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 2011

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 2011 together with the comparative figures for the year ended 31 December 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011** *HK$'000*	2010 *HK$'000*
REVENUE	5	**50,329**	954,314
COST OF SALES		**(52,410)**	(940,955)
		(2,081)	13,359
OTHER REVENUE	5	**399**	459
GENERAL AND ADMINISTRATIVE EXPENSES		**(89,079)**	(43,353)
OPERATING LOSS FOR THE YEAR	6	**(90,761)**	(29,535)
IMPAIRMENT OF MINING RIGHT	7	**(723,838)**	–
IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT		**(18,977)**	–
IMPAIRMENT OF MINING RIGHT WRITTEN BACK		**–**	14,038
IMPAIRMENT OF DEPOSIT, PREPAYMENT AND OTHER RECEIVABLES		**(2,841)**	–
LOSS ON DISPOSAL OF A SUBSIDIARY		**–**	(1,514)
FINANCE COSTS	8	**(13,727)**	(5,616)

	Notes	**2011** *HK$'000*	2010 *HK$'000*
LOSS BEFORE TAXATION		**(850,144)**	(22,627)
INCOME TAX CREDIT/(EXPENSE)	*9*	**180,959**	(5,640)
LOSS FOR THE YEAR		**(669,185)**	(28,267)
OTHER COMPREHENSIVE INCOME:			
Exchange difference arising on translation of foreign operations			
– Exchange differences arising during the year		**6,425**	1,518
– Reclassification adjustments relating to foreign operations disposed of during the year		**–**	29
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**6,425**	1,547
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(662,760)**	(26,720)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
– owners of the Company		**(257,896)**	(23,073)
– non-controlling interests		**(411,289)**	(5,194)
		(669,185)	(28,267)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
– owners of the Company		**(254,623)**	(22,182)
– non-controlling interests		**(408,137)**	(4,538)
		(662,760)	(26,720)
		HK cents	*HK cents*
Loss per share:	*11*		
– Basic		**(4.61)**	(0.41)
– Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**77,972**	55,535
Prepaid lease payment		**1,668**	1,656
Mining rights		**1,432,747**	2,156,585
TOTAL NON-CURRENT ASSETS		**1,512,387**	2,213,776
CURRENT ASSETS			
Deposit for acquisition	*12*	**170,000**	170,000
Prepaid lease payment		**44**	44
Inventories		**1,533**	2,885
Trade and other receivables	*13*	**59,953**	82,351
Tax recoverable		**1,595**	–
Cash and bank balances		**98,492**	187,304
TOTAL CURRENT ASSETS		**331,617**	442,584
CURRENT LIABILITIES			
Trade and other payables	*14*	**27,058**	7,521
Deferred income		**7,201**	6,966
Tax payable		**1,901**	4,032
TOTAL CURRENT LIABILITIES		**36,160**	18,519
NET CURRENT ASSETS		**295,457**	424,065
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,807,844**	2,637,841
NON-CURRENT LIABILITIES			
Cumulative redeemable preference shares		**110**	110
Convertible notes		**103,608**	89,886
Deferred tax liabilities		**358,187**	539,146
TOTAL NON-CURRENT LIABILITIES		**461,905**	629,142
NET ASSETS		**1,345,939**	2,008,699
CAPITAL AND RESERVES			
Share capital		**279,560**	279,560
Reserves		**564,169**	818,792
Equity attributable to the owners of the Company		**843,729**	1,098,352
Non-controlling interests		**502,210**	910,347
TOTAL EQUITY		**1,345,939**	2,008,699

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

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.

In the opinion of the directors, as at 31 December 2011 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 People's Republic of China.

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)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (as revised in 2009)	Related Party Disclosures

HKAS 32 (Amendments)	Classifications of Rights Issues
HK(IFRIC)-Int 14 (Amendments)	Prepayments of Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010

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.

HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First time Adopters(1)
HKFRS 7 (Amendments)	Transfer of Financial Assets(1)
HKFRS 7 (Amendments)	Offsetting Financial Assets and Financial Liabilities(4)
HKFRS 9	Financial Instruments(6)
HKFRS 10	Consolidated Financial Statements(4)
HKFRS 11	Joint Arrangements(4)
HKFRS 12	Disclosure of Interests in Other Entities(4)
HKFRS 13	Fair Value Measurement(4)
HKAS 1 (Amendments)	Presentation of items of Other Comprehensive income(3)
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets(2)
HKAS 19 (2011)	Employee Benefits(4)
HKAS 27 (2011)	Separate Financial Statements(4)
HKAS 28 (2011)	Investments in Associates and Joint Ventures(4)
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities(5)
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine(4)

(1) *Effective for annual periods beginning on or after 1 July 2011.*

(2) *Effective for annual periods beginning on or after 1 January 2012.*

(3) *Effective for annual periods beginning on or after 1 July 2012.*

(4) *Effective for annual periods beginning on or after 1 January 2013.*

(5) *Effective for annual periods beginning on or after 1 January 2014.*

(6) *Effective for annual periods beginning on or after 1 January 2015.*

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.

In December 2011, Amendments to HKFRS 9 Financial Instruments defer its mandatory effective date from 1 January 2013 to 1 January 2015. The deferral will make it possible for all phases of the project to have the same mandatory effective date. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying HKFRS 9. This relief was originally only available to companies that chose to apply HKFRS 9 prior to 2012. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of HKFRS 9 has on the classification and measurement of financial instruments.

The issuance of HKFRS 10 Consolidated Financial Statements, HKFRS 11 Joint Arrangements and HKFRS 12 Disclosure of Interests in Other Entities completes improvements to the accounting requirements for off balance sheet activities and joint arrangements and concludes an important element of the International Accounting Standards Board's comprehensive response to the financial crisis.

– HKFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statement of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

– HKFRS 11 Joint Arrangements provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities.

– HKFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

HKFRS 13 Fair Value Measurement improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

The amendments to HKAS 1 (Revised) Presentation of Financial Statements require companies preparing financial statements in accordance with HKFRSs to group together items within other comprehensive income (OCI) that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The issuance of HKAS 19 (2011) Employee Benefits completes improvements to the accounting requirements for pensions and other post-employment benefits and HKAS 19 (2011) makes important improvements by:

– Eliminating an option to defer the recognition of gains and losses, known as the "corridor method", improving comparability and faithfulness of presentation.

- Streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in OCI, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations.

- Enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

Amendments to HKAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities clarify the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify:

- The meaning of 'currently has a legally enforceable right of set-off'; and

- That some gross settlement systems may be considered equivalent to net settlement.

HK(IFRIC) – Int 20 Stripping Costs in the Production Phase of a Surface Mine clarifies the requirements for accounting for stripping costs in the production phase of a surface mine. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

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.

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

	Year ended 31 December 2011			
	Corporate investment and trading in securities *HK$'000*	**Minerals exploitation** *HK$'000*	**Trading in non-ferrous metals** *HK$'000*	**Total** *HK$'000*
Segments revenue	**–**	**945**	**49,257**	**50,202**
Segments results	**(7)**	**(764,506)**	**(700)**	**(765,213)**
Interest income				**127**
Unallocated corporate expenses				**(68,490)**
Impairment of deposit, prepayment and other receivables				**(2,841)**
Finance costs				**(13,727)**
Consolidated loss before taxation				**(850,144)**

	Year ended 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 deposit, prepayment and other receivables				–
Finance costs				(5,616)
Consolidated loss before taxation				(22,627)

(b) Segment assets and liabilities

	As at 31 December 2011			
	Corporate investment and trading in securities *HK$'000*	**Minerals exploitation** *HK$'000*	**Trading in non-ferrous metals** *HK$'000*	**Total** *HK$'000*
Segment assets	**39**	**1,564,717**	**42,641**	**1,607,397**
Unallocated assets				**236,607**
Consolidated assets				**1,844,004**
Segment liabilities	**56**	**29,491**	**38**	**29,585**
Unallocated liabilities				**468,480**
Consolidated liabilities				**498,065**

	As at 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

.

