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 2015

The board (the "Board") of the directors (the "Directors") of China Daye Non-Ferrous Metals Mining Limited (the "Company", together with its subsidiaries, the "Group") announces the audited consolidated results of the Group for the year ended 31 December 2015 prepared in accordance with Hong Kong Financial Reporting Standards as follows (together with the comparative figures for the corresponding period of the previous year):

HIGHLIGHTS

	2015	2014	**Changes**	
	RMB'000	*RMB'000*	***RMB'000***	%
Revenue	**39,361,792**	42,808,295	**(3,446,503)**	(8.05%)
Gross profit	**53,532**	798,227	**(744,695)**	(93.29%)
Loss before tax	**(1,452,555)**	(158,210)	**(1,294,345)**	818.12%
Loss for the year attributable to owners of the Company	**(976,337)**	(95,553)	**(880,784)**	921.78%
Basic loss per share	**RMB(5.52) fen**	RMB(0.55) fen	**RMB(4.97) fen**	903.64%
Diluted loss per share	**RMB(5.52) fen**	RMB(0.59) fen	**RMB(4.93) fen**	835.59%

During the year, revenue decreased by 8.05% to RMB39,361,792,000, compared with RMB42,808,295,000 in the same period of 2014. Gross profit decreased by RMB744,695,000 to RMB53,532,000, compared with RMB798,227,000 in the same period of 2014.

Loss before tax for 2015 increased by 818.12% to RMB1,452,555,000, compared with RMB158,210,000 in the same period of 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	Year ended 31 December 2015 RMB'000	2014 RMB'000
Revenue	4,5	**39,361,792**	42,808,295
Cost of sales and services rendered		**(39,308,260)**	(42,010,068)
Gross profit		**53,532**	798,227
Other income	6	**107,036**	174,823
Selling expenses		**(57,844)**	(75,994)
Administrative expenses		**(337,119)**	(346,574)
Other operating expenses		**(16,570)**	(19,598)
Other gains and losses	7	**(779,006)**	(137,191)
Finance costs	8	**(461,799)**	(529,002)
Share of results of joint ventures		**39,215**	(22,901)
Loss before tax		**(1,452,555)**	(158,210)
Income tax credit	9	**262,330**	31,641
Loss for the year	10	**(1,190,225)**	(126,569)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation		**–**	1,872
Share of net gain on revaluation of available-for-sale financial assets of joint ventures and its subsequent reclassification for inclusion in profit or loss upon disposal		**(71,164)**	71,164
Other comprehensive (expense)/income for the year		**(71,164)**	73,036
Total comprehensive expense for the year		**(1,261,389)**	(53,533)
Loss for the year attributable to:			
Owners of the Company		**(976,337)**	(95,553)
Non-controlling interests		**(213,888)**	(31,016)
		(1,190,225)	(126,569)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(1,047,501)**	(22,517)
Non-controlling interests		**(213,888)**	(31,016)
		(1,261,389)	(53,533)
Loss per share	12		
— Basic		**RMB(5.52) fen**	RMB(0.55) fen
— Diluted		**RMB(5.52) fen**	RMB(0.59) fen

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

		As 31 December	
		2015	2014
	NOTE	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**7,244,278**	7,410,599
Exploration and evaluation assets		**125,045**	188,361
Prepaid lease payments		**701,497**	704,205
Intangible assets		**605,210**	777,917
Interests in joint ventures		**40,419**	112,965
Deferred tax assets		**230,818**	87,950
Deposits for acquisition of property, plant and equipment		**47,733**	47,380
		8,995,000	9,329,377
CURRENT ASSETS			
Prepaid lease payments		**20,443**	20,456
Inventories		**4,662,894**	4,494,964
Trade and bills receivables	*13*	**298,800**	487,194
Prepayments and other receivables		**746,772**	500,241
Derivative financial instruments		**5,201**	40,354
Restricted deposits and bank balances		**549,236**	892,832
Bank and other deposits, bank balances and cash		**1,293,899**	1,401,186
		7,577,245	7,837,227
CURRENT LIABILITIES			
Trade and bills payables	*14*	**1,657,143**	1,133,451
Other payables and accrued expenses		**1,472,135**	1,269,965
Bank and other borrowings		**3,579,419**	5,021,480
Derivative financial instruments		**82,109**	61,548
Convertible bonds		**669,908**	–
Early retirement obligations		**5,630**	7,530
Income tax payable		**866**	631
		7,467,210	7,494,605
NET CURRENT ASSETS		**110,035**	342,622
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,105,035**	9,671,999

