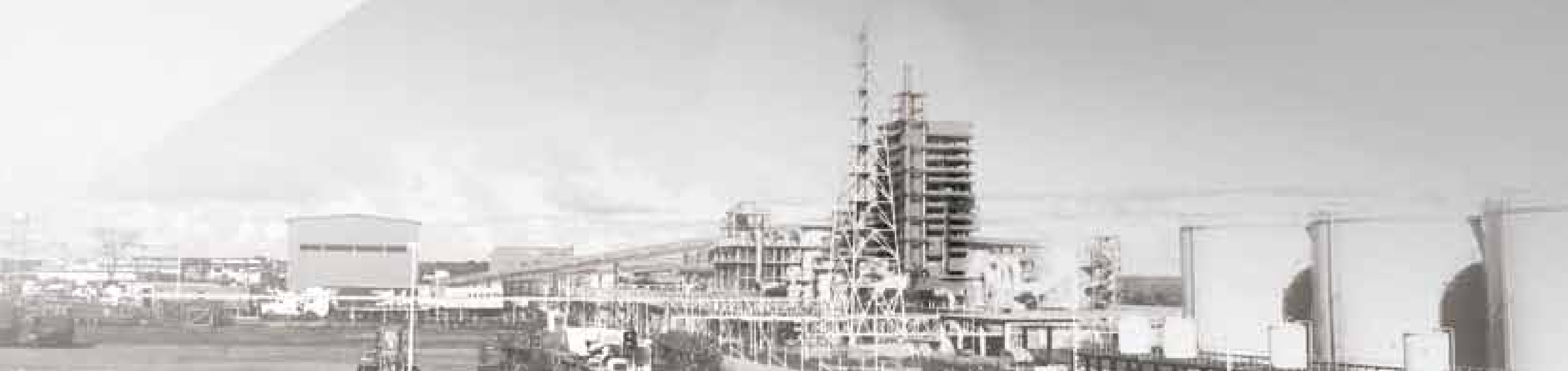
中國有色礦業有限公司
China Nonferrous Mining Corporation Limited

(Incorporated in Hong Kong with limited liability)
Stock Code: 1258

2014
INTERIM REPORT



CONTENTS

I.	Corporate information	2
II.	Chairman's statement	5
III.	Results highlights	7
IV.	Management discussion and analysis	8
V.	Use of proceeds from the global offering	26
VI.	Particulars of share capital and shareholders	27
VII.	Corporate governance	29
VIII.	Human resources	30
IX.	Corporate social responsibility	31
X.	Strategies and prospects	33
XI.	Future prospects	34
XII.	Other significant events	36
XIII.	Interim financial statements and notes	
	Report on review of condensed consolidated financial statements	38
	Condensed consolidated statement of profit or loss and other comprehensive income	40
	Condensed consolidated statement of financial position	41
	Condensed consolidated statement of changes in equity	43
	Condensed consolidated statement of cash flows	44
	Notes to the condensed consolidated financial statements	45

CORPORATE INFORMATION

REGISTERED OFFICE

Room 1201, Allied Kajima Building
138 Gloucester Road
Wanchai, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN ZAMBIA

32 Enos Chomba Road
Kitwe, Zambia

COMPANY'S WEBSITE

www.cnmcl.net

STOCK CODE

1258

DIRECTORS

Non-Executive Director
Mr. Tao Luo *(Chairman)*

Executive Directors
Mr. Xinghu Tao *(Vice Chairman and President)*
Mr. Chunlai Wang *(Vice President)*
Mr. Xingeng Luo *(Vice President)*
Mr. Xinguo Yang *(Vice President)*
Mr. Kaishou Xie *(Vice President)*

Independent Non-Executive Directors
Mr. Chuanyao Sun
Mr. Jingwei Liu
Mr. Huanfei Guan *(appointed on 28 August 2014)*
Mr. Shuang Chen *(resigned on 28 August 2014)*

CORPORATE INFORMATION (CONTINUED)

THE COMMITTEES OF THE BOARD

Audit Committee
Mr. Jingwei Liu *(Chairman)*
Mr. Tao Luo
Mr. Huanfei Guan *(appointed on 28 August 2014)*
Mr. Shuang Chen *(resigned on 28 August 2014)*

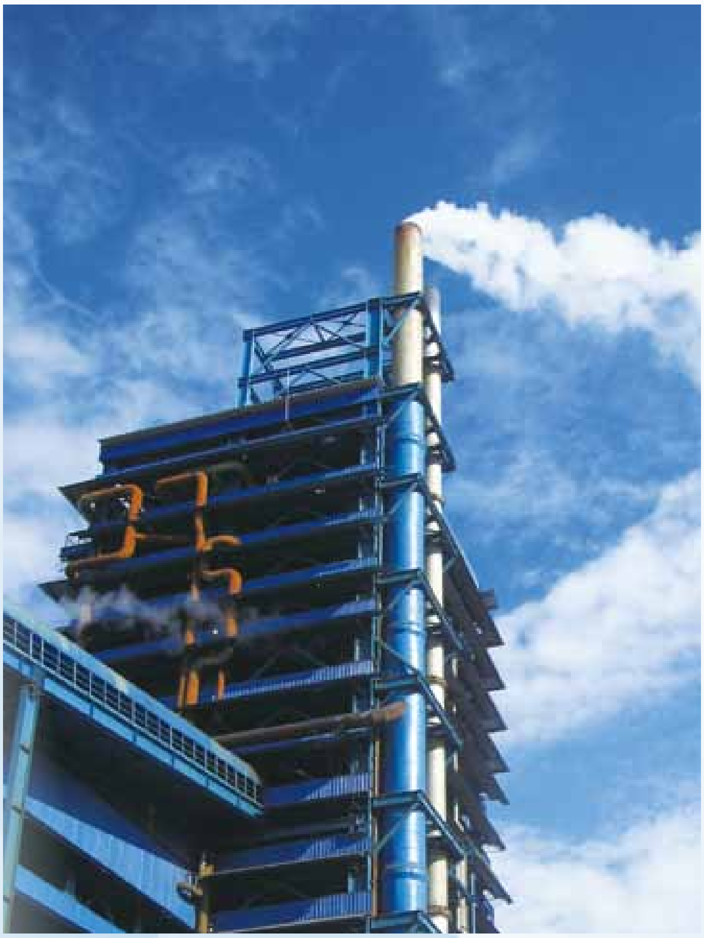
Nomination Committee
Mr. Chuanyao Sun *(Chairman)*
Mr. Tao Luo
Mr. Jingwei Liu

Remuneration Committee
Mr. Huanfei Guan *(Chairman) (appointed on 28 August 2014)*
Mr. Shuang Chen *(Chairman) (resigned on 28 August 2014)*
Mr. Tao Luo
Mr. Chuanyao Sun

Compliance Committee
Mr. Tao Luo *(Chairman)*
Mr. Chuanyao Sun
Mr. Huanfei Guan *(appointed on 28 August 2014)*
Mr. Shuang Chen *(resigned on 28 August 2014)*

JOINT COMPANY SECRETARIES
Mr. Aibin Hu
Mr. Tin Wai Lee *CPA*

LEGAL ADVISER
Davis Polk & Wardwell
The Hong Kong Club Building
3A Chater Road
Hong Kong



ISA furnace of copper smelting company

CORPORATE INFORMATION (CONTINUED)

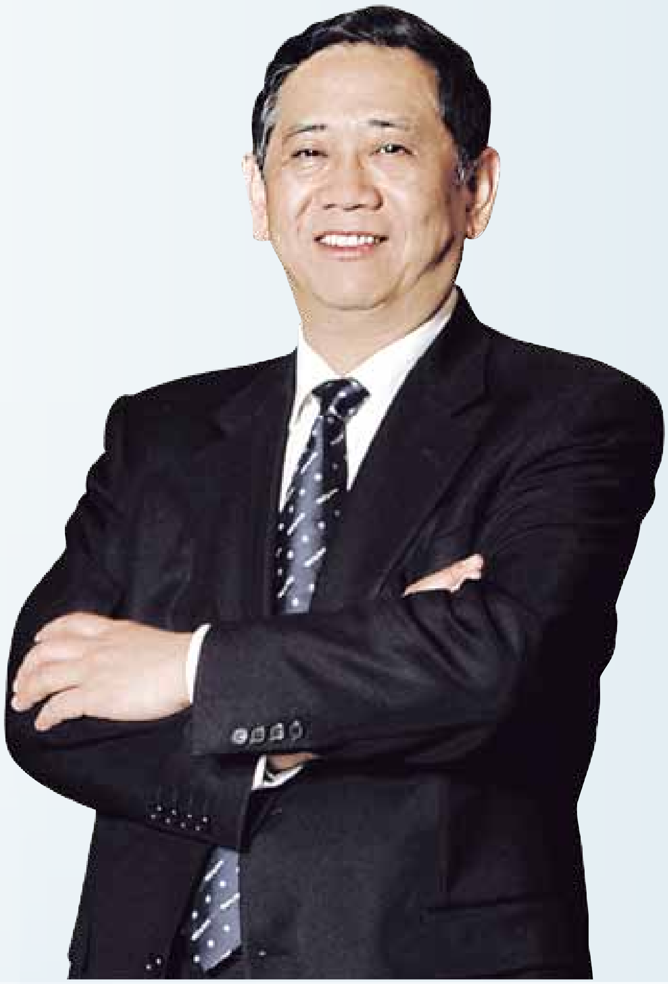
AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wanchai, Hong Kong

CHAIRMAN'S STATEMENT



Dear Shareholders,

First of all, I would like to take this opportunity to extend my heartfelt gratitude to the Shareholders and all sectors of the society for their care, support and assistance to China Nonferrous Mining Corporation Limited.

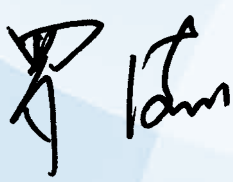
A glorious history was created hand in hand. In the "Fortune Global 500" for 2014 published by the Fortune on 7 July 2014, CNMC, the parent company of China Nonferrous Mining Corporation Limited, appeared on the list once again, ranking No.398 with an annual operating revenue of US$30.9 billion, up by 84 places as compared with 2013. The ranking improvement mirrored CNMC's pursuit of excellence in challenging situations. Such achievement was also attributable to the diligence and contribution of CNMC's staff both from China and Zambia. China Nonferrous Mining Corporation Limited has become the driving force of CNMC for achieving "continuous development and enhanced achievements".

Our dedication to development gained recognition. Under the proper leadership of SASAC of the State Council as well as the supervision and guidance of the Supervisory Board for Large State-owned Enterprises (國有大型企業監事會), the reform and development of CNMC recorded fruitful results and obtained strong recognition from the CPC Central Committee, State Council and all sectors of the society since 2014. At the beginning of 2014, Mr. Li Keqiang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and the Premier of the State Council, delivered an important message to the group company, in which CNMC was encouraged to make more contributions to the quality improvement and efficiency enhancement of the PRC economy. He also expressed his care and concern on the reform and development of domestic and overseas enterprises invested by CNMC for three times in May. When CNMC was once again listed in "Fortune Global 500" in July, Premier Li Keqiang delivered another important message to congratulate CNMC. In addition, Mr. Li Yuanchao, Vice President of the PRC, visited and inspected the Zambia-China Economic and Trade Cooperation Zone invested by CNMC during his visit to Zambia, and wrote the inscription "A win-win co-operation relationship developed through dedication to our country and passion for Africa" for CNMC as an encouragement for its greater contributions to the friendship and cooperation between China and Africa. The care and support from the Communist Party of China and the country not only act as a guiding light, but also motivated CNMC to further implement the spirit of the Third Plenary Session of the 18th CPC National Congress and speedened up the progress of "leaping forward". In addition, it further consolidates CNMC's confidence and determination to pursue development in difficult situations through seizing opportunities to make progress whilst maintaining stability.

