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 2013

The board of the directors (the "Board") of China Daye Non-Ferrous Metals Mining Limited (the "Company") announces that the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 is as follows (together with the comparative figures for the corresponding period of the previous year):

HIGHLIGHTS

	2013	2012	**Changes**	
	RMB'000	*RMB'000*	***RMB'000***	%
Revenue	**43,598,452**	28,878,123	**14,720,329**	51.0%
Gross profit	**896,040**	862,979	**33,061**	3.8%
(Loss)/profit before tax	**(1,937,336)**	181,643	**(2,118,979)**	(1,166.6)%
(Loss)/profit for the year attributable to owners of the Company	**(1,949,229)**	157,176	**(2,106,405)**	(1,340.2)%
Basic (loss) earnings per share	**RMB(11.25) fen**	RMB0.96 fen	**RMB(12.21) fen**	(1,271.9)%

During the period, revenue increased by 51% to RMB43,598,452,000, compared with RMB28,878,123,000 in the same period of 2012. Gross profit grew by RMB33,061,000 to RMB896,040,000, compared with RMB862,979,000 in the same period of 2012.

Profit attributable to owners of the Company for 2013 excluding the impairment of goodwill and mining rights was RMB198,610,000, compared with RMB157,176,000 in the same period of 2012. However, when the impairment of goodwill and mining rights is taken into account, the Group recorded a loss attributable to owners of the Company of RMB1,949,229,000 in 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013**	2012
		RMB'000	*RMB'000*
Revenue	*4, 5*	**43,598,452**	28,878,123
Cost of sales/services		**(42,702,412)**	(28,015,144)
Gross profit		**896,040**	862,979
Other income	*6*	**78,452**	83,012
Selling expenses		**(75,472)**	(56,581)
Administrative expenses		**(344,211)**	(392,220)
Other operating expenses		**(50,180)**	(33,688)
Impairment of goodwill	*7*	**(1,961,656)**	–
Other (losses)/gains, net	*8*	**56,492**	86,241
Finance costs	*9*	**(536,801)**	(368,100)
(Loss)/profit before tax		**(1,937,336)**	181,643
Income tax expense	*10*	**(30,389)**	(17,991)
(Loss)/profit for the year	*11*	**(1,967,725)**	163,652
Other comprehensive income for the year:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**14,837**	7,160
Fair value gain on available-for-sale financial assets		**–**	–
Other comprehensive income for the year, net of income tax		**14,837**	7,160
Total comprehensive (expense)/income for the year		**(1,952,888)**	170,812
(Loss)/profit for the year attributable to:			
Owners of the Company		**(1,949,229)**	157,176
Non-controlling interests		**(18,496)**	6,476
		(1,967,725)	163,652
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company		**(1,936,629)**	163,052
Non-controlling interests		**(16,259)**	7,760
		(1,952,888)	170,812
(Loss)/earnings per share	*12*		
— Basic		**RMB(11.25)fen**	RMB0.96fen
— Diluted		**N/A**	RMB0.92fen

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	Notes	At 31 December 2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**6,640,509**	5,619,479
Exploration and evaluation assets		**161,023**	90,240
Prepaid lease payments		**718,894**	738,982
Intangible assets		**916,267**	1,156,395
Goodwill		**–**	1,961,656
Interests in joint ventures		**64,702**	–
Deferred tax assets		**76,056**	104,781
Restricted bank deposits		**171,993**	–
Deposit for acquisition of intangible assets		**31,696**	32,690
Deposits for acquisition of property, plant and equipment		**114,731**	91,750
		8,895,871	9,795,973
CURRENT ASSETS			
Prepaid lease payments		**20,299**	20,510
Inventories		**5,354,078**	4,764,501
Trade, bills and notes receivables	*13*	**643,273**	634,328
Prepayments and other receivables		**1,141,164**	663,469
Derivative financial instruments		**5,057**	1,361
Restricted deposits and bank balances		**301,972**	444,892
Bank deposits, bank balances and cash		**1,433,470**	1,030,709
		8,899,313	7,559,770
CURRENT LIABILITIES			
Trade payables	*14*	**1,255,860**	1,383,121
Other payables and accrued expenses		**1,492,513**	795,420
Current income tax liabilities		**–**	1,179
Derivative financial instruments		**154,006**	954
Bank and other borrowings — due within one year		**5,901,963**	4,970,952
Provisions		**30,720**	48,642
Cumulative redeemable preference shares		**873**	900
Convertible notes		**–**	163,682
Early retirement obligation		**9,710**	14,560
		8,845,645	7,379,410
NET CURRENT ASSETS		**53,668**	180,360
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,949,539**	9,976,333