		As 31 December	
		2015	2014
	NOTE	***RMB'000***	*RMB'000*
CAPITAL AND RESERVES			
Share capital	*15*	**727,893**	705,506
Share premium and reserves		**1,896,550**	2,840,265
Equity attributable to owners of the Company		**2,624,443**	3,545,771
Non-controlling interests		**159,408**	373,296
TOTAL EQUITY		**2,783,851**	3,919,067
NON-CURRENT LIABILITIES			
Bank and other borrowings		**5,259,341**	3,961,088
Convertible note/bonds		**760,451**	1,377,919
Provision for mine rehabilitation, restoration and dismantling		**41,554**	40,344
Deferred income		**243,720**	230,432
Early retirement obligations		**15,839**	22,078
Deferred tax liabilities		**279**	121,071
		6,321,184	5,752,932
		9,105,035	9,671,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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 18th Floor, 8 Queen's Road Central, 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 of the Company is China Non-ferrous Metal Mining (Group) Co., Ltd., a state-owned enterprise established in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In prior years, the functional currency of the companies comprising the Group is Renminbi ("RMB"), except that the functional currency of the Company and its certain subsidiaries is Hong Kong Dollar ("HK$").

During the current year, the Directors re-assessed the accounting policy in determining the functional currency of the Company and considered paragraph 9 of HKAS 21 *The Effects of Changes in Foreign Exchange Rates* ("HKAS 21") together with the other factors set out in paragraph 10 of HKAS 21. The Directors have determined that RMB better reflects the economic substance of the Company and its business activities as an investment holding company with subsidiaries mainly operating in the PRC since the date of completion of the reverse acquisition on 7 March 2012. Accordingly, the functional currency of the Company was retrospectively changed from HK$ to RMB. The retrospective change of functional currency of the Company has no material effects on the financial positions of the Group as at 31 December 2014 and 1 January 2014 and its financial performance for the year ended 31 December 2014 and as such no restated financial information has been presented except that certain descriptions have been revised accordingly. In addition, certain reserves have been reclassified to retained profits.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2010–2012 Cycle*
Amendments to HKFRSs	*Annual Improvements to HKFRSs 2011–2013 Cycle*

The application of the amendments to 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.

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.

HKFRS 9	*Financial instruments*[1]
HKFRS 15	*Revenue from contracts with customers*[1]
Amendments to HKFRS 11	*Accounting for acquisitions of interests in joint operations*[2]
Amendments to HKAS 1	*Disclosure initiative*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of acceptable methods of depreciation and amortisation*[2]
Amendments to HKFRSs	*Annual improvements to HKFRSs 2012–2014 Cycle*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer plants*[2]
Amendments to HKAS 27	*Equity method in separate financial statements*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or contribution of assets between an investor and its associate or joint venture*[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment entities: Applying the consolidation exception*[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after a date to be determined

The Directors are still assessing the impacts on the application of HKFRS 15 on the amounts reported and disclosures made in the Group's consolidated financial statements. It is not practicable to provide a reasonable estimate of the effect of these amendments until the Group performs a detailed review.

Other than set out above, the Directors do not anticipate that the application of HKFRS 9 and other amendments to HKFRSs will have a material impact on amounts reported in the Group's consolidated financial statements and/or disclosures set out in these consolidated financial statements.

4. REVENUE

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

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

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Sale of goods	**39,309,093**	42,747,781
Rendering of services	**52,699**	60,514
	39,361,792	42,808,295

5. SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The CODM of the Company reviews revenue by respective products and services and the consolidated financial statements of the Group prepared in accordance with HKFRSs as a whole. However, no further discrete financial information is available. Accordingly, no operating segment information is presented other than entity-wide disclosures.

