resources management. Details of the agreement were set out in the announcement of the Company dated 17 August 2010. The cooperation with 湖北省黃金公司 (Hubei Province Gold Company) in the exploration of gold mining resources in China can broaden the sources of income of the Company and its subsidiaries and can further develop mining business in China and therefore will be beneficial to the Company and its shareholders as a whole.

(5) On 17 December 2010, the Group disposed of a subsidiary – Reservoir (Tungs) Limited, which carried out mineral exploration. The Group recorded a loss on disposal amounted to HK$1.5 million.

(6) For the year ended 31 December 2010, in order to broaden the income streams of the Group, the Group engaged in trading of non-ferrous metals which recorded a turnover of HK$946.5 million and a gross profit of HK$13.19 million.

Securities trading and investments

During the year, total revenue from corporate investment and trading in securities was approximately HK$7.2 million (For the period ended 31 December 2009: HK$1.6 million).

For the year ended 31 December 2010, the financial markets continued to recover from global crisis, the price of certain listed securities held by Company increased throughout the year under review. Accordingly, the Company recorded a gross profit of approximately HK$0.2 million (For the period ended 31 December 2009: HK$1 million) arising from the investment in securities trading. All the investment in securities was sold during the year.

Change of financial year end date

On 19 January 2010, the Board of Directors of the Company announced that the financial year end date of the Company has been changed from 30 April to 31 December. The reason for such a change is to coincide with the financial year end date of the Company's principal operating subsidiaries, which are mainly situated in the People's Republic of China, and thereby facilitating the preparation of the consolidated financial statements of the Company and its subsidiaries.

Prospect

In view of the global economic recovery, the Board expects that there will be increasing demand in mineral resources. Accordingly, the Group proposes to further invest in molybdenum/wolfram and silver/copper mining related businesses.

To further enhance the Company's business and provide satisfactory returns for its investors, the Group will take full advantage of the support in respect of management, talents, resources and technology provided by Daye Corp. The development plan of the Group for the coming three to five years is as follows:

1. **Increasing the Company's operating income by developing the international trading business**

   In previous years, in spite of its nature of business as mineral resources, the operating income of the Group was principally generated from the business of securities trading. Following the acquisition by Daye Corp, the Group is gradually withdrawing from the securities trading business and this resulted in a plunge in turnover for the year ended 31 December 2010 to approximately HK$7.2 million. While pending for the production of the current development of the Company's mineral resources, the Group will continue to develop a business line of international trading with the support of Daye Corp, with an aim to enlarge the operation scale and improve the cash flow of the Group and realize part of its profits, as well as to incorporate certain international businesses developed by the controlling shareholder. This can demonstrate the support of a controlling shareholder to a listed company. The Group will strive to achieve high growth in the international trading business.

2. Speeding up development and construction of current resources projects to become a stream of profit growth of the Group

The Group has a number of mines in Uluqat County, Xinjiang and Mongolia and has various resources projects with a total metal reserve of 600,000 tonnes, yet none of which are in production, thus greatly restricting the Group's further development. With the acquisition by Daye Corp, the Group will achieve overall improvements in mine exploration, mining, management and operation and can project a better picture of its business prospects to investors. The Group intends to boost investors' confidence by speeding up the development and construction of its current resources projects under the following plans:

1. For the coming three years, the Group will invest RMB500 million in the construction of the Uluqat project of Xinjiang Gold Forever Mineral Corporation Limited（新疆匯祥永金礦業有限公司）. The project has a daily processing capacity of 35 million tonnes of ore and an annual production of 8,000 tonnes of copper. Furthermore, the Group, with the support of the controlling shareholder, will coordinate the project financing for Xinjiang Gold Forever Mineral Corporation Limited（新疆匯祥永金礦業有限公司）in order to facilitate the production of the Uluqat project in Xinjiang.

2. The Group will complete the technical analysis and examination of the molybdenum and wolfram mine projects of China Reservoir Mining Limited（中國雷石維爾礦業有限公司）, as well as to select a mine project which can meet operation conditions and is with low investment requirements and high effectiveness for development and construction.

3. Identifying potential non-ferrous metal resources and increasing the Group's resources reserves

One of the development objectives of the Group is to increase its reserve of non-ferrous metal resources. With its unique edge, the Group intends to increase its reserve of non-ferrous metal resources by raising funds from new issue, carrying out mergers and acquisitions of external resources by way of issue of shares or convertible bonds.