		At 31 December	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
CAPITAL AND RESERVES			
Issued equity		**705,506**	705,506
Share premium and reserves		**2,862,782**	4,786,942
Equity attributable to owners of the Company		**3,568,288**	5,492,448
Non-controlling interests		**404,312**	433,040
TOTAL EQUITY		**3,972,600**	5,925,488
NON-CURRENT LIABILITIES			
Convertible notes		**1,354,274**	521,841
Bank and other borrowings — due after one year		**3,194,645**	2,982,384
Deferred income		**217,023**	185,458
Provisions		**39,169**	171,967
Early retirement obligation		**30,153**	46,790
Deferred tax liabilities		**141,675**	142,405
		4,976,939	4,050,845
		8,949,539	9,976,333

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. GENERAL INFORMATION

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

The address of the registered office and principal place of business of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Unit 2001, World Wide House, 19 Des Voeux Road Central, Hong Kong, respectively.

The principal activity of the Company is investment holding. The Company's subsidiaries are principally involved in mining and processing of mineral ores and selling/trading of metal products. In the opinion of the directors of the Company (the "Directors"), the ultimate holding company is China Nonferrous Metal Mining (Group) Co., Ltd., a company incorporated with limited liability under the laws of the PRC.

The functional currency of the companies comprising the Group is Renminbi ("RMB"), except for the Company's functional currency in Hong Kong Dollar ("HK$"), and these consolidated financial statements have been presented in RMB.

2. APPLICATION OF NEW AND REVISED/AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised/amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 — 2011 Cycle
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK (IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

In addition, the Group has early adopted the Amendments to HKAS 36 Recoverable Ament Disclosures for Non-Financial Assets.

Except as described below, the application of the new and revised/amended HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact of the early application of Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

As a consequence of issuing HKFRS 13 in 2011, some of the disclosure requirements in HKAS 36, including the recoverable amount disclosures for non-financial assets were amended. In May 2013, the International Accounting Standards Board issued further amendments to HKAS 36, in particular, relating to the recoverable amount disclosures for non-financial assets which will become effective for the annual periods beginning on or after 1 January 2014. After evaluating both amendments, the directors of the Company (the "Directors") decided to early adopt the latest amendments to HKAS 36. The application of the amendments to HKAS 36 does not result in any impact on the amounts reported in these consolidated financial statements. The disclosure of recoverable amounts for non-financial assets has been prepared in accordance with these latest amendments to HKAS 36.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) Int-12 Consolidation — Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The Directors made an assessment as at the date of initial application of HKFRS 10 (i.e. 1 January 2013) as to whether the introduction of the new definition of control under HKFRS 10 has resulted in a change of control over the existing entities treated as subsidiaries of the Company. Previously, the Directors concluded that the Group has control over the existing subsidiaries because the Group has power to govern the financial and operating policies of these subsidiaries so as to obtain benefits from their activities. The power existed because the Group owned more than half of the voting power by virtue of these subsidiaries, and/or has power to cast majority votes at the board of directors meeting. Additionally, the Group has the power over these entities including but not limited to power to appoint, reassign, and remove the key management personnel such as executive director of an entity, who has ability to direct relevant activities of that entity which include primarily the sale and purchase, working capital, investments and financing activities.

Accordingly, the Directors concluded that the adoption of HKFRS 10 has had no material impact on the Group's consolidated financial statements for the current or prior years because the Group's control over the existing subsidiaries remained unchanged in accordance with the new definition of control under HKFRS 10.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and nonfinancial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

HK (IFRIC) — Int 20 Stripping Costs in the Production Phase of a Surface Mine

HK (IFRIC)-Int 20 Stripping Costs in the Production Phase of a Surface Mine applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs"). Under the interpretation, the costs from this waste removal activity ("stripping") which provide improved access to ore is recognised as a non-current asset ("stripping activity asset") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with HKAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it forms part. In the previous years, the Group's accounting treatment for the stripping costs is consistent with the requirements under HK (IFRIC)-Int 20.