In the first half of 2014, despite the slower growth in global economy and continued decline in base metal market, as the key enterprises of CNMC, China Nonferrous Mining Corporation Limited and its subsidiaries, with the full support of the Shareholders, achieved sound development based on the main theme of "quality and efficiency enhancement, profit increment and cost reduction" by simultaneously implementing reforms and development and carrying out production and operation. Both the production volume and sales revenue of principal products recorded sustainable growth with year-on-year increase in net profit attributable to parent company. The back-up projects such as the Chambishi Southeast Mine, the Mwambashi Mine, and Slag Copper Recovery Project were carried forward smoothly while the Mabende Leach Project was put into operation ahead of schedule. The production capacity of Muliashi Leach Project and Phase II of the Expansion Project of Chambishi continued to expand, building up strength for future development.

Our mission is to strive for a better future. Looking ahead, the Company will continue to, with the mission of "developing resources and dedicating to the society", accelerate the construction of "a mining enterprise with prominent core business, advanced management, independent innovation, harmony and endeavor, and international competitiveness and influence". Greater efforts will be made to develop resources and carry out management and technology research by actively leveraging the capital market, to increase copper and cobalt reserves and improve the existing capacity and utilisation efficiency. The Company will continue to enhance corporate governance such as paying close attention to the concern of suppliers and related parties in the community where our enterprise is located, so as to fully utilise the strengths of the Company as a copper manufacturer with vertical integration of mining, processing and smelting, and achieve more brilliant results as a return for our Shareholders, staff and the society.

China Nonferrous Metal Mining (Group) Co., Ltd
General Manager
China Nonferrous Mining Corporation Limited
Chairman of the Board



Hong Kong, 28 August 2014

RESULTS HIGHLIGHTS

OPERATING RESULTS

- In the first half of 2014, China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries (the ''Group") recorded revenue of US$1,105.2 million, representing an increase of 18.6% as compared with the first half of 2013;
- In the first half of 2014, the Group recorded profit attributable to owners of the Company of US$43.8 million, representing an increase of 81.2% as compared with the first half of 2013.

RAPID GROWTH IN PRODUCT OUTPUT

- In the first half of 2014, blister copper produced amounted to 111,980 tonnes, representing an increase of 17.23% as compared with the first half of 2013;
- In the first half of 2014, copper cathode produced amounted to 22,372 tonnes, representing an increase of 28.21% as compared with the first half of 2013;
- In the first half of 2014, sulfuric acid generated amounted to 308,413 tonnes, representing an increase of 25.91% as compared with the first half of 2013.

STEADY PROGRESS IN PROJECT DEVELOPMENTS

- The 20,000-tonne Mabende Leach Cathode Copper Project was completed and put into production in advance;
- The foundation building of the Slag Copper Recovery Project has been completed;
- Phase II of the Expansion of Chambishi Copper Smelter Limited ("CCS"), the Chambishi Southeast Mine, Mwambashi Mine Development and other projects under construction progressed smoothly.

Blister copper products

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In the first half of 2014, facing the slow recovery of the global economy and a weak market demand for base metals, the Group insisted on the development strategy of the Company to enhance its competitive edges continuously by discovering its inner potential. Business development maintained growth momentum while construction of projects was carried out as scheduled, deriving significant increase in operating revenue over the corresponding period of last year.

During the reporting period, the Group had further increased its production and sales volume and achieved revenue of US$1,015.23 million, representing an increase of 18.57% over the same period last year. Profit attributable to owners of the Company amounted to US$43.80 million, representing an increase of 81.22% over the same period last year.

Meanwhile, the Congo CNMC-Mabende Project of the Group commenced production during the reporting period. For other construction projects of the Group, the production capacity of Phase II of the Expansion Project of CCS and Muliashi Leach Project continued to expand while the Slag Copper Recovery Project and the Mwambashi Strip Mine Project are expected to commence production in the second half of the year. The Integrating Exploration and Construction Project of the Chambishi Southeast Mine was under smooth progress, creating a strong foundation for the Group's business growth.

BUSINESS REVIEW

The Group is a leading, fast growing and vertically integrated copper producer, focusing on mining, ore processing, leaching, smelting and sales of copper, based in Zambia and DRC. The Group also produces sulfuric acid, a by-product generated during the smelting process.

The businesses of the Group are carried out through its four subsidiaries in Zambia: NFC Africa Mining PLC ("NFCA"), CNMC Luanshya Copper Mines PLC ("Luanshya"), Chambishi Copper Smelter Limited ("CCS") and Sino-Metals Leach Zambia Limited ("SML"). SML has three subsidiaries, namely Kakoso Metals Leach Limited ("Kakoso Company") located in Zambia, and Huachin Metals Leach SPRL ("Huachin") and CNMC-Mabende Metal Leach SPRL ("CNMC-Mabende") located in DRC.

From January 2014 to June 2014, blister copper produced by the Group amounted to 111,980 tonnes, representing an increase of 17.23% over the same period last year; copper cathode amounted to 22,372 tonnes, representing an increase of 28.21% over the same period last year; and sulfuric acid generated amounted to 308,413 tonnes, representing an increase of 25.91% over the same period last year. Revenue of the Group increased by 18.57% from US$856.21 million for the first half of 2013 to US$1,015.23 million for the first half of 2014.

BUSINESS REVIEW *(CONTINUED)*

Production overview

NFCA

NFCA mainly operates two mines, namely the Chambishi Main Mine and Chambishi West Mine, as well as the ancillary processing plant.

From January 2014 to June 2014, copper contained in concentrate produced by the Chambishi Main Mine and Chambishi West Mine amounted to 13,897 tonnes, representing an increase of 6.74% over the same period last year. This was primarily due to a stable growth in the production output of NFCA through enhancing mining operation management.

Luanshya

Luanshya operates Baluba Center Mine and Muliashi North Mine, two copper mines under production, as well as the Muliashi Leach Plant.

Copper contained in concentrate produced by the Baluba Center Mine for the first half of 2014 amounted to 8,184 tonnes, representing an increase of 17.84% over the same period last year. This was mainly due to the fact that both the mining-drifting balance and system capacity were improved through tightened drilling and equipment management.

The Muliashi Project produced 14,040 tonnes of copper cathode in the first half of 2014, representing an increase of 33.42% over the same period last year. The increase was mainly attributable to smooth operation of the agitation leaching system at designed capacity and continuous improvement in the output capacity of the heap leaching system.

Main Mine and West Mine ore belt of Chambishi Copper Mine

Spray leaching operations in the No.1 stockpile of heap leaching system of Muliashi

Smelting

Leaching

BUSINESS REVIEW *(CONTINUED)*

Production overview *(Continued)*

CCS

CCS mainly operates the Chambishi Smelting Plant.

In the first half of 2014, blister copper and sulfuric acid produced by CCS amounted to 111,980 tonnes and 308,413 tonnes, respectively, representing increases of 17.23% and 25.89%, respectively, over the same period last year. The increase was mainly attributable to the increase in output of blister copper and sulfuric acid with the operation of phase II of the construction project and the improvement of technical-economic indicators.

SML

SML mainly operates the Chambishi Leach Plant. It also operates the Congo Huachin Leach Project through Huachin Metals Leach SPRL and the CNMC-Mabende Project through Metal Leach SPRL.

Copper cathode produced by SML in the first half of 2014 increased by 20.28% to 8,332 tonnes as compared to the same period last year, primarily attributable to the additional copper cathode output of 3,545 tonnes upon the establishment and operation of CNMC Huachin Mabende Mining SPRL in March. Copper cathode produced by Chambishi Leach Plant decreased by 25.37% to 1,374 tonnes as compared to the same period last year, primarily due to the fact that the oxidized ores purchased externally were of lower quality and insufficient. Copper cathode produced by Huachin Metals Leach SPRL decreased by 32.89% to 3,413 tonnes as compared to the same period last year, primarily due to the suspension of operation for annual overhaul and the unstable electricity supply in the area where the project operated during the first half of the year.

The table below sets forth the production volume of the products of the Group and the period-to-period change for the periods indicated.

	Production volume for the first half of 2014 [1] *(Tonnes)*	Production volume for the first half of 2013 [1] *(Tonnes)*	Period-to-period growth *(%)*
Copper concentrate	**22,081**	20,152	9.57
Blister copper	**111,980**	95,522	17.23
Copper cathode	**22,372**	17,450	28.21
Sulfuric acid	**308,413**	244,994	25.89

Note: (1) The production volumes of all the products are on a contained-copper basis, except for sulfuric acid.

BUSINESS REVIEW *(CONTINUED)*

Exploration, Development and Mining Cost of the Group

Expenses of exploration, development, and mining activities of the Group for the six months ended 30 June 2014 are set out below:

Unit: Million US dollars	Chambishi Main Mine	Chambishi West Mine	Chambishi Southeast Mine	Baluba Center Mine Sulfide	Muliashi North Mine	Muliashi South Mine	Mwambashi Mine	Toal
	NFCA			**Luanshya**			**SML**	
Exploration activities								
Drilling and analysis			0.26	0.26	0.1	0.21	0.05	0.88
Others			3.91					3.91
Sub-total			**4.17**	**0.26**	**0.1**	**0.21**	**0.05**	**4.79**
Development activities (including mine construction)								
Purchases of assets and equipment			2.23	7.90	1.18	0.29	0.43	12.03
Civil work for construction of tunnels and roads			13.50	4.82	1.53	0.16		20.01
Staff Cost				0.96			0.36	1.32
Other			0.88		5.23	0.18	1.00	7.29
Sub-total			**16.61**	**13.68**	**7.94**	**0.63**	**1.79**	**40.65**
Mining activities (excluding ore processing)								
Staff cost	1.72	1.71		12.38	0.18			15.99
Consumables	0.71	0.70		8.16	1.26			10.83
Fuel, electricity, water and other services	2.37	2.35		7.59	0.02			12.33
Non–income taxes, royalties and other governmental charges				3.27	4.99			8.26
Others	0.83	0.83						1.66
Sub-contracting charges	19.70	19.55			20.30		2.54	62.09
Depreciation	5.77	5.73		5.20	3.04		0.37	20.11
Sub-total	**31.10**	**30.87**		**36.60**	**29.79**		**2.91**	**131.27**

BUSINESS REVIEW *(CONTINUED)*

Mining Exploration, Mining Development and Ore Mining Activities

Mining Exploration

During the reporting period, NFCA and Luanshya, subsidiaries of the Company, conducted mining exploration for production and exploration purposes, respectively. SML conducted mining exploration activities. In particular:

In the Chambishi Main Mine of NFCA, 15 pit drilling holes were completed for production purposes with 2,191.6 m drilled. In the Chambishi West Mine, 6 pit drilling holes for production purposes were completed with 616.8 m drilled, and 1 surface drilling hole (with a 75mm-diameter end-hole) was completed for exploration purposes with 738.7 m drilled. In the Chambishi Southeast Mine, 15 pit drilling holes were completed for production purposes with 2,676 m drilled, and 2 surface drilling holes (with a 75mm-diameter end-hole) were completed for exploration purposes with 1,300 m drilled.