(c) Other segment information

	Year ended 31 December 2011		
	Corporate investment and trading in securities *HK$'000*	**Minerals exploitation** *HK$'000*	**Trading in non-ferrous metals** *HK$'000*
Capital expenditure	**–**	**42,840**	**–**
Depreciation of property, plant and equipment	**–**	**2,507**	**–**
Amortisation of prepaid lease payment	**–**	**44**	**–**
Impairment for property, plant and equipment	**–**	**18,977**	**–**
Impairment of deposit, prepayment and other receivables	**–**	**2,661**	**–**
Impairment of mining right	**–**	**723,838**	**–**

	Year ended 31 December 2010		
	Corporate investment and trading in securities *HK$'000*	Minerals exploitation *HK$'000*	Trading in non-ferrous metals *HK$'000*
Capital expenditure	–	35,596	–
Depreciation of property, plant and equipment	–	2,530	–
Amortisation of prepaid lease payment	–	42	–
Loss on disposal of property, plant and equipment	–	7	–
Loss on disposal of a subsidiary	–	1,514	–
Impairment for property, plant and equipment	–	–	–
Impairment of deposit, prepayment and other receivables	–	–	–
Impairment of mining right	–	–	–
Impairment of mining right written back	–	(14,038)	–

(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:

	Year ended 31 December 2011			
	Hong Kong	**The PRC**	**Mongolia**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Segment revenue	**49,257**	**945**	**–**	**50,202**
Other segment information:				
Non-current assets	**1,673**	**1,510,154**	**560**	**1,512,387**
Capital expenditure	**52**	**37,216**	**5,624**	**42,892**

	Year ended 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

5. REVENUE

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

	2011	2010
	HK$'000	*HK$'000*
Sales of marketable securities	**–**	7,221
Sales of copper concentrate	**945**	308
Sales of non-ferrous metals	**49,257**	946,529
Other interest income	**127**	256
	50,329	954,314

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

	2011	2010
	HK$'000	*HK$'000*
Miscellaneous income	**399**	44
Exchange gain	**–**	415
	399	459

6. OPERATING LOSS FOR THE YEAR

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

	2011	2010
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration)		
– Salaries and allowances	**11,894**	9,916
– Retirement benefits scheme contributions	**63**	67
	11,957	9,983
Amortisation of prepaid lease payment	**44**	42
Depreciation of property, plant and equipment	**3,040**	2,530
Auditors' remuneration		
– Audit services	**2,193**	780
– Other services	**140**	313
Operating leases on land and buildings	**2,189**	1,847
Exploration and related expenses	**–**	16,079

7. IMPAIRMENT OF MINING RIGHT

Impairment of mining right relating to Mongolia Aleinuer Molybdenum Mine

It was revealed that, in June 2011, the Mongolian JV Partner (the 45% non-controlling shareholder in Reservoir Moly Mongolia Limited ("RMML")) initiated arbitration proceedings against China Reservoir Mining Limited ("CRML"), the holding company of RMML with respect to alleged failure on the part of CRML to develop the Aleinuer Molybdenum Mine in accordance with the terms of the various agreements signed between the parties. On 4 October 2011, CRML received the written arbitral award issued by the Mongolian Arbitration Center in relation to the Mongolian Proceedings, pursuant to which the Mongolian Arbitration Center ruled that the mining right to the Aleinuer Molybdenum Mine should be returned by RMML to the Mongolian JV Partner.

On 12 October 2011, CRML lodged an appeal to the Court of Appeal of Mongolia against such arbitral award. The appeal was heard on 21 November 2011. On 1 December 2011, CRML received the written ruling issued by the Court of Appeal of Mongolia, which annulled the arbitral award issued by the Mongolian Arbitration Center on the basis of procedural irregularities and directed the dispute to be re-heard by the Mongolian Arbitration Center.

On 3 January 2012, The Mongolian National Arbitration Center has issued Decision No.02 to re-apply the Arbitration procedure to the Case. However, the appointment, scheduled on 16 January 2012, of preliminary arbitration hearing for determining the Rules of Reviewing the Case, has been postponed, because if the composition of the former Arbitration panel is unchanged then the probability of a final decision in favor of "China Reservoir Mining Limited" is very low, and therefore the lawyers had requested to reject the Arbitration adjudicators. The Arbitration panel has forwarded the case to the Head of Mongolian National Chamber of Commerce and Industry for review but they decided that they could not accept the request.

In this connection, the company has obtained a legal opinion from a Mongolian law firm and the lawyers considered that the probability of a decision in favour of CRML in the Arbitration was low. Accordingly, full impairment was made for the Aleinuer Molybdenum Mine.

8. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Dividends on cumulative redeemable preference shares *(note 10)*	**5**	5
Interest expenses on convertible notes maturing within five years	**13,722**	5,611
	13,727	5,616

9. INCOME TAX CREDIT/EXPENSE

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

	2011	2010
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**–**	2,131
Other jurisdictions	**–**	–
	–	2,131
Deferred tax (credit)/expense	**(180,959)**	3,509
Tax (credit)/expense for the year	**(180,959)**	5,640

The statutory tax rate for Hong Kong profits tax is 16.5% (2010: 16.5%) on the estimated assessable profits arising in or derived from Hong Kong during the year. No Hong Kong profits tax has been provided for in the consolidated financial statements as there are no assessable profits arising in or derived from Hong Kong during the year (2010:HK$2,131,000). Overseas income taxes have not been made as the Group's operation in these countries was operating at a loss during the year (2010: HK$Nil).

During the year, deferred tax is written back for the impairment of mining right.

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

	2011	2010
	HK$'000	*HK$'000*
Loss before tax	**(850,144)**	(22,627)
Notional tax on loss before tax, calculated at the tax rates applicable to profits in the jurisdictions concerned	**(205,132)**	(4,612)
Tax effect of income not taxable	**(2)**	(2)
Tax effect of expenses not deductible and loss not allowable	**205,019**	6,745
Tax effect of estimated tax losses not recognised for the year	**115**	–
Decrease in deferred tax liabilities for impairment of mining right	**(180,959)**	–
Increase in deferred tax liabilities arising from mining right	**–**	3,509
Tax (credit)/expense for the year	**(180,959)**	5,640

10. DIVIDENDS ON CUMULATIVE REDEEMABLE PREFERENCE SHARES

	2011	2010
	HK$'000	*HK$'000*
Preference dividends		
Payable of HK$0.3 per share on 16,485 shares	**5**	5

11. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to owners of the Company of approximately HK$257,896,000 (2010: HK$23,073,000) and the weighted average number of 5,591,195,552 (2010: 5,591,195,552) ordinary shares in issue during the year.

The diluted loss per share for the two years ended 31 December 2011 and 2010 have 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 and is regarded as anti-dilutive.

12. DEPOSIT FOR ACQUISITION

The amount represents deposit paid to Alexis Resources Limited in respect of acquisition of Qianyi Limited. Please refer to the announcements made by the Company on 16 April 2010, 16 July 2010, 30 December 2010, 30 August 2011 and 31 January 2012.

13. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**–**	57,468
Other receivables	**2,694**	1,925
Prepayments and deposits	**57,259**	22,958
	59,953	82,351

The aging analysis of trade receivables is as follows:

	2011	2010
	HK$'000	HK$'000
0 – 3 months	**–**	39,108
4 – 6 months	**–**	18,360
	–	57,468

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

14. TRADE AND OTHER PAYABLES

	2011	2010
	HK$'000	*HK$'000*
Trade payables	–	–
Temporary deposits, accruals and other payables	**27,058**	7,521
	27,058	7,521

15. 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:

	2011	2010
	HK$'000	*HK$'000*
Properties		
– within one year	**3,812**	1,912
– In the second to fifth years, both inclusive	**3,657**	184
	7,469	2,096

Operating lease payments represent rental payable by the Group for its office properties and directors' apartments.

16. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the circular issued by the Company dated 29 December 2011 as supplemented by the supplemental circular dated 17 February 2012 (together, the "Circular").

Immediately following completion of the Acquisition (as defined in the Circular), on 7 March 2012, the Company became owned as to 69.04% by 大冶有色金屬集團控股有限公司(Daye Nonferrous Metals Corporation Holdings Limited) (the "Parent Company") which, in turn, was wholly-owned by 湖北省人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Hubei Provincial People's Government) ("Hubei SASAC").

As disclosed in the section headed "Relationship with the Parent Company" of the Circular, on 21 January 2011, Hubei SASAC and China Nonferrous Metal Mining (Group) Co., Ltd. ("CNMC") entered into a non-legally binding agreement, pursuant to which, among other things, CNMC was to consider making an investment in the Parent Company which might result in CNMC holding a 49% shareholding in the Parent Company. CNMC is a company incorporated in the People's Republic of China (the "PRC") and is directly supervised by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC.