Accordingly, the adoption of HK (IFRIC)-Int 20 has had no material impact on the Group's consolidated financial statements for the current and prior year.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

HKAS 19 Employee Benefits (as revised in 2011)

In the current year, the Group has applied HKAS 19 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a "net interest" amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

Specific transitional provisions are applicable to first-time application of HKAS 19 (as revised in 2011). The application of HKAS 19 (as revised in 2011) has not had any material impact on the amounts recognised in profit or loss and other comprehensive income in prior years.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[3]
HK (IFRIC) — Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
5 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and serviced rendered, after sales related tax, for the year.

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

	2013	2012
	RMB'000	*RMB'000*
Revenue from sale of goods	**43,543,030**	28,711,872
Revenue from the rendering of services	**55,422**	166,251
	43,598,452	28,878,123

5. SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

As the Group is mainly involved in exploration of mineral resources, the Group has one reportable operating segment, being production and sale of copper and other related products. No operating segment information is presented other than entity-wide disclosures. The chief executive officer of the Company reviewed the consolidated financial statements of the Group prepared in accordance with HKFRSs as a whole.

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

	2013	2012
	RMB'000	*RMB'000*
Sales of goods		
— copper cathodes	**27,384,402**	20,091,529
— other copper products	**2,149,000**	588,689
— gold and other gold products	**5,258,387**	4,862,223
— silver and other silver products	**2,357,760**	2,514,869
— sulphuric acid and sulphuric concentrate	**143,668**	226,041
— iron ores	**231,534**	232,107
— others	**6,018,279**	196,414
	43,543,030	28,711,872
Rendering of services		
— copper processing	**45,039**	152,709
— others	**10,383**	13,542
	55,422	166,251
Total revenue	**43,598,452**	28,878,123

6. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
Interest income on bank deposits	**47,574**	30,110
Value-added tax refund	**9,400**	16,411
Government grants received *(Note)*	**11,633**	26,275
Deferred income recognised	**9,845**	10,216
	78,452	83,012

Note: The government grants mainly represented subsidies for imported copper ores and refunds of river mention maintenance fees.

7. GOODWILL

On 7 March 2012, the Group acquired the entire issued share capital of Prosper Well Group Limited ("Prosper Well", a company incorporated in British Virgin Islands ("BVI") with limited liability) from China Times Development Limited ("China Times"), and China Cinda (HK) Asset Management Co., Limited ("Cinda HK") by the allotment and issue of 10,799,762,092 and 936,953,542 ordinary shares of the Company with nominal value of HK$0.05 each (collectively referred to as the "Consideration Shares") to China Times and Cinda HK, respectively, as well as the issue of HK$1,003,836,048 zero coupon convertible note to China Times (the "Transaction"). The details of the Reverse Takeover Transaction are set out in the Company's circular dated 29 December 2011 and the Company's supplemental circular dated 17 February 2012.

The Directors consider the Company and its subsidiaries upon completion of the Transaction as a whole would benefit from the synergies of the Transaction, thus, the goodwill arose from the Transaction of RMB1,961,656,000 is allocated to one cash generating unit, being the Group after the completion of the Transaction, which also represents the single operating segment of the Group as disclosed in note 5 and they would be under one operating segment.

During the year, the Directors decided that full impairment for the goodwill of RMB1,961,656,000 be charged to the consolidated statement of profit or loss and other comprehensive income in the current year due to the unfavourable future prospect of the business of the Group due to the forecasted fall of selling price of the Group's products and expected decrease in profit margins as a result of the slowdown of the global economy.

The impairment loss was provided based on value in use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period and a discount rate of 18.18% (2012: 17.11%). Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 3% per annum (2012: 3% per annum) growth rate which is the projected long-term average growth rate for the industry.