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

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Sales of goods:		
Copper cathodes	**27,655,532**	29,020,454
Other copper products	**871,361**	897,076
Gold and other gold products	**6,669,341**	8,628,869
Silver and other silver products	**3,411,282**	3,269,413
Sulphuric acid and sulphuric concentrate	**269,376**	204,621
Iron ores	**91,880**	255,293
Others	**340,321**	472,055
	39,309,093	42,747,781
Rendering of services:		
Copper processing	**43,675**	49,910
Others	**9,024**	10,604
	52,699	60,514
Total revenue	**39,361,792**	42,808,295

6. OTHER INCOME

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Interest income	**65,046**	67,220
Value-added tax refund	**12,366**	12,729
Government grants received *(Note)*	**11,142**	81,339
Deferred income recognised	**18,482**	13,535
	107,036	174,823

Note: The government grants in the current year mainly represented subsidies for interest incurred on imported copper ores. The government grants in the prior year also included subsidies for employee medical expenses of RMB49,673,000. The relevant interest expense and employee medical expenses had been previously charged to profit or loss.

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Loss on disposal of property, plant and equipment, net	**(1,688)**	(1,832)
Impairment recognised in respect of:		
Property, plant and equipment	**(344,705)**	–
Prepaid lease payments	**(982)**	–
Mining rights	**(221,966)**	(175,636)
Fair value changes from:		
Commodity derivatives contracts	**7,280**	113,730
Currency forward contracts	**280**	6,573
Gold loans and silver loans designated as financial liabilities at fair value through profit or loss	**(31,237)**	(145,219)
Reversal of impairment loss/(impairment loss) on:		
Trade receivables	**781**	(6,691)
Other receivables	**117**	13,633
Fair value gain on derivative component of convertible note/bonds	**5,120**	92,525
Exchange losses, net	**(194,277)**	(36,793)
Others	**2,271**	2,519
Total other gains and losses	**(779,006)**	(137,191)

8. FINANCE COSTS

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**(286,782)**	(389,198)
Interest on loans from Daye Non-Ferrous Metals Group Holding Co., Ltd, an intermediate holding company of the Company	**(75,986)**	(57,984)
Interest on loans from Daye Non-Ferrous Metals Finance Company Limited ("Daye Finance Company", a fellow subsidiary of the Company)	**(6,763)**	(3,513)
Interest on convertible note/bonds	**(134,306)**	(129,630)
Unwind interest of provision for mine rehabilitation, restoration and dismantling	**(1,210)**	(1,175)
Unwind interest of early retirement obligations	**(900)**	(1,580)
Total borrowing costs	**(505,947)**	(583,080)
Less: Borrowing costs capitalised in the cost of qualifying assets	**44,148**	54,078
	(461,799)	(529,002)

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a weighted average capitalisation rate of 5.59% (2014: 5.67%) per annum to expenditure on qualifying assets.

9. INCOME TAX CREDIT

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**(774)**	(886)
Hong Kong	**(556)**	–
Deferred tax	**263,660**	32,527
	262,330	31,641

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.

Hong Kong profits tax for the year is calculated at 16.5% of the estimated assessable profit for the year. No provision for Hong Kong profits tax in the prior year had been made as the Group had no assessable profit generated in Hong Kong for the prior year.

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

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment**	**534,735**	469,849
Amortisation of intangible assets**	**29,947**	29,027
Amortisation of prepaid lease payments **	**20,443**	20,457
Auditor's remuneration	**3,361**	3,350
Employee benefits expense (including directors' remuneration)***:		
Salaries, wages and welfare	**606,249**	537,200
Retirement benefit schemes contributions	**135,511**	145,990
Total staff costs	**741,760**	683,190
Cost of sale and services rendered:		
Cost of inventories recognised as an expense	**38,621,411**	41,954,810
Write-down of inventories, net*	**612,280**	6,400
Direct operating expense arising from services provided	**74,569**	48,858
	39,308,260	42,010,068
Research costs recognised as an expense	**6,905**	6,008
Minimum lease payments in respect of land and buildings	**15,194**	15,263

* Write-down of inventories, which is included in cost of inventories, is mainly attributable to the decline in the price of certain raw materials. The materials are written down to net realisable value when the costs of the finished products are expected to exceed their net realisable values.

** During the year, depreciation of property, plant and equipment of RMB525,328,000 (2014: RMB456,616,000), and amortisation of intangible asset and prepaid lease payments totaling RMB28,928,000 (2014: RMB28,069,000) was included in cost of sales and services rendered in the consolidated statement of profit or loss and other comprehensive income.