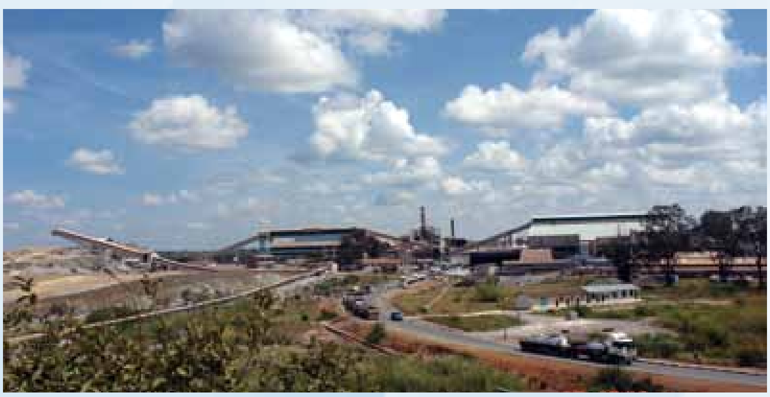
Luanshya conducted drilling in Baluba Mine and Muliashi Open-pit Mine (North Mine) for production and exploration purposes. In particular, 85 drilling holes for production purposes were completed in Baluba Mine with 2,272.6 m drilled. In Muliashi Open-pit Mine, a total of 31 pit drilling holes for supplemental geological survey purpose (with a 75mm-diameter end-hole) were completed with 1,509.7 m drilled. In addition, 5 platform trenches (1 m × 1 m) were completed with a total length of 282 m.

SML completed 3 drilling holes for Mwambashi Mine (with a 75mm-diameter end-hole) with an aggregate of 521.08 m drilled within the area with exploration rights.

Mining Development

Chambishi Southeast Mine Project: the diameter of the main shaft was 6.5 m, with 880 m completed from a designed length of 1,260 m; the diameter of the auxiliary shaft was 7.2 m, with 273 m completed from a designed length of 1,180 m; the diameter of the south wind shaft was 6.5 m, the designed length of 785 m was completed with mid-segment horizontal tunnel under construction; and the diameter of the north wind shaft was 6.5 m, the designed length of 1,015 m was completed with mid-segment slope ramp under construction. 216 m of the measure projects such as pump house, water sump and chamber was completed with support of 88 m^3. Ground surface project: 220 KV converting station equipments arrived successively for installation and land requisition was started for the location of tailings pond.

SML Mwambashi Open-pit Mine project: stripping earth of 1,567,800 m^3 was completed; ground surface project: construction of vehicle maintenance workshop, dormitory area and office area were completed and mine transportation roads were under construction.



Panorama of the ore processing plant of Chambishi Copper Mine

BUSINESS REVIEW *(CONTINUED)*

Mining Exploration, Mining Development and Ore Mining Activities *(Continued)*

Mining exploitation

During the reporting period, ore produced from Chambishi Main Mine and West Mine amounted to 477,000 tonnes and 389,000 tonnes respectively, and Baluba Mine and Muliashi Open-pit Mine produced 724,000 tonnes and 2,143,000 tonnes respectively.

Relevant contracts

The major contracts entered into during the reporting period are as follows:

The Infrastructure Mining Exploration Contract for Chambishi Copper Southeast Mine, Equipment Supply Contract for 11KV distribution substation of Chambishi Southeast Mine, the housing relocation of residents of Southeast Mine and Engineering Construction Contract of Ancillary Facilities.

Strip Mining Design Contract of Muliashi South Mine, 500,000-tonne Slag Project Grinding System Engineering Exploration Construction Contract, Road Repairing Contract of Slag Copper Recovery Factory Area, and the signing of Heap Leaching Earth Engineering Contract were signed.

The Pre-survey Technological Services Contract of Mwambashi Open-pit Mine Project and the Contract of Purchasing 22 Excavator and Drilling Machines were signed.

For the six months ended June 30 2014, the aggregate value of contracts newly entered into relating to infrastructure and procurement of the Group amounted to US$18,537,000, of which the capital commitment was US$10,353,000.

There was no subcontracting arrangements during the period.

PROJECTS in PROGRESS

CCS

Phase II of the Expansion Project

The Group is forging ahead with the construction of phase II of the expansion project of CCS, of which, the main construction was completed on 30 April 2014. The project has a designed production capacity of 250,000 tonnes of blister copper and 600,000 tonnes of sulfuric acid per annum. The total investment of the project was US$211,440,000. As at the end of June 2014, an accumulated investment of US$154,852,000 was completed, representing 73.24% of the total investment completed. The finishing-off work (such as sulfuric acid tanks, contaminated acid treatment and chimneys) is still under construction and is expected to be completed at the end of 2014.

NFCA

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine

The Chambishi Southeast Mine Project under development is one of the key development mine projects of the Company with a designed ore processing capacity of 3,300,000 tonnes per annum and a production capacity of copper contained in concentrate of approximately 63,000 tonnes per annum. The aggregate project investments amounted to US$830 million, among which, an accumulated investment of a total of US$154,123,200 had been completed as at the end of June 2014, representing 18.57% of the total investment. The tendering procedure and execution of contract in respect of the relocation of residents in the mining area was completed in in the first half of 2014. The entire project is expected to be completed in 2016.

BUSINESS REVIEW *(CONTINUED)*

PROJECTS in PROGRESS *(Continued)*

Construction project of paste backfilling system in Chambishi West Mine

The aggregate investment in the paste backfill system is US$12.01 million. Its designed mining capability was 300t/d, as at the end of June 2014, an accumulated investment of US$7,795,500 was completed, representing 64.91% of the total investment. At present, the construction of the system is completed and put into operation. The paste backfilling system will play a vital role in sustainable and balanced production of Chambishi West Mine.

Luanshya

Slag copper recovery project

The processing capability of the slag copper recovery project was designed to be 500kt/a, the average grade of the copper in slag was 1.10%, while the copper contained in cooper concentrate products was 3,500t/a. It commenced construction in October 2013 with an expected total investment of US$20.13 million. The total accumulated investment as at the end of June 2014 was US$9,053,200, representing 44.97% of the total investment completed. At present, the project is at the finishing off stage and trial-testing of individual equipment has commenced. It is expected to be put into operation in the second half of 2014.

SML

Mwambashi Strip Mine project

The Mwambashi Strip Mine project comprises a strip mine with designed capacity of 600,000 tonnes of ores per annum and a process plant with a capacity of 2,000 tonnes per day. The construction commenced in September 2013 with an estimated construction period of one year. The total investment amount is US$71,570,400. The total amount invested as at the end of June 2014 was US$17,771,900, representing 24.83% of the total investment completed.

BUSINESS REVIEW *(CONTINUED)*

PROJECTS in PROGRESS *(Continued)*

CNMC-Mabende

The 20,000-tonne Leaching Copper Project of Mabende

SML is undertaking a project to construct and operate a leaching plant with an annual output of 20,000 tonnes of copper cathode through CNMC-Mabende (the "Mabende Project"). The expected investment amount is US$148 million. As at the end of April 2014, an accumulated investment of US$148,000,000 was made, representing a completion of 100% of the total investment. The Mabende Project commenced construction in April 2013 and produced the first batch of copper cathode in March 2014.

In addition, approval has been obtained for the feasibility study report for the cobalt recycling project of CCS and the preliminary design is in process. The Group currently carries out development of certain new resource projects such as mining activities in the south Muliashi mine of Luanshya and the development of tailing resources by Kakoso Company, with an aim to actively expand our reserve projects to secure a continuous growth of the Company.

Panorama of 20,000-tonne Mabende Leaching Project when completed

First batch of copper cathode produced from the Mabende Project

FINANCIAL REVIEW

Results of Operations

The following table sets forth sales volume, average selling price, revenue and percentage contribution to total revenue of the Group's products for the periods indicated.

	For the six months ended 30 June							
	2014				2013			
	Sales Volume (1) (Tonnes)	Average Selling Price (US$ per tonne)	Revenue (US$'000)	% of Total Revenue (%)	Sales Volume (1) (Tonnes)	Average Selling Price (US$ per tonne)	Revenue (US$'000)	% of Total Revenue (%)
Blister copper	**131,621**	**6,497**	**855,163**	**84.23**	98,009	7,189	704,588	82.30
Copper cathode	**20,763**	**6,024**	**125,075**	**12.32**	18,917	6,464	122,288	14.28
Sulfuric acid	**218,433**	**160**	**34,987**	**3.45**	186,764	157	29,338	3.42
Total	**370,817**		**1,015,225**	**100.0**			856,214	100.0

Note: (1) The production volumes of all the products are on a contained-copper basis, except for sulfuric acid.

Revenue

The revenue of the Group increased by 18.57% from US$856.21 million in the first half of 2013 to US$1,015.23 million in the first half of 2014, primarily attributable to the growth in the sales volume of blister copper, but partially offset by the decline in global copper prices. In the first half of 2014, the Group's revenue from blister copper, copper cathode and sulfuric acid accounted for 84.23%, 12.32% and 3.45%, respectively, of the total revenue.

The revenue of blister copper increased by 21.37% from US$704.59 million in the first half of 2013 to US$855.16 million in the first half of 2014, primarily due to the fact that the phase II of construction project was gradually put into operation and the output of blister copper increased with the continuous improvement of technical-economic indicators brought about by tightened management and technological innovation. The sales volume of blister copper recorded an increase of 34.29% over the same period last year. However, the average selling price of blister copper decreased from US$7,189 per tonne in the first half of 2013 to US$6,497 per tonne in the first half of 2014 due to the decline in international copper prices, partially offsetting the growth in revenue driven by increased sales volume.

FINANCIAL REVIEW *(CONTINUED)*

Revenue *(Continued)*

The revenue of copper cathode increased by 2.28% from US$122.29 million in the first half of 2013 to US$125.07 million in the first half of 2014, mainly attributable to the year-on-year increase in the sales volume of copper cathode. However, the average selling price of copper cathode decreased from US$6,464 per tonne in the first half of 2013 to US$6,024 per tonne in the first half of 2014, partially offsetting the effect of increase in sales volume.

The revenue of sulfuric acid increased by 19.25% from US$29.34 million in the first half of 2013 to US$34.99 million in the same period of 2014, primarily attributable to the increase of external sales of sulfuric acid by 16.96% from 186,764 tonnes in the first half of 2013 to 218,433 tonnes in the first half of 2014 as well as the increase in the average selling price of sulfuric acid by 1.91% from US$157 per tonne in the first half of 2013 to US$160 per tonne in the first half of 2014.

The following table sets forth the cost of sales, unit cost of sales, gross profits and gross profit margins of the products of the Group for the periods indicated.

	For the six months ended 30 June							
	2014				2013			
	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin
	(US'000)	*(US$ per tonne)*	*(US'000)*	*(%)*	*(US'000)*	*(US$ per tonne)*	*(US'000)*	*(%)*
Blister copper	**785,150**	**5,965**	**70,013**	**8.19**	**640,347**	6,534	64,241	9.12
Copper cathode	**89,394**	**4,306**	**35,681**	**28.53**	**87,892**	4,646	34,396	28.13
Sulfuric acid	**4,693**	**21**	**30,294**	**86.59**	**6,832**	37	22,506	76.72
Total	**879,237**		**135,988**	**13.39**	**735,071**		121,143	14.15

Panorama of the plant of copper smelting company

BUSINESS REVIEW *(CONTINUED)*

Cost of sales

The cost of sales in the first half of 2014 increased by 19.61% to US$879.24 million from US$735.07 million in the same period of 2013, primarily due to the increased total costs as a result of the growth in sales volume of the Company's products, but partially offset by the decrease in global copper prices.