8. OTHER GAINS/(LOSSES), NET

	2013	2012
	RMB'000	*RMB'000*
Losses on disposal of property, plant and equipment, net	**(10,623)**	(3,149)
Gain on disposal of subsidiaries	**41,942**	–
Impairment of mining right	**(186,183)**	–
Fair value changes (transactions not qualified as fair value hedges) from:		
— Commodity derivatives contracts	**(113,268)**	25,077
— Currency forward contracts	**(10,034)**	4,620
— Gold loans designated as financial liabilities at fair value through profit or loss	**127,485**	3,114
— Provisionally priced sales agreement	**(8,650)**	(626)
Fair value changes (transactions qualified as fair value hedges) from:		
— Inventory hedged by commodity futures contracts	**8,464**	(1,085)
— Fair value gains of commodity futures contracts designated as hedging instrument	**(8,464)**	1,187
Gain on derivative component on convertible notes	**38,440**	12,271
Effect of maturity date extension of convertible notes	**–**	4,980
Exchange gains, net	**89,532**	25,403
(Allowance for)/reversal of impairment of:		
— trade receivables	**(53)**	(705)
— other receivables	**(7,752)**	6,875
Reversal of provision upon obligation discharged	**90,976**	–
Others	**4,680**	8,279
	56,492	86,241

9. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on bank and other borrowings:		
— wholly repayable within five years	**(366,740)**	(224,353)
— wholly repayable beyond five years	**(5,865)**	(7,466)
— Interest on loans from Daye Non-Ferrous Metals Corporation Holdings Limited ("Daye Corporation"), an intermediate holding company of the Company	**(70,358)**	(106,173)
Interest expenses on convertible notes	**(108,061)**	(55,659)
Unwind interest of provisions	**(6,422)**	(6,892)
Unwind interest of early retirement obligation	**(1,620)**	(2,080)
Total borrowing costs	**(559,066)**	(402,623)
Less: Borrowing costs capitalised in construction in progress	**22,265**	34,523
	(536,801)	(368,100)
The weighted average capitalisation rate on funds borrowed, generally (per annum)	**5.43%**	4.45%

10. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
PRC Enterprise Income Tax	**(115)**	(9,417)
Deferred income tax	**(30,274)**	(8,574)
	(30,389)	(17,991)

No provision for Hong Kong profits tax has been made as the Group has no assessable profit generated in Hong Kong for both years. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate of the Group was 25% for both years.

11. (LOSS) PROFIT FOR THE YEAR

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

	2013	2012
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**439,970**	341,699
Amortisation of intangible assets (included in administrative expenses)	**28,639**	29,205
Amortisation of prepaid lease payments	**20,299**	20,503
Auditor's remuneration	**3,329**	4,120
Staff costs:		
Salaries, wages and welfare	**591,904**	451,818
Retirement benefit schemes contributions	**145,310**	170,957
Total staff costs	**737,214**	622,775
Cost of inventories recognised as an expense	**42,654,791**	27,856,674
Research costs	**8,829**	12,496
Donations	**274**	2,500
Minimum lease payments in respect of land and buildings	**18,560**	18,500

12. (LOSS)/EARNINGS PER SHARE

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

	2013	2012
	RMB'000	*RMB'000*
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted earnings per share ((Loss)/profit for the year attributable to owners of the Company)	**(1,949,229)**	157,176
Effect of dilutive potential ordinary shares:		
— HK$220,000,000 1% convertible notes		
• Interest expenses		12,180
• Effect on maturity date extension		(4,980)
• Gain on derivative component		(12,271)
— Dividends on cumulative redeemable preference shares		4
(Loss)/earnings for the purpose of diluted earnings per share	**N/A**	152,109
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**17,327,911**	16,319,663
Effect of dilutive potential ordinary shares:		
— HK$220,000,000 1% convertible notes		240,416
— Cumulative redeemable preference shares		1,877
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**N/A**	16,561,956

The weighted average number of shares used for the purpose of calculating basic earnings per share for the year ended 31 December 2012 is determined by reference to the pre-combination capital of the Prosper Well Group Limited multiplied by the exchange ratio established in the Transaction and the weighted average total actual shares of the Company in issue after the completion of the Transaction.

The computation of diluted earnings per share for year ended 31 December 2012 does not assume the conversion of the Company's outstanding HK$1,003,836,048 zero coupon convertible note since its exercise would result in an increase in earnings per share for the year ended 31 December 2012.

The computation of diluted loss per share for the year ended 31 December 2013 does not assume the conversion of the Company's outstanding HK$1,003,836,048 zero coupon convertible note, cumulative redeemable preference shares and RMB820,000,000 0.5% convertible bonds since their exercise would result in a decrease in loss per share for the year ended 31 December 2013.