The Board has been informed by the Parent Company that on 20 March 2012, Hubei SASAC entered into a legally binding agreement with CNMC (the "Capital Increase Agreement"), pursuant to which CNMC acquired a 49% shareholding in the Parent Company through an increase in capital at a consideration of RMB3,350,940,000 (the "Capital Increase"). Completion of the Capital Increase will take place immediately following the signing of the Capital Increase Agreement. As a result of the Capital Increase, the Parent Company is now owned as to 49% by CNMC and as to 51% by Hubei SASAC. Completion of the Capital Increase did not result in a change in control of the Company as Hubei SASAC retains a 51% shareholding in and hence, remains to be the immediate controlling shareholder of the Parent Company and the Parent Company continues to hold a 69.04% shareholding in and hence, remains to be the immediate holding company and controlling shareholder of the Company.

FINANCIAL REVIEW

During the year under review, the Group recorded a revenue of approximately HK$50.3 million (2010: approximately HK$954.3 million), representing an decrease of approximately 94.7% against the prior year. Net loss attributable to owners of the Company amounted to approximately HK$257.9 million (2010: approximately HK$23.1 million). During the year, the Group recognized an impairment loss on mining right of approximately HK$723.8 million (2010: impairment of mining right written back of approximately HK$14.0 million).

During the year, the Group did not buy or sell any marketable securities.

As compared to previous corresponding year, the Group's revenue was decreased because there was a significant decrease in the trading of non-ferrous metals recorded in a subsidiary of the Company.

As compared to previous financial year, the Group's net loss was enlarged significantly. The reasons were mainly attributable to (i) the decrease in the gross profit of the Group of approximately HK$15.4 million; (ii) an impairment loss on mining right of approximately HK$723.8 million was recognized in the income statement as contrary to an impairment of mining right written back recognized in previous year; (iii) the increase in legal and professional fee of approximately HK$43 million as a result of the very substantial transaction occurred during the year; (iv) the increase in the interest expenses on convertible notes of approximately HK$8.1 million; (v) the increase in staff costs of the Group of approximately HK$2 million; and (vi) an impairment of property, plant and equipment of approximately HK$19 million recognised during the year.

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:

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 the Parent Company

On 23 January 2011, the Company, the Parent Company 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.) and 華融資產管理公司 (China Huarong Asset Management Corporation) ("Huarong") 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.

In October 2011, the Company has been informed by Huarong that it was not able to obtain the regulatory and other approvals required in connection with the Huarong Reorganisation, and hence, as provided in the Reorganisation Agreement, the Huarong Reorganisation will not proceed, and the sale by Huarong of the Huarong Sale Shares to the Company and Huarong Completion will not take place in accordance with the Acquisition Agreement. Completion of the sale and purchase of the remaining Sale Shares, which comprise the China Times Sale Shares and the Cinda Sale Shares, remains subject to the fulfillment of the conditions set out in the Acquisition Agreement. Details of the which was disclosed in the announcement of the Company dated 14 October 2011.

On 23 December 2011, the Company, the Parent Company, China Times and Cinda entered into the Second Supplemental Agreement, pursuant to which (i) the parties agreed to extend the Long Stop Date to 30 June 2012; and (ii) the Non-competition Undertaking given by the Parent Company to the Company was amended. Details of the Second Supplemental Agreement are set out in the announcement of the Company dated 23 December 2011.

The proposed Acquisition is to eventually acquire the equity interest in 大冶有色金屬有限責任公司 (Daye Nonferrous Metals Co., Limited) ("Daye Nonferrous") and its subsidiaries and branches (hereafter collectively "Daye Metal Group") which owns various valuable mines in PRC. Details of the acquisition and definitions, including the mines held by Daye Non-Ferrous, are set out in the announcement, circular and supplementary circular of the Company dated 1 February 2011, 29 December 2011 and 17 February 2012 respectively.

The Acquisition was approved by in the extraordinary general meeting of the Company held on 5 March 2012 and was completed on 7 March 2012.

Prospect

The Board is pleased that the very substantial transaction in related to the Parent Company as mentioned in the "business review section" was approved by the shareholders of the Company on 5 March 2012 and was completed on 7 March 2012.