The cost of sales of blister copper increased by 22.61% from US$640.35 million in the first half of 2013 to US$785.15 million in the first half of 2014, primarily due to the increase in the sales volume of blister copper of CCS, partially offset by a decrease of 8.71% in unit cost of sales of blister copper from US$6,534 per tonne in the first half of 2013 to US$5,965 per tonne in the first half of 2014 as a result of the lower price of outsourcing copper concentrate attributable to the decrease in global copper prices.

The cost of sales of copper cathode increased by 1.71% from US$87.89 million in the first half of 2013 to US$89.39 million in the first half of 2014. The unit cost of sales of copper cathode decreased by 7.32% from US$4,646 per tonne in the first half of 2013 to US$4,306 per tonne in the first half of 2014.

The cost of sales of sulfuric acid decreased by 31.31% from US$6.83 million in the first half of 2013 to US$4.69 million in the first half of 2014, primarily due to a decrease of 43.24% in unit cost of sales from US$37 per tonne in the first half of 2013 to US$21 per tonne in the same period of 2014.

Gross profit and gross profit margin

As a result of the aforementioned factors, the Group recorded a gross profit of US$135.99 million in the first half of 2014, representing an increase of 12.25% from US$121.14 million in the same period of 2013. The gross profit margin decreased from 14.15% in the first half of 2013 to 13.39% in the first half of 2014.

The gross profit margin of blister copper decreased by 0.93 percentage point from 9.12% in the first half of 2013 to 8.19% in the first half of 2014, primarily attributable to the decrease in average selling price of blister copper from US$7,189 per tonne in the first half of 2013 to US$6,497 per tonne in the first half of 2014 due to the copper price fluctuations. In addition, freight charges of blister copper were paid by the purchasers instead of vendors, which partially offset the growth in revenue of blister copper driven by increased sales volume in the first half of 2014.

The gross profit margin of copper cathode increased by 0.4 percentage point from 28.13% in the first half of 2013 to 28.53% in the first half of 2014, primarily due to the decline in unit production cost of copper cathode.

The gross profit margin of sulfuric acid increased by 9.87 percentage points from 76.72% in the first half of 2013 to 86.59% in the first half of 2014, primarily attributable to the increased unit selling price and decreased cost of sulfuric acid.

BUSINESS REVIEW *(CONTINUED)*

Distribution and selling expenses

The distribution and selling expenses of the Group decreased by 87.67% from US$21.05 million in the first half of 2013 to US$2.60 million in the first half of 2014, primarily due to the decrease in the cost of sales arising from the changes in sales settlement terms of blister copper which places the burden of freight payment on the purchaser instead of the vendor.

Administrative expenses

The administrative expenses of the Group increased by 3.57% from US$31.35 million in the first half of 2013 to US$32.47 million in the first half of 2014.

Finance costs

The finance costs of the Group increased by 105.09% from US$3.97 million in the first half of 2013 to US$8.14 million in the first half of 2014, primarily due to an increase in the balance of the Group's loans and in cost of financing.

Gains arising on change in fair value of derivatives

The gains arising on change in fair value of derivatives increased significantly from US$0.45 million in the first half of 2013 to US$2.49 million in the first half of 2014. The Group entered into copper futures contracts to hedge its net exposure to the copper price fluctuations due to the discrepancy between the time it expects to procure copper concentrate from external suppliers and when it expects to sell blister copper to external customers.

Other expenses

Other expenses of the Group recorded a significant increase from US$1.36 million in the first half of 2013 to US$16.20 million in the first half of 2014, primarily due to the increase in exchange loss arising from the increased amount of refundable tax denominated in ZMK as the Zambia Revenue Authority prolonged the time for handling the refund of value-added tax to subsidiaries of the Company during the reporting period.

Income tax expense

The income tax expense of the Group decreased by 59.07% from US$19.54 million in 2013 to US$8.00 million in the first half of 2014. Effective tax rate decreased from 28.75% in the first half of 2013 to 9.60% in the first half of 2014, primarily due to the fact that CCS enjoyed tax holiday during the year when both the profits of CCS and its proportion in the total profit recorded an increase, and the income tax in Ireland for the year decreased.

BUSINESS REVIEW *(CONTINUED)*

Profit attributable to owners of the Company

Due to the aforementioned factors, profit attributable to owners of the Company increased by 81.22% from US$24.17 million in the first half of 2013 to US$43.80 million in the first half of 2014.

Liquidity and capital resources

Cash flows

The following table sets forth certain information regarding the condensed consolidated statements of cash flows of the Group for the periods indicated:

	For the six months ended 30 June	
	2014	2013
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Net cash from operating activities	**185,070**	153,201
Net cash used in investing activities	**(101,539)**	(119,739)
Net cash (used in) from financing activities	**(21,287)**	192,821
Net increase in cash and cash equivalents	**62,244**	226,283
Cash and cash equivalents at beginning of the period	**415,135**	264,723
Effect of foreign exchange rate changes	**(7,707)**	(4,624)
Cash and cash equivalents at the end of the period	**469,672**	486,382

BUSINESS REVIEW *(CONTINUED)*

Liquidity and capital resources *(Continued)*

Net cash flows from operating activities

Cash inflows from operating activities are primarily attributable to the sales revenue of copper products and cash outflows are primarily attributable to various operating expenses. Net cash flows generated from the operating activities of the Group increased by US$31.87 million from US$153.20 million in the first half of 2013 to US$185.07 million in the same period of 2014, primarily attributable to an increase of US$15.29 million in the total profit before tax of the Company from US$67.98 million in the first half of 2013 to US$83.28 million in the first half of 2014, as well as an increase of US$11.93 million in non-cash depreciation charges.

Net cash flows used in investing activities

Cash outflows used in investing activities are mainly for the acquisition of properties, plants and equipment for copper production. The net cash flows used in investing activities of the Group decreased by US$18.20 million from US$119.74 million in the first half of 2013 to US$101.54 million in the same period of 2014, primarily due to the year-on-year decrease in investment expenditure with the completion of Phase II of the Expansion Project of CCS and the Mabende Project in DRC in the first half of 2014.

Net cash flows used in/from financing activities

Cash inflows from financing activities primarily consist of new bank and other borrowings as well as proceeds from increase in capital. The cash outflows from financing activities primarily consist of repayments of bank and other borrowings, dividend payments and interest payments. The net cash flow used in financing activities of the Group was US$21.29 million in the first half of 2014, representing a decrease of US$214.11 million as compared to the net cash flow generated from financing activities of US$192.82 million in the same period of 2013. The decrease in cash flow from financing activities mainly attributable to the decrease in bank loans for the period and increase in loan repayment over the same period last year, as well as dividend payments to non-controlling interests for the period.

Bank balances and cash

The Group's bank balances and cash (including cash, time deposits and demand deposits) increased by US$64.54 million from US$415.14 million as at 31 December 2013 to US$479.67 million as at 30 June 2014.

Trade receivables

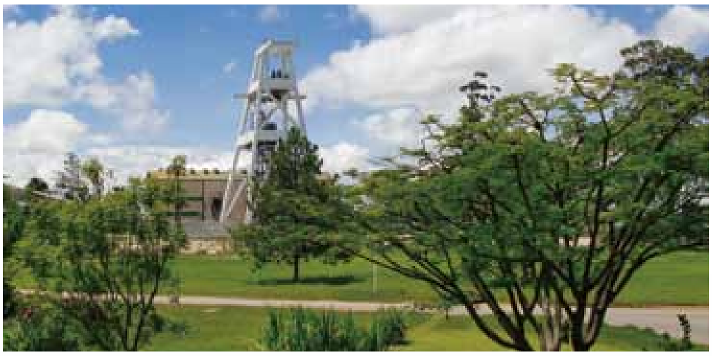
Trade receivables of the Group increased by US$24.12 million from US$143.39 million as at 31 December 2013 to US$167.51 million as at 30 June 2014, primarily attributable to the increase in sales volume.

BUSINESS REVIEW *(CONTINUED)*

Liquidity and capital resources *(Continued)*

Inventories

Inventories held by the Group decreased by US$115.02 million from US$370.18 million as at 31 December 2013 to US$255.16 million as at 30 June 2014, primarily due to changes in the settlement method of blister copper and the relatively significant decrease in goods in transit.



No. 3 shaft of Chambishi Copper Mine

Trade payables

Trade payables of the Group decreased by US$23.45 million from US$239.45 million as at 31 December 2013 to US$216.00 million as at 30 June 2014.

Bank loans and other borrowings

As of 30 June 2014, the Group's balance of bank loans and other borrowings amounted to US$907,955,000.

Among which:

(1) Balance of bank loans due within one year amounted to US$117,000,000;

(2) Balance of bank loans and other borrowings due more than one year but not exceeding two years amounted to US$375,605,000;

(3) Balance of bank loans due more than two years but not exceeding five years amounted to US$137,900,000;

(4) Balance of bank loans due more than five years amounted to US$277,450,000.

As of 30 June 2014, the borrowings with fixed interest rate amounted to US$22,605,000.

As of 30 June 2014, the Group's bank loans and other borrowings had no seasonality features.

BUSINESS REVIEW *(CONTINUED)*

Capital expenditure

	For the six months ended 30 June	
	2014	2013
	(US$'000)	*(US$'000)*
	(Unaudited)	(Unaudited)
Mining and ore processing facilities at NFCA (Chambishi Southeast Mine)	**27,379**	32,596
Mining and ore processing facilities at NFCA (Others)	**6,700**	7,112
Mining and leaching facilities at Luanshya (Muliashi Project)	**11,589**	24,882
Mining and ore processing facilities at Luanshya (Baluba Center Mine)	**17,842**	7,585
Smelting facilities at CCS	**19,002**	21,582
Leaching facilities at Chambishi Leach Plant	**3,445**	7,202
Leaching facilities at Huachin Leach Project	**101**	2,125
Leaching facilities at Mabende Project	**20,289**	22,288
Total	**106,347**	125,372

The total capital expenditure of the Group decreased by US$19.02 million from US$125.37 million in the first half of 2013 to US$106.35 million in the first half of 2014. During the reporting period, the capital expenditure of the Group was primarily used in projects such as the Chambishi Southeast Mine Project, Muliashi Project, phase II of expansion of CCS copper smelting and Mabende copper smelting by leaching. Among these projects, the Muliashi Project and Phase II of the Expansion Project of CCS had completed general construction, thus reducing investment amount.

Financial Policies

As of 30 June 2014, the Group formulated the Financial Budget Management System, the Funds Management System, the Inventories Management System, the Fixed Assets Management System, the Financial Information Disclosure Management System, Management Measures on Approval Procedures and Permissions of Financial Income and Expenses of the Central Office and other financial policies, which aim to regulate and enhance internal control of relevant activities of the Group to ensure the safety of the Group's assets, protect investors' interests and improve operation and management level for compliance with relevant laws and regulations of Hong Kong as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

BUSINESS REVIEW *(CONTINUED)*

Market Risk Disclosure

In the ordinary course of business, the Group's market risks mainly comprise commodity price risk, foreign exchange risk and interest rate risk.

Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the market price of copper which affect the prices of the major commodities purchased, produced and sold by the Group. To mitigate this risk, the Group has entered into copper futures contracts and provisional price arrangement to manage its exposure in relation to forecasted sales of copper products, forecasted purchase of copper concentrate, inventories and the Group's commitment to sell its copper products.

Foreign currency exchange risk

The Group operates its business in Zambia and most of its businesses in the past were settled in US dollar, its functional currency, while certain businesses were settled in currencies other than its functional currency (mainly Zambia Kwacha, or ZMW, and Reminbi, or RMB), which exposed the Group to foreign currency risk. During the reporting period, the Group did not engage in any foreign currency hedging activities.

Interest rate risk

The Group is exposed to interest rate risk of cash flow under the impact of interest rates changes of interest-bearing financial assets and liabilities which mainly include interest-bearing restricted bank balances, bank deposits, bank balances, bank and other borrowings at variable interest rates. The Group currently does not have any interest rate hedging policy. However, the directors of the Group will consider hedging significant interest rate risk should the need arise.

Changes in the Group's performance

From 1 January 2014 to 30 June 2014, save as disclosed in this interim report, there are no material changes which will result in any conflict with the Group's performance as disclosed in the annual report for 2013.

EMPLOYEE AND REMUNERATION POLICIES

Remuneration of employees (including directors of the Company, the "Directors") was determined based on their work nature, experience and contributions to the Company. Employees were also entitled to bonus as an incentive subject to their performance.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITION OF CAPITAL ASSETS

Save for those disclosed in this interim report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the period for six months ended 30 June 2014. Apart from those disclosed in this Interim Report, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this interim report.

CHARGES ON ASSETS

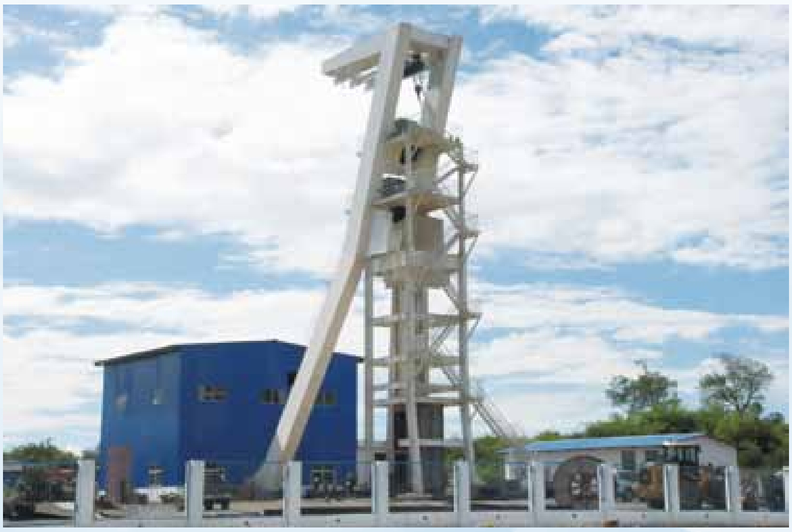
Details of charges on assets as at 30 June 2014 are included in note 20 to the condensed consolidated financial statements of this interim report.

GEARING RATIO

As at 30 June 2014, the gearing ratio was 50.16% (as at 31 December 2013: 57.12%) which is calculated by the net debts (being bank and other borrowings minus bank balances and cash, and restricted bank balances) divided by the total equity attributable to owners of the Company.

CONTINGENT LIABILITIES

Details of contingent liabilities as at 30 June 2014 are included in note 24 to the condensed consolidated financial statements of this interim report.



Central secondary shaft of West Mine of Chambishi Copper Mine

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company was listed on the Hong Kong Stock Exchange on 29 June 2012. Net proceeds from the Global Offering have been and will continue to be used by the Group for the operations in Zambia, such as exploration and development of mines, construction of smelting plants, repayment of bank loans and replenishment of working capital, which are in compliance with the intended use of proceeds as disclosed in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 20 June 2012 (the "Prospectus").

According to the intended usages as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the application of such proceeds up to 30 June 2014 was as follows:

	Net Proceeds *(US$'000)*		
Items	**Available**	**Utilised**	**Unutilised**
Exploration and development of the Chambishi Southeast Mine	72,000	72,000	—
Expansion of the Chambishi Copper Smelter	48,000	48,000	—
The Muliashi Project	12,000	12,000	—
Development of the Mwambashi Project	12,000	12,000	—
Acquisitions of Companies with existing exploration rights and additional mining assets	37,000	—	37,000
Repayment of certain existing loans	36,000	36,000	—
Working Capital and other general corporate purposes	30,770	19,995	10,775
Total	247,770	199,995	47,775

The remaining balance of the net proceeds has been placed in interest bearing deposit accounts with banks.

Surface mine of Muliashi

PARTICULARS OF SHARE CAPITAL AND SHAREHOLDERS

SHARE CAPITAL

For the six months ended 30 June 2014, the Company has issued 3,489,036,000 ordinary shares (the "Shares").

PARTICULARS OF SHAREHOLDERS

Substantial Shareholders and Other Persons' Interest and Short Positions in the Shares and Underlying Shares

As at 30 June 2014, to the best knowledge of the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the provisions of Section 336 of the Securities and Futures Ordinance (the "SFO"):

Substantial Shareholder	Capacity/ Nature of interest	Long/short position	Number of shares	Approximate percentage of shareholdings
CNMD *(Note)*	Registered owner	Long position	2,600,000,000	74.52%
CNMC	Interest in a controlled corporation	Long position	2,600,000,000	74.52%

Note: CNMD is a wholly-owned subsidiary of CNMC and therefore, by virtue of the SFO, CNMC is deemed or taken to be interested in all the Shares which are owned by CNMD.

As at 30 June 2014, each of the following entities were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Member of our Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
NFCA	Zambia Consolidated Copper Mines Investments Holdings Plc ("ZCCM-IH")	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Group	40%
SML	Hainan Sino-Africa Mining Investment Ltd.	30%
Huachin	Huachin SPRL	37.5%
Kakoso Company	Shenzen Resources Limited	12%
CNMC-Mabende	Huachin SPRL	40%
Green Home Farm Limited	ZCCM-IH	15%

Save as disclosed above and the Directors' and chief executive's interests disclosed at "Directors' and chief executive's interests and short positions in Shares and underlying Shares", as at 30 June 2014, no other person had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Section 336 of the SFO or, were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote under all circumstances at general meetings of any other member of the Group.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

The Company had complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the period for the six months ended 30 June 2014.

The Board of Directors and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider to be critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company.

During the reporting period, in order to further optimise and strengthen better corporate governance practices and procedures, the Group employed consultation advisers to review the construction of internal control system of the Company, and to start establishing Internal Control Management Handbook.

During the reporting period, the Board of Directors and the committees of the Board complied with laws in performing their duties and operated in accordance with standards. The Group fulfilled relevant procedures and made disclosure in respect of the use of raised proceeds, material investment and connected transactions and so forth.

To provide further understanding of operation mode, business activities and development conditions for independent Directors, the management provided the Directors with a monthly summary of the major information about the operational development and compliance of the Company. In the first half of 2014, we also arranged for independent Directors to go for an on-site inspection in Zambia, and gave them feedback on their independent, constructive and reasonable opinions made in accordance with their skills and professional knowledge.

Chambishi Leaching Office area in Lubumbashi in DRC

HUMAN RESOURCES

As of 30 June 2014, the Group employed a total of 6,841 employees (as of 30 June 2013: 6,308), which comprised 506 Chinese and 6,335 Zambians and congolese. The total cost of employees reflected in the condensed consolidated statement of profit or loss and other comprehensive income amounted to US$49.77 million as of 30 June 2014 (as of 30 June 2013: US$46.22 million). The year-on-year increase in the total cost of employees was attributable to the increase in the number of employees due to expansion of production scale and the growth in average salaries.

The management of NFCA participated in the Mine Rescue Drill Competition

Mines Rescue Team

CORPORATE SOCIAL RESPONSIBILITY

The Group always adhered to its the mission of "delivering returns to Shareholders, employees and the society through corporate development", and seriously performs environmental and social responsibility in accordance with the industry that the enterprises belong to as well as operation features.

WORKING ENVIRONMENT

The Group highly embraces the corporate governance concept of being "people oriented", and strictly implements labour policies in relation to social security, working hours and holidays where the enterprises are located. By regularly organizing collective negotiations to determine welfare including remuneration, transportation, housing and medical treatment, and striving for a market-competitive remuneration system, the Group provides employees with a healthy and harmonious working and living environment; for the employment and promotion of employees, the Group handles the business in strict compliance with employment management system. Discriminations based on race, religion, skin colour and gender are prohibited; the breach of rules will be handled by the commission comprising representatives of human resources and labour union subject to the penalty regulations of the employees. The Group upholds a fair and normative labour policy, pays great respect to the cultural background of employees, and protects employees' interests.

HEALTH AND SAFETY

The Group strictly complies with relevant laws and regulations concerning safety production and labour protection where the enterprises are located, and always adheres to the safety production principle of "safety first, prevention foremost". The safe production concept of "respect for life, prevention first" was upheld from the Group to all the subsidiaries. The standards for safe production management has been effectively improved through the implementation of an accountability mechanism of the entities responsible for safe production, confirmation of the scope of safe production responsibility, enhancement of education of safe production and risk prevention and control, development of overall safety inspection and hidden danger investigation and governance, constant improvement and optimisation of the contingency plan and reinforcement of emergency rescue team building. The Group has attached great importance to the investment and construction of safety environmental facilities as well as the equipment and the use of management of protection equipment of labours. In every exploration area and factory, fully-equipped emergency ambulance corps were developed, and first aid stations were also established. In the first half of 2014, according to the information of the local environmental and safety management department, various safety indexes, including the number and ratio of death and work injury resulting in the loss of working days in the enterprises under the Group were of high standards.

Grader (engineering vehicles) and construction fences donated by NFCA to the local city hall

Donation of food to the infants of the local area by Luanshya

Voluntary Chinese teaching in Luanshya trust school

DEVELOPMENT AND TRAINING

The Group attaches great importance to enhance quality and ability of staff. Every subsidiary has its special training institution and staff, which carried out comprehensive and multi-level trainings for our employees such as vocational skills training and health and safety training, and provided quality environment for their growth, thus achieved a joint development of employees and enterprise. Luanshya Workers and Technicians School (中色盧安夏職工技工學校) also opened to the society. Apart from normal training of internal employees, it has 230 registered students majoring in mine machinery repair and maintenance, electrical engineering and so on, thus providing technical talents for the development of Zambia industrial enterprises.

ENVIRONMENTAL PROTECTION

The Group attaches great importance to the recycling and sustainable use of resources. The Group pays attention to using environmental-friendly equipment and advanced technology for production, endeavours to promote the establishment of an environmental management system, so as to improve the resources recycling and reuse as well as environmental protection level. It fully implements energy conservation and emission reduction in the process of production by continuously optimising system management, and achieved the selection of mines and reuse of industrial water under the wells. In the first half of 2014, the project of copper concentrate produced from smelting slag was basically completed. It was a project which achieved a win-win situation of emission reduction and resources development.