The computation of diluted loss and earnings per share for the years ended 31 December 2013 and 2012, respectively does not assume the exercise of the Company's options because the exercise price of those options was higher than the market prices of the Company's ordinary shares for these years.

13. TRADE, BILLS AND NOTES RECEIVABLES

	At 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**55,246**	258,003
Less: Allowance of doubtful debts	**(4,443)**	(4,722)
	50,803	253,281
Bills receivable:		
— Bills receivable on hand	**304,557**	60,682
— Discounted to banks	**–**	21,850
— Endorsed to suppliers	**267,913**	238,015
Notes receivable on hand	**–**	500
Notes receivable discounted to banks	**20,000**	60,000
Total trade, bills and notes receivables	**643,273**	634,328

The majority of sales are made under contractual arrangements whereby a significant portion of amount of each sale is received before delivery or promptly after delivery and the remainder is received within 6 months after delivery. The following is an aged analysis of trade receivables, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised, net of allowance for doubtful debts.

	At 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables, net		
— Less than 1 year	**50,670**	252,806
— 1 — 2 years	**133**	311
— 2 — 3 years	**–**	155
— Over 3 years	**–**	9
	50,803	253,281

The Group's notes receivable represents the commercial acceptance notes issued by third parties. The maturity period of both bills and notes receivable are within 6 months.

14. TRADE PAYABLES

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

	At 31 December	
	2013	2012
	RMB'000	*RMB'000*
Within 1 year	**1,245,292**	1,371,670
More than 1 year, but less than 2 years	**3,371**	4,850
More than 2 years, but less than 3 years	**1,564**	608
Over 3 years	**5,633**	5,993
	1,255,860	1,383,121

15. DIVIDENDS

No dividend in respect of ordinary shares has been paid or declared by the Company for both years.

During the year, the Company accrued dividends of approximately RMB4,000 (2012: RMB4,000) on its 16,485 cumulative redeemable preference shares. Such accrued dividends are included in finance costs of the Group.

BUSINESS REVIEW

In 2013, the sluggish global economic recovery and the slowdown in the growth of the domestic economy in the PRC from rapid to moderate resulted in the slump in overall non-ferrous metal prices while labour cost increased significantly. Despite the adverse environment, the Company still sustained a stable and rapid development momentum. Revenue from business operations for the year ended 31 December 2013 amounted to approximately RMB43,598,452,000 (2012: RMB28,878,123,000), representing a year-on-year growth of approximately 51%. Loss attributable to owners of the Company was approximately RMB1,949,229,000 (2012: a profit of RMB157,176,000), though this was mainly attributable to the impairment for goodwill and mining rights of RMB2,147,839,000 made during the period. Without taking into account these impairment losses, the Group actually recorded a profit attributable to shareholders of RMB198,610,000.

OPERATION RESULTS

Production targets for the year were fulfilled through streamlined organization and production processes. A total of approximately 21,900 tonnes of mined copper was produced. The Company also produced 430,400 tonnes of copper cathode, up by 56.4% from the previous year; 557 tonnes of precious metals (including 14.3 tonnes of gold, 531.52 tonnes of silver, 20 kg of platinum and 272 kg of palladium and 11 tonnes of tellurium), up by 35.19% year-on-year; 981,400 tonnes of chemical products (including 980,200 tonnes of sulphuric acid, 430 kg of ammonium perrhenate, 310 tonnes of nickel sulphate and 64 tonnes of selenium dioxide), up by approximately 24.13% year-on-year; and 260,100 tonnes of iron concentrate.

Procurement plan was flexibly adjusted in line with the changes in the copper market to cater for the metallurgy and production needs and enhance operation efficiency. The Company recorded satisfactory results in product sales through futures sales, combination of spot and futures sales, long-term contract sales, and bidding and auctions. As for futures sales, we improved the operation and product pool for higher efficiency and individual sales executives were assigned with sales targets.

In response to market changes, the Company actively explored profit sources by carrying out entrepot trade, arbitrage trade and spot trade of copper and silver, importing raw materials and providing agency service for imported equipment and biodiesel.

Hami Mine

On 31 May 2012, the Company entered into a mining exploration agreement with Alexis Resources Limited (the "Vendor") in respect of the exploration of a copper mine (the "Hami Mine") located at about 115 km southwest of Hami, a city in the eastern part of the Xinjiang Uygur Autonomous Region, the PRC. The center of the Hami Mine is situated in an area located at about longitude 92°28' degrees east, latitude 42°05' degrees north (the "New Mining Area").