Current mineral resources of the Group comprise 530,000 tonnes of copper, 57,000 tonnes of molybdenum and some wolfram resources. In the coming three to five years, the Group will endeavour to increase its copper reserve and gold reserve to 3 million tones and 100 tonnes respectively, as well as increase its other metal reserves such as molybdenum and wolfram with the following measure:

1. Further exploration of the Group's current unexplored mines: (1) for Xinjiang Gold Forever Mineral Corporation Limited（新疆匯祥永金礦業有限公司）, there are 4 mines in the mining area in Uluqat County, Xinjiang. One of the mines has a reserve of 530,000 tonnes of copper, while the other three mines are yet to be explored. According to geological statistics, the prospective reserve of the mining area is promising and the Group will urge

Xinjiang Gold Forever Mineral Corporation Limited（新疆匯祥永金礦業有限公司）to make further efforts in mine exploration so as to increase the resources reserve from the area. (2) with the opportunities arisen from the entering into a strategic cooperation framework agreement with the Xinjiang Ili Kazakh Autonomous Prefecture of China Ili Government for the joint development of the non-ferrous metals and mineral resources in Xinjiang, the Group can strengthen its relationship with the land authorities of Ili Government and to identify potential non-ferrous metal mineral resources projects from five metallogenic belts, namely the copper-lead-zinc metallogenic belt in Boluokenu（博羅克努）, the iron-copper metallogenic belt in Awulale（阿吾拉勒）, the copper-lead-zinc polymetallic metallogenic belt in Wusun Mountain-Yishijilike（烏孫山－伊什基里克）, the copper-lead-zinc-muscovite rare metal metallogenic belt in Nalati（那拉提） and the black gold（烏金）non-ferrous metallogenic belt in Haerketa（哈爾克他）in Ili for exploration and development. This will greatly increase the Group's reserves of non-ferrous metals such as copper, lead and zinc.

2. Further mergers and acquisitions of non-ferrous metals resources: the Group will actively identify quality non-ferrous metals for domestics and overseas mergers and acquisitions. Domestically, the Group will increase its reserves of non-ferrous metals under the support of the controlling shareholder. On the other hand, the Group will also identify overseas opportunities by taking advantage of the international capital market in Hong Kong to actively pursue quality non-ferrous metals resources overseas and consider mergers and acquisitions under the circumstances. As a company engaging in resources development, the Group will be dedicated to increase its resources reserves in view of its long-term and sustainable development.

   Recently, the Group has taken successful steps in this area:

   Project in Philippines

   On 6 January 2011, the Company signed a cooperation agreement (the "Cooperation Agreement") with 菲律賓友邦礦業國際有限公司 (Phil. Youbang Mining Int'l Corp.) ("PYMIC") for the exploration and mining of Iron-Copper ore in the Mati Region of Davao Province, Philippines (the "Core Mining Area") and its periphery.

   According to the Cooperation Agreement, if after conducting the risk exploration works, it is confirmed that the Core Mining Area contains not less than 100,000 tons of copper reserves or not less than 10,000,000 tons of iron reserves, the parties will set up a joint venture company in Philippines (the "Project Company") for conducting development works in the Core Mining Area within 60 days after the amount of reserves in the Core Mining Area has been confirmed. The shareholding in the Project Company will be held as to 40% by the Company and as to 60% by PYMIC.

After the initial stage of risk exploration works in the Core Mining Area is completed, the Company and PYMIC will inject capital to the Project Company according to the following formula:

Amount of Capital Injection = (Value of Core Mining Area agreed between the Company and PYMIC at RMB120,000,000 x 30%) – Amount of expenses related to the initial stage of risk exploration works in the Core Mining Area paid by the Company

If the above "Amount of Capital Injection" is a positive figure, then the capital injection will be paid by the Company, and if the above "Amount of Capital Injection" is a negative figure, then the capital injection will be paid by PYMIC. The aforesaid capital injection will not alter the proportion of shareholding in the Project Company to be held by the Company and PYMIC.

Also, according to the Cooperation Agreement, the Company will be responsible for:

(i) payment of the expenses (in an amount to be agreed between the Company and PYMIC) related to the initial stage of risk exploration works in the Core Mining Area;

(ii) the overall planning and implementation of the exploration and mining works for the Core Mining Area; and

(iii) the construction, production and operation in the Core Mining Area.