COMMUNITY PARTICIPATION AND OPERATING PRACTICE

Based on copper and cobalt resources development, with the self-development and growth of the Group, it follows the concept of achieving a win-win situation of cooperation, attaches great importance to the concern about suppliers, communities, Shareholders and employees, actively cultivates the local market, supports local enterprises, shares benefits with suppliers, contributes to the local economy and social development and progress where the enterprises are located through the creation of taxation income, provision of jobs and development of related industries, and provides employees with vocational development and protection to create value for Shareholders.

In the first half of 2014, the Group actively participated in local social welfare undertakings where the enterprises were located through monetary fund and physical assets. It supported social welfare undertakings including urban construction, AIDS and malaria prevention and cure and public sports facilities construction, which were highly appreciated by the local government and local residents and further established a good enterprise-citizen image for the listed Company.

Tailings ponds of Muliashi becomes the paradise of migratory birds

STRATEGIES AND PROSPECTS

The Group is dedicated to the development of resources with the utilisation of advanced and practical technology so as to deliver returns to the Shareholders and employees and promote economic and social development.

The Group will further increase its investment in exploration and development. It will put more efforts in expanding the exploration area, as well as exploration in the peripheral and in-depth areas of existing mines. Meanwhile, the Group will continue to identify suitable acquisition targets in regions with rich copper resources such as Zambia and the DRC, with an aim to increase the Group's resources and increase the proportion of resources generated from its own mines for smelting.

Through implementing the expansion plan for existing smelting projects, the Group will continue to expand its capacities in leaching and smelting operations, and enhance its profitability by leveraging the advantages of vertical integration in operations.

The Group, through actively using advanced and practical technology and management, will continue its focus on research and development along the copper production chain, especially in the areas of separation of copper and cobalt and bioleaching technology. It will continue to improve its capacity of current mining, processing and smelting business, improve its production efficiency, reduce production costs and increase profitability.

The Group always values the strict and diligent performance of environmental laws. It aims to improve its management practices relating to safety and environmental protection through the continuous increase in investment in this respect. The Group highly values the relationship with its stakeholders and aspires to achieve a win-win cooperation. The Group will continue to fulfil its corporate social responsibility by contributing to the economy of the community and social development.

Bird's-eye view of mining and processing engineering of Chambishi Southeast Mine

FUTURE PROSPECTS

Despite slow recovery of the global economy, the general market of non-ferrous metals, especially copper metals, was still in depression in the first half of 2014. Looking forward, in the second half of 2014, the early termination of the Quantitative Easing Monetary Policy by the Federal Reserve, persistent employment pressure, and the deep-rooted problems in economic development of Europe and Japan have yet to be solved. In addition, the Chinese economy is facing downward pressure of slower growth. Therefore, the prices of base metals, especially copper price, will remain at a low level in the short term. However, in the long run, given its vast territory, together with the implementation of structural adjustments and growth stabilisation policies, China will still have huge economic development potential. In addition, the global economic recovery will also drive copper demand to increase continuously. Besides, copper is not a renewable resource. Supported by these fundamental factors, the long-term outlook of copper price continues to be optimistic.

Taking into account of the aforementioned factors, the Group will continue to increase the reserve and resources of copper and cobalt through exploration and development activities as well as acquisitions and mergers, advance the construction of its key projects and enlarge the production capacity of its smelting and leaching operations. Meanwhile, it will continue to optimise internal management, enhance cost control and improve operation efficiency, so as to secure its profitability.

Leach solution from spray leaching of Muliashi Project

FUTURE PROSPECTS (CONTINUED)

1. CONTINUE THE CONSTRUCTION OF KEY PROJECTS

In the second half of 2014, the heap construction of Muliashi Project will be further accelerated and we will continue to expand the production capacity of heap leaching system to reach the targeted standard and output. To achieve total completion of the project, we will speed up the finishing up work of Phase II of the Expansion Project of CCS. On the basis of reaching the targeted standard and output, the Company will strive to achieve high and stable output in the Mabende Project. The exploitation in Chambishi Southeast Mine will be continuously accelerated while the construction of Slag Copper Recovery Project and Mwambashi Project will be completed, which will become new sources for production and efficiency enhancement of the Company.

2. IMPROVE PERFORMANCE OF EXISTING OPERATIONS

The Group will continue to pay due efforts in its mining activities at Chambishi Main Mine, Chambishi West Mine and Baluba Center Mine in the second half of the year, so as to increase the production volume of copper concentrate from its own mines. While boosting the production volume of blister copper and sulfuric acid of CCS, the Group will expedite the implementation of the cobalt recovery program, with a view to further increase the existing production capacity and returns. It will expedite the development of the leach company through enhancing cost control and improving management, so as to maximise efficiency.

The Group will further technological innovation, optimise production process and control the cost of production. In particular, it will further refine the production systems of Chambishi Main Mine and the Chambishi West Mine, increase the leaching rate of agitation leaching and heap leaching of Muliashi Project and reinforce the organisation and production of copper smelting and converter. More efforts will be made in the research of cobalt recovery and bio-metallurgical technology to enhance the processing capacity and recovery rate of low-grade ore.

The Group will continue to pay attention to improving its working environment, further enhance its ability in human resources management and strengthen staff training in order to ensure safe and efficient production.

OTHER SIGNIFICANT EVENTS

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2014, none of the Directors or chief executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest or short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests or short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any director or their respective spouse or minor children; or were any such rights exercised by them or was the Company, or any of its subsidiaries a party to any arrangement to enable those persons to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Company had engaged in any business or had any interest in business which competes or may constitutes competition directly or indirectly (within the meaning of the Listing Rules) with the business of the Group throughout the six months ended 30 June 2014.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established with written terms of reference in compliance with the Listing Rules and Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control system of the Group. The Audit Committee consists of Mr. Tao Luo, a non-executive director, and Mr. Jingwei Liu and Mr. Huanfei Guan (note), independent non-executive directors. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2014 have been reviewed by the Audit Committee, who were of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

Note: Mr. Huanfei Guan has become an independent non-executive Director, member of Audit Committee, Chairman of Remuneration Committee and member of Compliance Committee with effect from 28 August 2014. At the time when the Group's unaudited financial report for the six months ended 30 June 2014 was reviewed and approved, Mr. Shuang Chen was an independent non-executive Director and a member of the Audit Committee instead.

OTHER SIGNIFICANT EVENTS (CONTINUED)

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers at the Appendix 10 of the Listing Rules. The Company also had made specific enquiry to all directors and confirmed that all of them complied with the Model Code throughout the six months ended 30 June 2014.

PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities throughout the six months ended 30 June 2014.

Monument for the discovery of the copper mine at Luanshya

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

TO THE BOARD OF DIRECTORS OF CHINA NONFERROUS MINING CORPORATION LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 68, which comprise the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
28 August 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2014

		Six months ended	
		30 June	30 June
		2014	2013
	NOTES	***US$'000***	*US$'000*
		(Unaudited)	(Unaudited)
Revenue	4	**1,015,225**	856,214
Cost of sales		**(879,237)**	(735,071)
Gross profit		**135,988**	121,143
Other income		**4,194**	4,106
Distribution and selling expenses		**(2,596)**	(21,050)
Administrative expenses		**(32,465)**	(31,346)
Finance costs	6	**(8,136)**	(3,967)
Gain arising on change in fair value of derivatives		**2,492**	450
Other expenses	7	**(16,202)**	(1,355)
Profit before tax		**83,275**	67,981
Income tax expense	8	**(7,999)**	(19,542)
Profit and total comprehensive income for the period	9	**75,276**	48,439
Profit and total comprehensive income attributable to:			
Owners of the Company		**43,797**	24,168
Non-controlling interests		**31,479**	24,271
		75,276	48,439
Earnings per share, in US¢	11		
— Basic		**1.26**	0.69

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2014

	NOTES	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**1,234,505**	1,185,068
Interest in an associate	13	**2,143**	2,143
Restricted bank balances	15	**12,139**	12,137
Other assets		**15,480**	12,870
Finance lease receivables	14	**12,027**	16,645
		1,276,294	1,228,863
CURRENT ASSETS			
Inventories		**255,155**	370,175
Finance lease receivables	14	**10,335**	10,335
Trade receivables	16	**167,507**	143,386
Prepayments and other receivables	17	**194,547**	148,332
Available-for-sale investments		**—**	6,397
Restricted bank balances	15	**5,073**	4,573
Bank deposits, bank balances and cash	15	**479,672**	415,135
		1,112,289	1,098,333
CURRENT LIABILITIES			
Trade payables	18	**215,998**	239,445
Other payables and accrued expenses	19	**87,881**	101,256
Income tax payable		**26,000**	31,356
Bank and other borrowings - due within one year	20	**117,000**	61,000
Derivatives, at fair value		**96**	614
		446,975	433,671
NET CURRENT ASSETS		**665,314**	664,662
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,941,608**	1,893,525

	NOTES	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
CAPITAL AND RESERVES			
Share capital	21	**447,901**	447,901
Share premium		**165,332**	165,332
Retained profits		**206,334**	169,516
Equity attributable to owners of the Company		**819,567**	782,749
Non-controlling interests		**168,920**	137,441
TOTAL EQUITY		**988,487**	920,190
NON-CURRENT LIABILITIES			
Bank and other borrowings - due after one year	20	**790,955**	817,955
Deferred revenue		**21,441**	21,752
Provision for restoration, rehabilitation and environmental costs		**20,204**	20,043
Deferred tax liabilities	8	**120,521**	113,585
		953,121	973,335
		1,941,608	1,893,525

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Attributable to owners of the Company					
	Share capital US$'000	**Share premium** US$'000	**Retained profits** US$'000	**Sub-total** US$'000	**Non-controlling interests** US$'000	**Total** US$'000
Six months ended 30 June 2013						
At 1 January 2013 (Audited)	447,901	165,332	102,259	715,492	135,546	851,038
Profit and total comprehensive income for the period	—	—	24,168	24,168	24,271	48,439
Dividend declared	—	—	—	—	(22,614)	(22,614)
At 30 June 2013 (Unaudited)	447,901	165,332	126,427	739,660	137,203	876,863
Six months ended 30 June 2014						
At 1 January 2014 (Audited)	**447,901**	**165,332**	**169,516**	**782,749**	**137,441**	**920,190**
Profit and total comprehensive income for the period	**—**	**—**	**43,797**	**43,797**	**31,479**	**75,276**
Dividend declared	**—**	**—**	**(6,979)**	**(6,979)**	**—**	**(6,979)**
At 30 June 2014 (Unaudited)	**447,901**	**165,332**	**206,334**	**819,567**	**168,920**	**988,487**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Note	Six months ended 30 June 2014 US$'000 (Unaudited)	30 June 2013 US$'000 (Unaudited)
Net cash from operating activities		**185,070**	153,201
Net cash used in investing activities			
Purchase of property, plant and equipment and other assets		**(103,432)**	(131,471)
Withdrawal of restricted bank balances		**—**	487
Placement of restricted bank balances		**(502)**	—
Proceeds from disposal of available-for-sale investments		**6,397**	—
Repayment of finance lease receivables from a fellow subsidiary		**4,618**	4,349
Interest received		**1,036**	330
Finance income received under finance leases to a fellow subsidiary		**333**	1,000
Increase in non-restricted bank deposits with original maturity of more than three months when acquired		**(10,000)**	—
Proceeds from disposal of property, plant and equipment		**11**	847
Receipts of government grants		**—**	4,719
		(101,539)	(119,739)
Net cash (used in) from financing activities			
New bank loans raised		**90,000**	210,000
Repayments of bank and other borrowings		**(61,000)**	(11,000)
Dividend paid to non-controlling interests		**(39,200)**	—
Dividend paid to shareholders		**(1,779)**	—
Interest paid		**(9,308)**	(6,179)
		(21,287)	192,821
Net increase in cash and cash equivalents		**62,244**	226,283
Cash and cash equivalents at beginning of the period		**415,135**	264,723
Effect of foreign exchange rate changes		**(7,707)**	(4,624)
Cash and cash equivalents at the end of the period represented by bank balances and cash	15	**469,672**	486,382

1. GENERAL INFORMATION

The Company is company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. In the opinion of the directors of the Company (the "Directors"), the Company's parent and ultimate holding company are China Nonferrous Mining Development Limited, incorporated in the British Virgin Islands, and China Nonferrous Metal Mining (Group) Co., Ltd ("CNMC"), which is wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council and is incorporated in the People's Republic of China (the "PRC"), respectively. The registered office of the Company is located at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, and its principal place of business is located at 32 Enos Chomba Road, Kitwe, Zambia.