On 3 August 2012, the Company was informed that the mining license of the Hami Mine has been granted to Xinjiang Tong Xing Mining Company Limited by the Department of Land and Resources of Xinjiang Uygur Autonomous Region for a period of two years from 4 May 2012.

On 29 June 2012, pursuant to the amendment agreement, the terms and conditions of the convertible notes issued by the Company to the Vendor on 22 July 2010 (the "Convertible Notes") were amended as follows:

(a) the original maturity date (ie. 22 July 2012) was extended to the new maturity date (i.e. 31 December 2013), on which the Convertible Notes shall be redeemed by the Company at its principal amount together with interest outstanding; and

(b) interest on the Convertible Notes shall be accrued on and from the date of issue of the Convertible Notes up to and including the original maturity date only. No interest shall be accrued on the Convertible Notes for the period from the original maturity date to the new maturity date.

Therefore, the Company announced on 31 December 2013 that, on the same date (being the new maturity date), the Convertible Notes had reached maturity and would be redeemed by the Company at their principal amount together with any outstanding interest. Since the Vendor had not exercised any of the conversion rights attached to the Conversion Notes on or before the new maturity date, the redemption amount was HK$224,406,027.40, being the sum of the principal amount of HK$220,000,000.00 and outstanding interest of HK$4,406,027.40. Such redemption amount has since been settled accordingly.

Sareke Copper Mine

In 2013, the major constructions of Sareke Copper Mine, including mine construction, were completed on schedule. Significant progress of the project was made. The Company obtained the approval on the Environmental Impact Assessment Report on the Mining and Processing Project of Sareke Copper Mine with a production capacity of 500,000 tonnes/year (3,500 tonnes/day), the permission on the commencement of the Mining and Processing Project of Sareke Copper Mine with a production capacity of 500,000 tonnes/year (3,500 tonnes/day) and various certificates and approvals for the ancillary projects. The aforementioned approvals on the project environmental impact assessment and the mining and processing projects were necessary for the design and financing of the projects, application of other relevant licences and commencement of project construction. The uncertainties of exploration, design, and construction were also eliminated. The equipment installation and calibration of Sareke Copper Mine will be completed in the first quarter of 2014. Trial production will commence in the second quarter of 2014 while adjustment, modification and optimisation of the production system will be made in the third quarter of 2014. Full production will commence in the fourth quarter of 2014. The target annual production and operation results are approximately 2,800 tonnes of copper ore, 2,298 kg of copper concentrate (containing silver), 360,000 tonnes of extracted ore and 682,300 tonnes of total extraction.

MARKET PROSPECT

The global economy remains highly uncertain in 2014. From a macro-economic perspective, the dampened global economic recovery and the tapering off by the US Federal Reserve of its quantitative easing policy fuelled a wait-and-see market sentiment. The prices of major products fluctuated while the overall demand of the nonferrous metal market remained intact. The expansion in production scale was on a rapid momentum. In 2013, the output of copper concentrate in the PRC amounted to 6,838,750 tonnes, representing an increase of 17.43% as compared to 2012.

In accordance with the International Copper Study Group, the global output of copper concentrate is expected to increase by 4.1% to 21,620,000 tonnes in 2014. China is currently a major producer of copper concentrate in the world and it is expected that the copper concentrate produced by China in 2014 will account for 30% of the total output in the world. Nevertheless, China also has the largest demand for copper concentrate in the world, accounting for 39.6% of the total demand in the world.

As for the domestic economy in PRC, the growth momentum remains uninspired. The problems of oversupply lingers in the non-ferrous metal industry, excess production capacity, low industrial concentration and pressure of energy conservation and emission reduction are still retained.

In respect of imports, the domestic productivity will continue to expand with anticipated increase in the global output of copper concentrate. The import volume of copper concentrate is expected to reach 12,400,000 tonnes. The Group is expected to import around 700,000 tonnes of copper concentrate.

OPERATING OBJECTIVES AND STRATEGIES IN 2014

We are exposed to several uncertainties, including various austerity policies, stagnant economic growth and pressure of soaring costs in China, which may significantly hamper the production and operation of the Group.