PYMIC will be responsible for:

(i) the incorporation of the Project Company (and payment of the related expenses, which will be reimbursed to PYMIC by the Project Company after it has been incorporated); and

(ii) assigning and transferring all its interest in the Core Mining Area (including the Mining Right) to the Project Company at nil consideration within 30 days after the Project Company is incorporated.

During the Initial Period, neither party to the Cooperation Agreement shall terminate the Cooperation Agreement or transfer its shareholding in the Project Company, otherwise the capital injection paid by such party (and the related interest of such party) will be forfeited.

The Cooperation Agreement shall supersede the letter of intent dated 11 July 2010 signed between the Company and PYMIC, and therefore, the Company no longer intends to subscribe for or purchase any shares in PYMIC.

The Board believes that the cooperation with PYMIC in the exploration of Iron-Copper ore in Philippines can geographically diversify the mining business of the Company and its subsidiaries and that the mining business in the new market such as Philippines is prosperous and therefore will be beneficial to the Company and its shareholders as a whole.

The Board considers that the cost for acquisition of mining resources through the abovementioned risk exploration method is relatively low, and can substantially reduce the risk of such kind of investment. The Board believes that such acquisition method is a new and viable avenue for the Company's other possible investments in mining resources.

Project with parent Company

On 23 January 2011, the Company, 大冶有色金屬集團控股有限公司 (Daye Non-ferrous Metals Corporation Holdings Limited) and the Vendors (China Times Development Limited, 中國信達資產管理股份有限公司 (China Cinda Assets Management Co., Ltd.), 華融資產管理公司 (China Huarong Asset Management Corporation) entered into the Acquisition Agreement (as supplemented and amended by the Supplemental Agreement dated 31 January 2011), pursuant to which, (a) among other things, the Company has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares (the China Times Sale Shares, Cinda Sale Shares and Huarong Sale Shares) at a total consideration of RMB6,100,000,000 or HK$7,207,334,940 (based on the exchange rate of HK1: RMB0.84636), which will be satisfied by the allotment and issue to the Vendors of an aggregate of 12,406,997,784 Ordinary Shares at the Issue Price of HK$0.50 per Consideration Share and (to China Times only) the issue of the China Times Convertible Notes.

The proposed acquisition is to eventually acquire the equity interest in Daye Non-Ferrous Metals Limited ("Daye Non-Ferrous") which owns various valuable mines in PRC. Details of acquisition, including the mines held by Daye Non-Ferrous, are set out in the announcement of the Company dated 1 February 2011.

In the light of the gradual recovery of the global economy, the Board expects that there will be increasing demand for mineral resources. The Board considers that this is the right opportunity for the Group to further invest in the development and expansion of its copper mining business. One of the development objectives of the Group is to increase its reserve of non-ferrous metal resources. In this connection, the Company has identified the Daye Non-Ferrous as an appropriate acquisition target and considers that the Acquisition would allow the Group to significantly increase its copper reserve and expand its copper business. The Directors consider that the Acquisition is an opportune investment for the Group and expect that the Acquisition will present the Group with favorable long term prospects.

APPRECIATION

I would like to express my greatest appreciation to the entire staff of the Group for their hard work and efforts. I would also like to extend my gratitude to the investors business partners, and shareholders for their support and confidence in the Group over the past years. I am highly confident that the Group will continue to grow and create significant value to the consumers of our services, which shall generate significant shareholder value. I look forward to sharing with you more positive developments in years to come.

FINANCIAL AND OPERATING HIGHLIGHTS

- Revenue of the Group for the year ended 31 December 2010 was HK$954.3 million, representing an increase of HK$952.6 million (or 56,976.2%) over the period ended 31 December 2009.

- Loss attribute to the owners of the Company for the year ended 31 December 2010 was HK$23.1 million, representing a decrease HK$68.1 million (or 74.7%) over the period ended 31 December 2009.

- Basic loss per share for the year ended 31 December 2010 was HK cents 0.41, representing a decrease of HK cents 1.35 (or 76.7%) over the period ended 31 December 2009.

- Total assets increased from HK$2,518.9 million to HK$2,656.4 million.

FINAL DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2010.

EQUITY

The Company's issued and fully paid share capital as at 31 December 2010 amounted to approximately HK$279,560,000 divided into 5,591,195,552 ordinary shares of HK$0.05 each.