Upon completion of the Acquisition, the Group will continue to expand its portfolio of mining assets both through identifying suitable opportunities to acquire new mines as well as continuous exploration of new mineral resources and reserves at the mines currently operated by the Daye Metal Group and the Group, to upgrade its production facilities, to build on its research and development capabilities, to improve its production technology and to diversify its product portfolio by expanding into the mining and production of rare earths. By centralizing the management of the Daye Metal Group and the Group, it is expected that the Group will benefit from improvement in operational efficiency. The Directors believe that the Group will be able to enhance its core competitiveness, to strengthen and enlarge its upstream production of copper ore, and to expand sales of its products, thereby optimizing the value and the return to the shareholders of the Company.

Given the continuing economic growth in China, the Board expects that there will be an increase in the demand and application of resources of molybdenum, wolfram, silver and copper and, the Company is confident that the investment in mining and related businesses will produce considerable return to the Company in the future.

Looking ahead, the Group will continue to strengthen development of its internal resources and fortify its foundation while keeping its eyes on cooperation opportunities conduction to its development in order to build a portfolio of strong mining business with an emphasis on high value added products.

APPRECIATION

The Chairman would like to express his greatest appreciation to the entire staff of the Group for their hard work and efforts. The Chairman would also like to extend his gratitude to the investors, business partners, and shareholders for their support and confidence in the Group over the past years. The Chairman is 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. The Chairman looks 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 2011 was approximately HK$50.3 million, representing a decrease of approximately HK$904.0 million (or approximately 94.7%) over the year ended 31 December 2010.

- Loss attributable to the owners of the Company for the year ended 31 December 2011 was approximately HK$257.9 million, representing an increase of approximately HK$234.8 million (or approximately 1,017.7%) over the year ended 31 December 2010.

- Basic loss per share for the year ended 31 December 2011 was HK cents 4.61, representing a increase of HK cents 4.2 (or approximately 1,024.4%) over the year ended 31 December 2010.

- Total assets decreased from approximately HK$2,656.4 million to approximately HK$1,844.0 million.

FINAL DIVIDEND

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2011.

EQUITY

The Company's issued and fully paid share capital as at 31 December 2011 amounted to approximately HK$279,560,000 divided into 5,591,195,552 ordinary shares of HK$0.05 each.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the Group's current ratio was 9.2, based on the current assets of approximately HK$331.6 million and current liabilities of approximately HK$36.2 million. The Group's gearing ratio was approximately 37.0%, based on the total liabilities of approximately HK$498.1 million and total equity of approximately HK$1,345.9 million.

As at 31 December 2011, 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 2011, 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 2011, 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

Save as those disclosed in this announcement, the Group has not made any material acquisition or disposal of subsidiaries during the year ended 31 December 2011.

CONTINGENT LIABILITIES

As at 31 December 2011, the Group had no contingent liabilities.

EMPLOYEES, REMUNERATION POLICY AND SHARE OPTION SCHEME

As at 31 December 2011, the Group had 62 employees (2010: 59). 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 supervision 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 Guanzhou. The audit committee of the Company has reviewed the final results of the year ended 31 December 2011.

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 exact 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 Guanzhou.

THE ESTABLISHMENT OF NOMINATION COMMITTEE

The Board has also announced that, on 30 March 2012, the nomination committee ("Nomination Committee") of the Board was established.

Mr. Zhang Lin has been appointed as the chairman of the Nomination Committee, and the independent non-executive directors of the Company, Mr Wang Qihong, Mr. Wang Guoqi and Mr. Qiu Guanzhou, have been appointed as the members of the Nomination Committee, with effect from 30 March 2012.

The Company established the Nomination Committee with written terms of reference to review the structure, size and composition of the Board, identifying individuals suitable and qualified to become Board members and selecting or making recommendations to the Board on the election of, individuals nominated for directorship.

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
Zhang Lin
Chairman

Hong Kong, 30 March 2012

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Zhang Lin (Chairman of the Board), Mr. Long Zhong Sheng, Mr. Zhai Baojin, Mr. Tan Yaoyu and Mr. Wan Bi Qi; and three independent non-executive directors, namely Mr. Wang Qihong, Mr. Wang Guoqi and Mr. Qiu Guanzhou.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.