The main production targets of the Group for 2014 include producing 28,000 tonnes of mined copper, 500,000 tonnes of copper cathode, 16 tonnes of gold, 700 tonnes of silver, 1,040,000 tonnes of sulphuric acid, 295,000 tonnes of iron concentrate, 133 tonnes of molybdenum concentrate (containing molybdenum), 25 kg of platinum, 310 kg of palladium, 460 kg of ammonium perrhenate (containing metal), 460 tonnes of nickel sulfate (containing metal), 185 tonnes of crude selenium, 26 tonnes of tellurium and 250,000 tonnes of copper rods.

In order to achieve the above production targets, we will strive for improvements in the following aspects, which will be funded through the working capital, bank borrowings and other sources of financing of the Group.

(1) To improve production process and enhance production efficiency

The Company will focus on turning its resource advantages into economic advantages so as to increase mined copper output. In addition, capitalising on the completion of construction and the commencement of production of major mine projects, the Company will strive to expand its mine production scale and improve its product yield and quality with a production target of not less than 28,000 tonnes of mined copper.

The Company will also focus on turning its technology advantages into economic advantages so as to improve the efficiency of metallurgy and precious metal segments. Leveraging the refined smelting system and higher smelting efficiency, its smelting plants will maintain the stable smelting system and efficient production process to fulfil its annual product targets.

(2) To optimise marketing and trading operation and improve efficiency level

The Company will secure its raw material supply and optimise its marketing mode for better marketing capability.

1. The Company will improve its raw material procurement by refining its supply structure, strengthening its direct cooperation with overseas mining projects and stabilising its supply channel of imported minerals. Prioritisation will be placed on market expansion of crude copper and anode plate sectors through identifying appropriate strategic partners to ensure its sustained and stable supply.

2. The Company will put efforts in its product sales and place emphasis on the synergistic marketing of copper cathode and the operation management of precious metals in 2014. Furthermore, it will keep abreast of the changes in market trend of copper cathode in Guangdong and Shanghai and raise the selling price of spot commodities.

3. The Company will improve its futures operation by strictly adhering to the management system of responsibility division and collective decision-making. It will also comply with the relevant requirements and strategic plans of its value flow management. Efforts will be made on analysis and forecast on price trend and communication with prominent research institutions. Through market information collection, collation and analysis for its databases, it will be able to accurately capitalise on market trends and dynamics.

4. The Company will optimise the processing operations of imported minerals, promote the sales of by-products and increase sales through tender in line with the market conditions.

5. The Company will strengthen its trade profitability through expanding product diversity. Trading of other commodities such as other non-ferrous metal products, chemical products and feedstock oil will be carried out. Innovative trading models will be introduced, including domestic and foreign export agency services, entrepot trade and overseas trade of precious metals. Integration of trading and finance will be strengthened and relevant businesses in relation to domestic and foreign trade financing, wealth management and interest rate linked products will be extensively launched.

FINANCIAL REVIEW

For the year ended 31 December 2013, the Group recorded revenue of approximately RMB43,598,452,000 (2012: RMB28,878,123,000), representing an increase of approximately 51% from the previous year. The increase was mainly attributable to the significant increase in trading of metals during the period.

Gross profit grew by RMB33,061,000 to RMB896,040,000, compared with RMB862,979,000 in the same period of 2012. This increase in gross profit was mainly due to expansion of business and implementation of cost control measures to lower the production costs.

The Group reported a loss attributable to owners of the Company of RMB1,949,229,000 for the year ended 31 December 2013, representing a decrease in the profit attributable to owners of the Company of RMB157,176,000 reported for the corresponding period last year by RMB2,106,405,000. However, this significant decrease in results was mainly attributable to the impairment for goodwill and mining rights of RMB2,147,839,000 made during the period. Such impairment losses were made in relation to the unfavorable future prospect of the Group's business due to the forecasted fall of selling prices of the Group's products and expected decrease in profit margin as a result of the slowdown of the global economy.

Without taking into account these impairment losses, the Group actually had a profit of RMB198,610,000 attributable to the owners of the Company for the year ended 31 December 2013, representing an increase of 26.4% from last year and reflects the expansion of business and implementation of cost control measures to lower the Group's production costs.