*** During the year, employee benefits expenses of RMB662,656,000 (2014: RMB591,416,000) were included in costs of sales and services rendered in the consolidated statement of profit or loss and other comprehensive income.

11. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

12. LOSS PER SHARE

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

	Year ended 31 December	
	2015	2014
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	**(976,337)**	(95,553)
Adjustments:		
Effect of dilutive potential ordinary shares:		
Convertible note/bonds		
Interest on convertible bonds	**–**	66,118
Gain on derivative components	**–**	(92,525)
Loss for the purpose of diluted loss per share	**(976,337)**	(121,960)
	'000	*'000*
Number of ordinary shares		
Number of ordinary shares for the purpose of basic loss per share	**17,694,734**	17,327,911
Adjustments:		
Effect of dilutive potential ordinary shares:		
Convertible bonds	**–**	3,422,699
Number of ordinary shares for the purpose of diluted loss per share	**17,694,734**	20,750,610

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the conversion of the Company's outstanding convertible note and convertible bonds since their exercise would result in a decrease in loss per share for the year ended 31 December 2015.

The computation of diluted loss per share for the year ended 31 December 2014 does not assume the conversion of the Company's outstanding convertible note since its exercise would result in a decrease in loss per share for the year ended 31 December 2014.

13. TRADE AND BILLS RECEIVABLES

	At 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade receivables	**136,594**	321,080
Less: Allowance of doubtful debts	**(10,353)**	(11,134)
	126,241	309,946
Bills receivables:		
Bills receivable on hand	**23,468**	29,187
Endorsed to suppliers	**55,730**	97,386
Discounted to Daye Finance Company	**59,138**	50,675
Discounted to banks	**34,223**	–
	172,559	177,248
Total trade and bills receivables	**298,800**	487,194

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 normally received within 6 months to 1 year after delivery.

The ageing of bills receivables, based on the revenue recognition date are within 1 year.

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	
	2015	2014
	RMB'000	*RMB'000*
Less than 1 year	**111,732**	309,301
1–2 years	**14,168**	524
2–3 years	**195**	121
Over 3 years	**146**	–
	126,241	309,946

14. TRADE AND BILLS PAYABLES

	At 31 December	
	2015	2014
	RMB'000	*RMB'000*
Trade payables	**1,657,143**	1,008,951
Bills payables	**–**	124,500
	1,657,143	1,133,451

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

	At 31 December	
	2015	2014
	RMB'000	*RMB'000*
Within 1 year	**1,634,751**	991,920
More than 1 year, but less than 2 years	**14,551**	7,874
More than 2 years, but less than 3 years	**225**	2,610
Over 3 years	**7,616**	6,547
	1,657,143	1,008,951

The maturity period of bills payables are within 6 months.

15. SHARE CAPITAL

Ordinary share capital of the Company

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.05 each		
Authorised:		
At 1 January 2014, 31 December 2014 and 31 December 2015	30,000,000,000	1,500,000
		RMB'000
Issued and fully paid:		
At 1 January 2014 and 31 December 2014	17,327,911,186	705,506
Issue of shares upon conversion of the Bonds	567,668,520	22,387
At 31 December 2015	17,895,579,706	727,893

During the year, 567,668,520 new ordinary shares of HK$0.05 each were issued upon the conversion of certain convertible bonds, resulting credit to ordinary share capital of RMB22,387,000 and share premium account of the Company of RMB103,786,000.

There was no movement in the Company's share capital for the year ended 31 December 2014.

16. EVENTS AFTER THE REPORTING PERIOD

(a) On 23 December 2015, the Group entered into a sale and leaseback agreement with a financing company whereby the financing company agreed to purchase certain equipment of the Group (the "Equipment") at a purchase price of RMB500,000,000 and lease back the Equipment to the Group for a period of eight years subject to the terms and conditions of the sale and leaseback agreement. The purchase was completed in January 2016.

The details of the above transactions are set out in the Company's announcement dated 23 December 2015 and the Company's circular dated 25 January 2016.

Upon discharging all the Group's obligations under the sale and leaseback agreement, the financing company will return the ownership of the Equipment to the Group for a nominal amount of RMB1. Despite the sale and leaseback agreement involves a legal form of a lease, the Group accounted for such agreement in accordance with the actual substance of such agreement.