CAPITAL STRUCTURE

During the year, the Company, pursuant to the Formal Agreement signed, issued convertible notes in the principal sum of HK$220 million out of which only delivered the first tranche of convertible notes to the vendor in the principal amount of HK$110 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group's current ratio was 23.9, based on the current assets of HK$442.6 million and current liabilities of HK$18.5 million. The Group's gearing ratio was 32.24%, based on the total liabilities of HK$647.7 million and total equity of HK$2,008.7 million.

As at 31 December 2010, the Group was in a net cash position and has sufficient funding to pay off all the outstanding liabilities, and meet its working capital requirement.

BANK BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2010, the amount of HK$3.4 million of margin deposit included in the carrying amount of prepayments and deposits was pledged as a collateral for banking facilities. Save as disclosed above, the Group had neither bank borrowing nor asset pledged to fund/loan providers.

FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures as the sales and purchases, certain trade and other receivables, cash and bank balances, and trade and other payables of the Group were mainly transacted in Renminbi ("RMB"), Mongolia Tugrugs ("T"), United States Dollars ("USD") and Hong Kong dollars ("HKD").

The exchange rate of RMB and T were comparatively volatile.

At 31 December 2010, the Group had not hedged any foreign currency to reduce such foreign currency risk. The management will monitor this risk, if the exchange rates of these foreign currencies have continuous fluctuation, the management will consider using forward currency contracts to reduce these risks.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of a subsidiary which resulted in a loss of HK$1.5 million. Save as disclosed above, the Group has not made any material acquisition or disposal of subsidiaries during the year ended 31 December 2010.

CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no contingent liabilities.

EMPLOYEES, REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2010, the Group had 59 employees (2009: 55). The remuneration package consists of basic salary, mandatory provident fund, insurances and other benefits considered as appropriate. The Company adopted a share option scheme on 13 October 2003 to enable the Company to grant options to selected participants, including employees and directors of the Group, as incentive or rewards for their contribution to the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in the jurisdiction of Bermuda in which the Company is incorporated.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

AUDIT COMMITTEE

The Company established an audit committee in accordance with the requirements of the Code, for the purpose of reviewing and providing supervising over the Group's financial reporting process and internal controls. The audit committee currently comprises of three independent non-executive Directors, Messrs. Wang Guoqi, Wang Qihong and Qiu Quan Zhou. The audit committee of the Company has reviewed the final results of the year ended 31 December 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code. Having made specific enquiry of all Directors, they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transaction by the Directors adopted by the Company.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice ("Code") as set out in Appendix 14 to the Listing Rules throughout the year under review, except that the independent non-executive Directors are not appointed for a specific term as required by paragraph 7 of the Code, but are subject to retirement by rotation in accordance with the Bye-Laws.

The Code as set out in Appendix 14 to the Listing Rules was replaced by the Code on Corporate Governance Practices ("Code on CG Practices") which has become effective for accounting periods commencing on or after 1 January 2005. Appropriate actions are being taken by the Company for complying with the Code on CG Practices.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules.

REMUNERATION COMMITTEE

The Company has established its Remuneration Committee with specific written terms of reference. The Remuneration Committee is responsible for making recommendations to the Board on, among other things, the Company's policy and structure for the remuneration of all directors and senior management of the Company and is delegated by the Board with the responsibility to determine on behalf of the Board the specific remuneration packages for all executive directors and senior management of the Company.

The Remuneration Committee currently comprises three independent non-executive directors, namely Mr. Wang Guoqi, Mr. Wang Qihong, and Mr. Qiu Quan Zhou.

NOMINATION OF DIRECTORS

The Company has not established a Nomination Committee. The duties and functions of the Nomination Committee recommended in the Code are performed by the Board collectively with no director being involved in fixing his/her own terms of appointment and no Independent Non-executive Director being involved in assessing his/her own independence.

PUBLICATION OF RESULTS ANNOUNCEMENT

The information as required by Appendix 16 of the Listing Rules will be published on the Stock Exchange's website (http://www.hkex.com.hk) and www.hk661.com in due course.

By Order of the Board
China Daye Non-Ferrous Metals Mining Limited
Wan Bi Qi
Chairman

Hong Kong, 29 March 2011

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Wan Bi Qi (Chairman of the Board), Mr. Chen Xiang and Ms. Yuan Ping; and three independent non-executive directors, namely Mr. Wang Qihong, Mr. Wang Guoqi and Mr. Qiu Quan Zhou.