Cost of sales

For the year ended 31 December 2013, the cost of sales/services of the Group amounted to approximately RMB42,702,412,000 (2012: RMB28,015,144,000), representing an increase of approximately 52.4% from the previous year, which was primarily due to the decrease in the gross profit of gold trading as a result of the decrease in prices of copper, gold and silver and significant market fluctuation.

Administrative expenses

Administrative expenses for the year ended 31 December 2013 amounted to approximately RMB344,211,000 (2012: RMB392,220,000), representing approximately a 12.2% decrease from the previous year. The decrease was primarily due to the decrease in the maintenance fee and various office expenses.

Finance costs

Finance costs for the year ended 31 December 2013 amounted to approximately RMB536,801,000 (2012: RMB368,100,000), representing an increase of approximately 45.8% from the previous year, which was primarily due to the significant increase in financing activities during the period.

Income tax expense/credit

Income tax expense for the year ended 31 December 2013 amounted to approximately RMB30,389,000, representing an increase of approximately 68.9% from the previous year (2012: RMB17,991,000). The increase reflects the growth of profit without taking into account of the impairment losses of goodwill and mining right.

Liquidity and Financial Resources

As at 31 December 2013, the Group's current ratio was approximately 1.01 (2012: 1.02), based on current assets of approximately RMB8,899,313,000 (2012: RMB7,559,770,000) divided by current liabilities of approximately RMB8,845,645,000 (2012: RMB7,379,410,000). The Group's gearing ratio as at 31 December 2013 was approximately 247.7% (2012: 131.2%), based on net debts of approximately RMB8,838,872,000 (2012: RMB7,205,212,000) divided by total equity of approximately RMB3,568,288,000 (2012: RMB5,492,448,000). The increase in gearing ratio was attributable to the Group's increase in borrowings and convertible notes for the year ended 31 December 2013.

As at 31 December 2013, the Group had a net cash position and had sufficient funding to pay off all the outstanding liabilities and meet its working capital requirement.

During the year ended 31 December 2013, the Group incurred capital expenditure of approximately RMB70,783,000 (2012: RMB9,331,000) for exploration activities.

Borrowings and Pledge of Assets

As at 31 December 2013, the Group's total debts (which comprise non-current and current bank and other borrowings, cumulative redeemable preference shares, and convertible notes) amounted to approximately RMB10,451,755,000 (2012: RMB8,639,759,000). The increase in debts was due to the increase in financing needs as a result of the expansion of the Group's operations.

As at 31 December 2013, certain bank borrowings of the Group were secured by bank deposits of RMB170,716,000 (2012: RMB37,713,000).

Foreign Exchange Risk

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

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

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

Contingent Liabilities

As at 31 December 2013, the Group had no contingent liabilities.

Employees and Remuneration Policy

As at 31 December 2013, the Group had 9,529 employees (2012: 10,608). The Group's total staff cost for the year was approximately RMB737,214,000 (2012: approximately RMB622,775,000). The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits considered appropriate.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's Bye-laws or the company laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to its existing Shareholders.

Distributable Reserves

As at 31 December 2013, the Company did not have any reserves available for distribution to the Shareholders.

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.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Wang Guoqi, Mr. Wang Qihong and Mr. Qiu Guanzhou. The Audit Committee has reviewed the final results of the year ended 31 December 2013.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiries made by the Company, that they had complied with the required standard set out in the Model Code during the year ended 31 December 2013.

CORPORATE GOVERNANCE CODE COMPLIANCE

The Company had complied with the code provisions set out in the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2013, save for the deviation as summarized below:

Pursuant to code provision A.4.1 of the CG Code, non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. All independent non-executive directors of the Company were not appointed for a specific term in their letters of appointment. However, as was the case for the six months ended 30 June 2013 and as disclosed in the Company's interim report for the same period, they are still subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company pursuant to the relevant provisions of the Company's Bye-laws, which, in the opinion of the directors of the Company, accomplishes the same purpose as having the non-executive Directors being appointed for a specific term.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company 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 a remuneration committee (the "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.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") with specific written terms of reference. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, identifying individuals suitable and qualified to become the Board members and making recommendations to the Board with due regard to Nomination Committee's board diversity policy.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company at www.hk661.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2013 annual report and the notice of the annual general meeting will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
China Daye Non-Ferrous Metals Mining Limited
Zhang Lin
Chairman

Hong Kong, 30 March 2014

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