(b) Subsequent to the end of the reporting period, on 29 March 2016, a non-wholly-owned subsidiary of the Company entered into a sales framework agreement and a purchase framework agreement with an associate of an intermediate holding company for the sale/purchase of certain products to/from that entity. The transactions contemplated under each of the above agreements constitute continuing connected transactions under the Listing Rules.

Details of the above transactions are set out in the Company's announcement dated 29 March 2016.

BUSINESS REVIEW

Revenue for the year ended 31 December 2015 amounted to approximately RMB39,361,792,000 (2014: RMB42,808,295,000), representing a year-on-year decline of approximately 8.05%. Loss before tax was approximately RMB1,452,555,000 (2014: RMB158,210,000), representing a year-on-year increase of approximately 818.12%, mainly attributable to the write-down of inventories amounting to approximately RMB612,280,000 and the impairment of assets amounting to approximately RMB567,653,000 due to a significant decline in copper price for the year ended 31 December 2015, and the exchange losses amounting to approximately RMB194,277,000 arising from the devaluation of Renminbi.

Production of the Group progressed steadily with an increase in the output of products. During the year, a total of approximately 28,400 tonnes of mined copper was produced, up by 15.45% from the previous year. The Company also produced 470,600 tonnes of copper cathode, up by 2.13% from the previous year; 1,102 tonnes of precious metals (including 20.4 tonnes of gold, 1,063 tonnes of silver, 15 kg of platinum and 201 kg of palladium and 18 tonnes of tellurium), up by 22.96% year-on-year; 1,032,000 tonnes of chemical products (including 1,030,000 tonnes of sulphuric acid, 631 kg of ammonium perrhenate, 374 tonnes of nickel sulphate, 1,008 tonnes of copper sulfate and 190 tonnes of crude selenium), up by approximately 0.84% year-on-year; and 258,600 tonnes of iron concentrate.

In comparison with the same period of last year, the overall recovery rate of copper, gold and silver increased by 0.15%, 0.12% and 1.33%, respectively. The direct recovery of copper electrolysis of smelting plant increased by 0.75%, and the direct recovery of gold and silver of rare and precious metal plant increased by 0.44% and 2.18%, respectively. Electricity consumption of copper cathodes dropped significantly.

In 2015, the Group continued to optimize its industrial structure and accelerated the pace of transformation and upgrading:

1. Resource exploitation was carried out steadily. The progress of internal and external mining as well as construction projects was accelerated. A new ore dressing system of Tonglvshan Mine was put into operation, and the construction of the new tailings storage facility of Tongshankou Mine achieved a major breakthrough and was ready for trial operation.

2. Smelting system was further improved. In 2015, various environmental improvement projects were completed, including the compliance of sulphuric acid exhaust, low-altitude smoke control, fugitive gas collection and treatment, acid waste treatment, ventilation improvement for old electrolysis systems and compliance of waste water and emission of rare and precious metal plant. Currently, most of the environmental management projects are properly managed with smooth operation. Moreover, working and living environment of employees was further improved.

3. Technical innovation was strengthened. In order to improve the production efficiency and integrated resource recovery, the Group conducted a number of technology researches, such as safe and efficient mining of deep ore body of Tonglvshan Mine, resin adsorption of liquid after dissolving copper and diffusion of metal in rare and previous metal plant, and treatment of waste water of smelting pool with biological agent.

4. Continuous efforts were made to facilitate transformation and upgrading through innovation, and environment-friendly industry was achieved. The Company adhered to green development and transformation. The mining and smelting systems underwent green transformation and green mines and garden-style plants were built up. Smelting technology and equipment achieved world-class level. In particular, the sulphur dioxide emissions were reduced by 36,100 tonnes per year upon the completion of Ausmelt furnace, which was beneficial to the energy conservation and emission reduction.

MARKET PROSPECTS

Affected by the increasing pressure resulting from the economic slowdown, the non-ferrous metals industry is facing unprecedented difficulties. As the general economy continued to slow down, it is widely expected that China's economy will see the most challenging environment in the next two to three years. Structural reform will inevitably occur and preparation should be made to deal with long-term difficulties. The non-ferrous metals industry has been continuously sluggish, and various prolonged problems accumulated during the industrial development have become more obvious, such as lack of innovation, imbalance of market supply and demand and unreasonable industrial structure. Furthermore, the weak demand is unlikely to improve in the near future and the losses of the industry will continue to expand due to falling prices and rising costs.

Unfavourable factors mainly include the following aspects:

1. Weakening product prices. The global economic growth slowed down and monetary policy of the Federal Reserve was tightened, which resulted in accelerating outflow of capital from emerging countries, the sharp decrease in the demand of commodities and excessive imbalance demand and supply of non-ferrous metals. The global copper price dropped by 25% in 2015 and is still dipping, which seems to be difficult to rebound in the near future. Besides, the prices of other major by-products of the Group also showed a downward trend.

2. High production costs. Labour cost, depreciation of fixed assets and expenses for environmental protection of chemical metallurgic increased.

3. Increases in other risk factors. Risks in exchange and interest rate, and maintenance and increase of value of inventory intensified.

4. Fierce industry competition. Under the prolonged economic downturn, prices of non-ferrous metals products continue to decrease while the respective costs remain in a high level. Together with excessive production capacity and further restrictions on technologies and ecological environment, the industry will face a new round of reshuffle.

Based on the above factors, the Group will carry out a series of measures, including strengthening cost control, implementing cost reduction, enhancing operation efficiency, technological research and development and commercialization, improving profitability of technological innovation and consolidating basic management to increase efficiency and quality of its management.

OPERATING OBJECTIVES AND STRATEGIES IN 2016

The main production targets of the Group for 2016 include producing 23,800 tonnes of mined copper, 413,900 tonnes of copper cathode, 20 tonnes of gold, 1,000 tonnes of silver, 1,050,000 tonnes of sulphuric acid, 240,000 tonnes of iron concentrate, 80 tonnes of molybdenum concentrate (containing molybdenum), 12 kg of platinum, 140 kg of palladium, 600 kg of ammonium perrhenate, 360 tonnes of nickel sulfate (containing metal), 170 tonnes of crude selenium and 16 tonnes of tellurium.

The Group also targets to achieve recovery rates of copper milling of 88.59% or more, copper smelting of 97.69% or more, gold of 93% or more and silver of 92.01% or more.

In order to achieve the above targets, the Group will strive to strengthen itself through the following aspects:

(I) To optimize the production lines and improve its production volume based on the market condition

The metallurgical unit will improve its efficiency forecast and establish an efficiency model, in order to capitalize its economics of scale and reduce production cost by leveraging on the advantages on technology and equipment. The Company targets to maintain the utilization rate of Ausmelt furnace above 94.5% and will strive for optimizing the coordination of its production lines. The Company will offer well-planned preventive maintenance for its equipment and set up an emergency team to handle malfunction at anytime, so as to secure the annual production of copper concentrate mines containing copper of 300,000 tonnes. In addition, the Company will optimize its smoke discharge system of its converter and fugitive gas collection system, and improve the technology and daily management of sulphuric acid III system. With an aim to reducing environmental protection cost, the Company will focus on the sulfur balance and strive to control the emission of sulfur dioxide to below 5,000 tonnes. The Company will also enhance the management on water balance test, so as to control the discharge of water of smelting pool to below 5,000 tonnes.

(II) To improve cost control and cost efficiency

The Company will adopt benchmarking management approach and set up an effective mechanism to reduce cost. The Company will regard quality of products, management cost, consumption, investment returns and other efficiency indicators as benchmark and refine benchmarking plans by levels, so as to effectively improve the items which do not meet the corresponding benchmarks.

(III) To enhance technology research and commercialization of the research achievement, so as to generate profit from technology

Further capitalizing on its research platform, the Company will focus on major technology development projects and the promotion and application of the technological achievement, including new filling materials, safe and efficient hole mining methods, resin adsorption of liquid after dissolving copper and diffusion of metal in rare and previous metal plant. The Company will carry out research on the technologies to reduce the silver content in copper cathode, and copper content in slag in Ausmelt furnace and converter. The Company will also make good use of recycled resources.

(IV) To consolidate the basic management and improve the management efficiency and performance

1. The Company will enhance its comprehensive budget management. The Company will further refine the standard systems for budget control. The Company will also enhance the analysis in the event that the budget deviates from the actual result and also strengthen the supervision on the process of the planning of budget.

2. The Company will improve the management on safety and environmental protection. The Company will strictly adopt measures on the accountability of safety production and environment protection. In addition, the Company will establish safety management system for employees, environment protection management system and risk prevention system. As such, potential risks can be avoided and the safety and environment protection management can be enhanced comprehensively.

(V) To strengthen innovation, promote key projects and improve sustainable development

1. The Company will accelerate the improvement of mine and smelting systems and promote the intelligent upgrade of traditional production. In line with corporate practices, the Company will further upgrade and improve traditional production by enhancing the levels of intelligence, automation and informatization, in order to create a world-class non-ferrous metal production base.

2. The Company will make persistent efforts to explore resources, striving for a significant increase in resources controlled by the Group for 2016. The Company will carry out mine exploration and capacity upgrade of fringe, in-depth and peripheral areas of internal mines of the Group. The Company will accelerate the expansion of mining licenses of internal mines. By seeking cooperation opportunities, the Company will strive for new achievements in domestic and foreign resource exploration.

3. The Company will coordinate the construction of mining infrastructure. The planed drilling volume of Tonglvshan Mine and Fengshan Mine is 148,000m^3 and 23,500m^3, respectively. The Company will formulate the plan of deep mining. For Tongshankou Mine, the planed drilling volume is 67,700m^3. The Company will also carry out preliminary works of the southern mine of Sareke Copper Mine.

4. The Company will further refine the smelting system and accelerate the acid waste sludge treatment project for smelting plant. The Company will finalize the flood-interception trench of the water and sewage diversion project, complete all preliminary works of the centralized scrap copper recycling project, such as construction drawing design, and commence construction in the second quarter.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2015, the Group recorded revenue of approximately RMB39,361,792,000 (2014: RMB42,808,295,000), representing a decrease of approximately 8.05% from the previous year. The decrease was mainly attributable to the decline of average selling price of major products such as copper cathodes, gold, silver and iron concentrate.

Cost of sales and services rendered

For the year ended 31 December 2015, the cost of sales and services rendered of the Group amounted to approximately RMB39,308,260,000 (2014: RMB42,010,068,000), representing a decrease of approximately 6.43% from the previous year, which was primarily due to the decrease in the purchase prices of raw materials.

Gross profit

Gross profit decreased by RMB744,695,000 to RMB53,532,000, compared with RMB798,227,000 in the same period of 2014. This decrease in gross profit was mainly due to the write-down of inventories amounting to approximately RMB612,280,000.

Other income

Other income for the year ended 31 December 2015 amounted to approximately RMB107,036,000 (2014: RMB174,823,000), representing a decrease of approximately 38.77% from the previous year. The decrease was primarily due to the decrease in government grants received.

Administrative expenses

Administrative expenses for the year ended 31 December 2015 amounted to approximately RMB337,119,000 (2014: RMB346,574,000), representing a decrease of approximately 2.73% from the previous year. The decrease was primarily due to the implementation of expense control measures to lower administrative expenses.

Other gains and losses

Other gains and losses for the year ended 31 December 2015 amounted to a net loss of approximately RMB779,006,000 (2014: a net loss of RMB137,191,000), representing an increase of approximately 467.83% from the previous year. The increase was primarily due to the increase in impairment recognised and exchange losses when compared with the previous year.

Finance costs

Finance costs for the year ended 31 December 2015 amounted to approximately RMB461,799,000 (2014: RMB529,002,000), representing a decrease of approximately 12.70% from the previous year, which was primarily due to the decreases in the market interest rate for the year.

Share of results of joint ventures

Share of results of joint ventures for the year ended 31 December 2015 amounted to a profit of approximately RMB39,215,000 (2014: a loss of RMB22,901,000). The profit during the year was primarily due to the increase in the profit from trade and financial products during the year.

Income tax credit

Income tax credit for the year ended 31 December 2015 amounted to approximately RMB262,330,000, representing an increase of approximately 729.08% from the previous year (2014: RMB31,641,000). The increase mainly reflects the deferred tax effect recognised due to the write-down of inventories.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group had restricted deposits and bank balances, bank and other deposits, bank balances and cash of approximately RMB1,843,135,000 (2014: RMB2,294,018,000), of which the majority were denominated in Renminbi. The Group's current ratio was approximately 1.01 (2014: 1.05), based on current assets of approximately RMB7,577,245,000 (2014: RMB7,837,227,000) divided by current liabilities of approximately RMB7,467,210,000 (2014: RMB7,494,605,000). The Group's gearing ratio as at 31 December 2015 was approximately 326.33% (2014: 230.80%), based on net debts (which included bank and other borrowings and convertible note/bonds less restricted deposits (excluding other deposits held in futures exchanges and certain financial institutions as security for the commodities derivative and currency forward contracts) and bank balances, bank and other deposits, bank balances and cash) of approximately RMB8,564,240,000 (2014: RMB8,183,718,000) and equity attributable to owners of the Company of approximately RMB2,624,443,000 (2014: RMB3,545,771,000). The increase in gearing ratio was attributable to the decrease in equity attributable to owners of the Company due to the effect of the loss for the year.

As at 31 December 2015, the Group had sufficient funding to pay off all its outstanding liabilities and meet its working capital requirement.

During the year ended 31 December 2015, the Group incurred capital expenditure of approximately RMB12,650,000 (2014: RMB27,338,000) for exploration activities.

BORROWINGS

As at 31 December 2015, the Group's total debts (which comprise non-current and current bank and other borrowings and convertible note/bonds) amounted to approximately RMB10,269,119,000 (2014: RMB10,360,487,000). The decrease in debts was primarily due to the repayment of the Group's bank and other borrowings for the year ended 31 December 2015.

As at 31 December 2015, the Group had bank and other borrowings of approximately RMB3,579,419,000 (2014: RMB5,021,480,000) and RMB5,259,341,000 (2014: RMB3,961,088,000) which was due within one year and after one year respectively. The majority of the Group's bank and other borrowings were denominated in Renminbi. Included in bank and other borrowings of RMB93,361,000 (2014: RMB50,675,000) were advances from banks and Daye Finance Company for discounted bills with the same amount. The majority of the Group's bank and other borrowings were at fixed interest rate.

FOREIGN EXCHANGE RISK

The Group operates in the PRC with most of its transactions settled in 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.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2015.

CHARGES ON ASSETS

As at 31 December 2015, other deposits which amounted to RMB138,256,000 (2014: RMB117,249,000) were held in futures exchanges and certain financial institutions as security for the commodities derivative and currency forward contracts, and other financing were secured by bank deposits and balances amounting to RMB410,980,000 (2014: RMB775,583,000).

CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2015, the Group had 8,345 employees (2014: 9,231). The Group's total staff cost for the year was approximately RMB741,760,000 (2014: RMB683,190,000). The remuneration package of staff consists of basic salary, mandatory provident fund, insurances and other benefits as considered appropriate.

Remuneration of the employees of the Group is determined by reference to the market, individual performance and their respective contribution to the Group.

The emoluments of the Directors are subject to the recommendations of the remuneration committee of the Company and the Board's approval. Other emoluments including discretionary bonuses, are determined by the Board with reference to the Directors' duties, abilities, reputation and performance.

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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with specific written terms of reference for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. Wang Guoqi, Mr. Wang Qihong and Mr. Liu Jishun. The Audit Committee has reviewed the final results of the year ended 31 December 2015.

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 (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 2015.

CORPORATE GOVERNANCE CODE COMPLIANCE

For the year ended 31 December 2015, the Company had complied with the code provisions of the Corporate Governance Code ("CG Code") except for deviations from code provisions A.4.1 and E.1.2 of the CG Code 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 respective letter of appointment. However, they are still subject to retirement by rotation and re-election at least once every three years (after he was elected or re-elected) at the annual general meetings of the Company pursuant to the relevant provisions of the Company's Bye-laws, which achieves the same effect as having the non-executive Directors being appointed for a specific term.

Pursuant to code provision E.1.2 of the CG Code, the chairmen of the board and board committees shall attend the AGM of the Company which was held on 18 May 2015. Mr. Zhang Lin, who is the chairmen of the Board and the nomination committee, was unable to attend the AGM due to another business engagement. However, Mr. Long Zhong Sheng, the Chief Executive Officer of the Company, took the chair of that meeting and all other members of the nomination committee attended the AGM to be available to answer questions thereat.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 December 2015 and as of the date of this announcement.

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. Liu Jishun.

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 2015 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.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

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

Hong Kong, 31 March 2016

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. Liu Jishun.