The principal activity of the Company is investment holding. The Group's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and sulfuric acid.

The condensed consolidated financial statements are presented in United States dollars ("US$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for the derivative financial instruments which are measured at fair value.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013.

3. PRINCIPAL ACCOUNTING POLICIES *(CONTINUED)*

In the current interim period, the Group has applied, for the first time, the following new Interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The application of the above new Interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

4. REVENUE

An analysis of the Group's revenue from sale of goods for the period is as follows:

	Six months ended	
	30 June 2014	30 June 2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Blister copper*	**855,163**	704,588
Copper cathodes	**125,075**	122,288
Sulfuric acid	**34,987**	29,338
	1,015,225	856,214

* During the six months ended 30 June 2014, certain terms for the sales of blister copper to fellow subsidiaries and subsidiaries of a non-controlling shareholder of a subsidiary were changed from last year that the relevant transportation costs were borne by them and the selling prices were adjusted accordingly. Therefore, the distribution and selling expenses of the Group for the six months ended 30 June 2014 were significantly decreased from the corresponding last year.

5. SEGMENT INFORMATION

Information reported to the President of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods produced.

The Group's operating and reportable segments under HKFRS 8 Operating Segments are as follows:

- Leaching - Production and sale of copper cathodes (including exploration and mining of oxide copper mines) which are produced using the solvent extraction-electrowinning technology; and

- Smelting - Production and sale of blister copper (including exploration and mining of sulfuric copper mines) and sulfuric acid which are produced using ISA smelting technology.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

	Leaching *US$'000* **(Unaudited)**	**Smelting** *US$'000* **(Unaudited)**	**Consolidated** *US$'000* **(Unaudited)**
Six months ended 30 June 2014			
Revenue from external customers	**125,075**	**890,150**	**1,015,225**
Inter-segment sales	**—**	**12,250**	**12,250**
Total segment revenue	**125,075**	**902,400**	**1,027,475**
Elimination*		**(12,250)**	**(12,250)**
Revenue for the period			**1,015,225**
Segment profit	**3,297**	**68,780**	**72,077**
Unallocated income**			**8,409**
Unallocated expenses***			**(3,108)**
Elimination			**(2,102)**
Profit for the period			**75,276**

5. SEGMENT INFORMATION *(CONTINUED)*

Segment revenue and results *(Continued)*

	Leaching *US$'000* (Unaudited)	Smelting *US$'000* (Unaudited)	Consolidated *US$'000* (Unaudited)
Six months ended 30 June 2013			
Revenue from external customers	122,288	733,926	856,214
Inter-segment sales	—	7,570	7,570
Total segment revenue	122,288	741,496	863,784
Elimination*	—	(7,570)	(7,570)
Revenue for the period			856,214
Segment profit	1,529	48,001	49,530
Unallocated income**			4,276
Unallocated expenses***			(1,284)
Elimination			(4,083)
Profit for the period			48,439

* Inter-segment sales were conducted at terms mutually agreed among the companies comprising the Group.

** The unallocated income mainly represents the interest income of the Company arising from the loans to the subsidiaries of the Group.

*** The unallocated expenses mainly represent the interest on loans of the company and administrative expenses of the Company and China Nonferrous Mining Holdings Limited ("CNMH"), a directly wholly owned subsidiary of the Company which directly holds the Group's shareholdings in the subsidiaries in Zambia.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment profit represents the profit for the period earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities

	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
Segment assets		
— Leaching	**715,251**	690,100
— Smelting	**1,521,207**	1,590,574
Total segment assets	**2,236,458**	2,280,674
Unallocated assets#	**180,745**	113,740
Elimination	**(28,620)**	(67,218)
Consolidated total assets	**2,388,583**	2,327,196
Segment liabilities		
— Leaching	**639,065**	628,904
— Smelting	**982,264**	1,112,320
Total segment liabilities	**1,621,329**	1,741,224
Unallocated liabilities#	**139,745**	148,766
Elimination	**(360,978)**	(482,984)
Consolidated total liabilities	**1,400,096**	1,407,006

The unallocated assets and liabilities mainly represented those of the Company and CNMH.

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities, except for certain assets and liabilities of the Company and CNMH, are allocated to operating and reportable segments.

5. SEGMENT INFORMATION *(CONTINUED)*

Geographical information

The Group's operation is mainly in Zambia and US$1,135,026,000 (31 December 2013: US$1,040,977,000 (Audited)) and US$117,102,000 (31 December 2013: US$159,104,000 (Audited)) of its non-current assets (other than financial instruments) are in Zambia and Democratic Republic of Congo (the "DRC"), respectively.

The Group's revenue from external customers by their geographical locations is detailed below:

	Six months ended	
	30 June 2014	30 June 2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
PRC	**593,529**	684,553
Australia	**259,604**	—
Switzerland	**73,094**	133,565
Africa	**44,075**	38,096
Singapore	**37,168**	—
Luxemburg	**7,755**	—
	1,015,225	856,214

6. FINANCE COSTS

	Six months ended	
	30 June 2014	30 June 2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings:		
— wholly repayable within five years	**7,412**	2,996
— not wholly repayable within five years	**3,116**	3,183
Total borrowing costs	**10,528**	6,179
Unwinding of the discount	**153**	343
Less: Amount capitalised in the cost of qualifying assets	**(2,545)**	(2,555)
	8,136	3,967
The weighted average capitalisation rate on funds borrowed generally (per annum)	**2.41%-3.41%**	2.15%-2.25%

7. OTHER EXPENSES

	Six months ended 30 June 2014 US$'000 (Unaudited)	30 June 2013 US$'000 (Unaudited)
Foreign exchange losses, net*	**15,732**	747
Gain on disposal of property, plant and equipment, net	**(2)**	(96)
Loss on operating hospitals, schools and recreational facilities, net	**225**	189
Others	**247**	515
	16,202	1,355

* The Group's net foreign exchange losses for the six months ended 30 June 2014 mainly arose from the retranslation of its VAT receivables which are denominated in ZMK as a result of the depreciation of ZMK against US$ during the current period.

8. INCOME TAX EXPENSE

Income tax expense recognised in profit or loss:

	Six months ended 30 June 2014 US$'000 (Unaudited)	30 June 2013 US$'000 (Unaudited)
Current Tax:		
— Income Tax in Zambia	**155**	548
— Income Tax in Ireland	**—**	5,177
— Income Tax in DRC	**908**	1,253
	1,063	6,978
Underprovision of Income Tax in Ireland in respect of prior year	**—**	4,848
Deferred tax	**6,936**	7,716
Total income tax expense	**7,999**	19,542

Hong Kong profits tax is calculated at 16.5% (six months ended 30 June 2013: 16.5% (Unaudited)) on the estimated assessable profit for the six months ended 30 June 2014. No provision for Hong Kong profits tax has been made as there was no assessable profit arising in, or derived from Hong Kong during both periods.

8. INCOME TAX EXPENSE *(CONTINUED)*

Income Tax in Ireland is calculated at 12.5% (six months ended 30 June 2013: 12.5% (Unaudited)) on the estimated assessable income for the six months ended 30 June 2014.

Income Tax in DRC is calculated at 30% (six months ended 30 June 2013: 30% (Unaudited)) on the estimated assessable income for the six months ended 30 June 2014.

Income Tax in Zambia is calculated at 35% (six months ended 30 June 2013: 35% (Unaudited)) on the assessable income for the six months ended 30 June 2014, except for that arising from mining activities which is 30% (six months ended 30 June 2013: 30% (Unaudited)) on the relevant assessable income.

For both periods, the Group enjoyed the following income tax incentives:

- On 3 April 2009, Chambishi Copper Smelter Limited ("CCS'', a directly 60% owned subsidiary of CNMH) was granted ten-year income tax incentives for zero rate of income tax for the first five profitable years; 50% of income tax relief for the next three years thereafter; and 25% of income tax relief for the remaining 2 years. The first profitable year of CCS, for Zambia Income Tax purpose, is 2010. In the six months periods ended 30 June 2013 and 2014, CCS enjoyed tax incentives for zero rate of income tax.

- On 10 June 2011, Sino-Metal Leach Zambia Limited ("SML", a directly 55% owned subsidiary of CNMH) was granted ten-year income tax incentives for zero rate of income tax for the first five profitable years; 50% of income tax relief for the next three years thereafter; and 25% of income tax relief for the remaining 2 years. The first profitable year of SML, for Zambia Income Tax purpose, is 2008. The applicable tax rate for SML for the six months ended 30 June 2014 was 17.5% (six months ended 30 June 2013: 17.5% (Unaudited)).

Certain dividend income of CNMH from Zambia subsidiaries may be subject to Income Tax in Ireland at 12.5%. As at 30 June 2014, deferred tax liability of US$15,797,000 (31 December 2013: US$10,062,000 (Audited)) has been provided for temporary differences associated with undistributed earnings of subsidiaries while the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised amounting to US$17,010,000 (31 December 2013: US$14,526,000 (Audited)). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not be reversed in the foreseeable future.

8. INCOME TAX EXPENSE *(CONTINUED)*

The tax charge for the period can be reconciled to the profit before tax per the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended	
	30 June 2014	30 June 2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit before tax	**83,275**	67,981
Tax at Profits Tax rate in Hong Kong		
— for operations at 16.5%	**913**	498
Tax at Income Tax rate in Ireland		
— for operations at 12.5%	**(29)**	5,177
Tax at Income Tax rate in DRC		
— for operations at 30%	**2,029**	3,174
Tax at Income Tax rate in Zambia		
— for operations at 30%	**(1,074)**	(179)
— for operations at 35%	**26,451**	20,680
	28,290	29,350
Tax effect of expenses not deductible for tax purpose	**3,204**	7,341
Underprovision of Income Tax		
in Ireland in respect of prior year	**—**	4,848
Deferred tax on undistributed earnings	**5,735**	—
Tax effect of income not taxable for tax purpose	**(1,006)**	(4,274)
Effect of tax incentives granted to the Group	**(28,224)**	(17,723)
Income tax expense for the period	**7,999**	19,542
Effective tax rate	**9.6%**	28.7%

8. INCOME TAX EXPENSE *(CONTINUED)*

The deferred tax liabilities are as follows:

	At 30 June 2014 **US$'000** **(Unaudited)**	At 31 December 2013 *US$'000* (Audited)
Deferred tax liabilities	**(120,521)**	(113,585)

The following are the major deferred tax balances recognised and movements thereon during the period:

	Property, plant and equipment *US$'000*	Undistributable profits of subsidiaries *US$'000*	Tax losses *US$'000*	Total *US$'000*
Balance at 1 January 2013 (Audited)	(224,337)	—	131,103	(93,234)
(Charge) credit to profit or loss	(18,344)	—	10,628	(7,716)
Balance at 30 June 2013 (Unaudited)	(242,681)	—	141,731	(100,950)
Credit (charge) to profit or loss	23,423	(10,062)	(25,996)	(12,635)
Balance at 31 December 2013 (Audited)	(219,258)	(10,062)	115,735	(113,585)
(Charge) credit to profit or loss	(2,468)	(5,735)	1,267	(6,936)
Balance at 30 June 2014 (Unaudited)	(221,726)	(15,797)	117,002	(120,521)

As at 30 June 2014, the Group has unused tax losses of US$390,007,000 (31 December 2013: US$385,783,000 (Audited)) in respect of the subsidiaries in Zambia available for offsetting against future profits. Deferred tax assets of US$117,002,000 (31 December 2013: US$115,735,000 (Audited)) have been recognised in respect of all the losses of these subsidiaries in Zambia. Subject to agreement with the Zambia Revenue Authority, the above tax losses of these subsidiaries are available to be carried forward up to a maximum of ten years from the year in which they are incurred for setting off against future taxable profits from the same source of those subsidiaries.

9. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended	
	30 June	30 June
	2014	2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**53,792**	41,867
Staff costs:		
Salaries, wages and welfare (including directors' remuneration)	**44,022**	41,578
Retirement benefit schemes contributions	**6,900**	7,373
Total staff costs	**50,922**	48,951
Less: Amounts included in construction in progress	**(1,149)**	(2,731)
	49,773	46,220
Cost of inventories recognised as an expense	**879,237**	735,071
Minimum lease payments in respect of		
— Land and buildings	**3,169**	3,508

10. DIVIDENDS

During the current interim period, a final dividend of US¢0.2 per share in respect of the year ended 31 December 2013 was declared and paid to the owners of the Company. The aggregate amount of the final dividends declared in the interim period amounted to US$6,979,000.

No dividends have been declared in the current interim period (six months ended 30 June 2013: Nil (Unaudited)).

11. EARNINGS PER SHARE

	Six months ended	
	30 June 2014 (Unaudited)	30 June 2013 (Unaudited)
Profit for the period attributable to owners of the Company for the purposes of basic earnings per share *(in US$'000)*	**43,797**	24,168
Weighted average number of shares for the purposes of basic earnings per share *(in '000)*	**3,489,036**	3,489,036

During the six months periods ended 30 June 2014 and 2013, the Group did not have any potentially dilutive ordinary share.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June, 2014, the Group acquired property, plant and equipment and incurred construction costs amounting to US$103,238,000 (six months ended 30 June 2013: US$123,663,000 (Unaudited)).

13. INTEREST IN AN ASSOCIATE

As at 30 June 2014 and 2013, the amount represents the Group's share of net assets of the associate, being the Group's cost of investment. During the six months ended 30 June 2014, the associate was involved in trading of copper ores in DRC and only sold copper ores to the Group amounting to US$2,968,000 resulting in insignificant profit (six months ended 30 June 2013: Nil (Unaudited)).

14. FINANCE LEASE RECEIVABLES

The Group has purchased certain machinery and equipment which were leased out under finance leases to a fellow subsidiary. All interest rates inherent in the leases are fixed at the contract date over the lease terms.

	At 30 June 2014 *US$'000* (Unaudited)	At 31 December 2013 *US$'000* (Audited)
Analysed as:		
— Current	**10,335**	10,335
— Non-current	**12,027**	16,645
	22,362	26,980

	Minimum lease payments		**Present value of minimum lease payments**	
	30 June 2014 *(US$'000)* (Unaudited)	31 December 2013 *(US$'000)* (Audited)	**30 June 2014 *(US$'000)* (Unaudited)**	31 December 2013 *(US$'000)* (Audited)
Finance lease receivables comprise:				
Within one year	**10,660**	10,660	**10,335**	10,335
In more than one year but not more than two years	**10,100**	10,660	**9,232**	9,743
In more than two years but not more than five years	**3,323**	8,003	**2,795**	6,902
	24,083	29,323	**22,362**	26,980
Less: Unearned finance income	**(1,721)**	(2,343)	**N/A**	N/A
Present value of minimum lease payment receivables	**22,362**	26,980	**22,362**	26,980

Effective interest rates of the above finance leases range from 5.6% to 6.1% per annum for both periods.

In the event of default by the lessee, the Group has the right to sell the lease assets. At the end of the lease term, the lease assets will be transferred to the fellow subsidiary at nil consideration.

15. BANK DEPOSITS, BANK BALANCES AND CASH

(i) Restricted deposits and balances

	At 30 June 2014	At 31 December 2013
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Pledged for bank loans:		
— repayable after 1 year classified as non-current assets	**4,158**	4,157
Designated as deposits classified as non-current assets:		
— for issuing letters of guarantee to secure future restoration costs as required by the government of Zambia	**7,981**	7,980
Designated as deposits classified as current assets:		
— for custom clearance	**460**	460
— for issuing letters of credit	**4,113**	4,113
— for public bonded warehouse	**500**	—
	17,212	16,710

The restricted bank balances carry interest at rates ranging from 0.1% to 3.1% (31 December 2013: 0.1% to 3.1% (Audited)) per annum.

(ii) Bank deposits

As at 30 June 2014, non-pledged bank deposits with original maturity of more than three months when acquired of US$10,000,000 (31 December 2013: Nil (Audited)) carry interest at market rates ranging from 2.0% to 2.2% per annum.

(iii) Bank balances and cash

Bank balances carry interest at market rates ranging from 0.1% to 3.1% (31 December 2013: 0.1% to 3.1% (Audited)) per annum.

15. BANK DEPOSITS, BANK BALANCES AND CASH *(CONTINUED)*

(iv) Cash and cash equivalents

	At 30 June 2014 *US$'000* (Unaudited)	At 31 December 2013 *US$'000* (Audited)
Cash and cash equivalents in the condensed consolidated statement of cash flows	**469,672**	415,135
Non-pledged bank deposits with original maturity of more than three months when acquired	**10,000**	—
Bank deposits, bank balances and cash in the condensed consolidated statement of financial position	**479,672**	415,135

16. TRADE RECEIVABLES

	At 30 June 2014 *US$'000* (Unaudited)	At 31 December 2013 *US$'000* (Audited)
Trade receivables	**169,129**	145,008
Less: Allowance of doubtful debts	**(1,622)**	(1,622)
	167,507	143,386

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 30 June 2014 *US$'000* (Unaudited)	At 31 December 2013 *US$'000* (Audited)
Within 1 month	**164,730**	137,043
More than 1 month, but less than 3 months	**1,754**	4,221
More than 3 months, but less than 6 months	**135**	1,382
More than 6 months, but less than 12 months	**694**	15
Over 1 year	**194**	725
	167,507	143,386

16. TRADE RECEIVABLES *(CONTINUED)*

The Group sells blister copper and copper cathodes under provisional pricing arrangements where final grades of copper, gold and silver in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised when title and risk pass to the customer using past history of grades of copper, gold and silver in copper products based on internal examination statistics and forward prices for the expected date of final settlement. The Group normally requires prepayments from customers before goods dispatch with the remainder to be settled not exceeding one month upon issuance of sales invoice. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

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

	At 30 June 2014	At 31 December 2013
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Fellow subsidiaries	**95,173**	91,481
Subsidiaries of a non-controlling shareholder of a subsidiary	**51,238**	33,536
	146,411	125,017

The above balances with related parties are unsecured, interest-free and are repayable according to the relevant sales contracts.

17. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2014	At 31 December 2013
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Prepayments for inventories and others	**49,773**	21,847
VAT receivables	**133,561**	109,139
Deposits in futures margin accounts	**6,809**	4,835
Other receivables	**4,404**	12,511
	194,547	148,332

17. PREPAYMENTS AND OTHER RECEIVABLES *(CONTINUED)*

Included in the Group's prepayments and other receivables are balances with the following related parties:

	At 30 June 2014 ***US$'000*** **(Unaudited)**	At 31 December 2013 *US$'000* (Audited)
Fellow subsidiaries	**7,466**	5,596
Subsidiaries of a non-controlling shareholder of a subsidiary	**2**	170
Associate	**4,438**	—
	11,906	5,766

The above balances with related parties are unsecured, interest-free and are repayable on demand.

18. TRADE PAYABLES

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

	At 30 June 2014 ***US$'000*** **(Unaudited)**	At 31 December 2013 *US$'000* (Audited)
Within 1 month	**91,586**	116,728
More than 1 month, but less than 3 months	**83,710**	107,838
More than 3 months, but less than 6 months	**9,009**	10,063
More than 6 months, but less than 12 months	**29,707**	1,891
Over 1 year	**1,986**	2,925
	215,998	239,445

The average credit period on purchases of certain goods is within 3 months and most payables are paid within the credit timeframe.

Included in the Group's trade payables are balances with the following related parties:

	At 30 June 2014 ***US$'000*** **(Unaudited)**	At 31 December 2013 *US$'000* (Audited)
Fellow subsidiaries	**36,684**	38,816

The above balances with related parties are unsecured, interest-free and are repayable on demand.

19. OTHER PAYABLES AND ACCRUED EXPENSES

	At 30 June 2014	At 31 December 2013
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Receipts in advance from customers	**6,143**	3,805
Payables for properties, plant and equipment	**8,423**	8,901
Accrued and other payables*	**73,315**	88,550
	87,881	101,256

* Included a provision for legal cases of US$300,000 (31 December 2013: US$300,000 (Audited)), details of which are set out in note 24.

Included in the Group's other payables and accrued expenses are balances with the following related parties:

	At 30 June 2014	At 31 December 2013
	US$'000	*US$'000*
	(Unaudited)	(Audited)
CNMC and fellow subsidiaries	**27,288**	2,190
A subsidiary of a non-controlling shareholder of a subsidiary	**—**	89
Non-controlling shareholders of subsidiaries	**3,315**	64,958
	30,603	67,237

The above balances with related parties are unsecured, interest-free and are repayable on demand.

20. BANK AND OTHER BORROWINGS

	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
Bank loans		
— secured *(Note i)*	**170,000**	170,000
— unsecured *(Note ii)*	**715,350**	686,350
	885,350	856,350
Loan from a non-controlling shareholder of a subsidiary, unsecured *(Note iii)*	**22,605**	22,605
	907,955	878,955
Carrying amount repayable:		
Within one year	**117,000**	61,000
More than one year, but not exceeding two years	**375,605**	290,000
More than two years, but not exceeding five years	**137,900**	250,505
More than five years	**277,450**	277,450
	907,955	878,955
Less: Amounts shown under current liabilities	**(117,000)**	(61,000)
Non-current portion	**790,955**	817,955

Notes:

(i) The bank loans as at 30 June 2014 bore interest at rates varied based on London Interbank Offered Rate ("LIBOR"), ranging from 1.0% to 2.0% per annum (31 December 2013: 1.0% to 2.1% per annum (Audited)), and are secured by certain restricted bank balances of US$4,158,000 (31 December 2013: US$4,157,000 (Audited)) and are guaranteed by CNMC.

(ii) As at 30 June 2014, the unsecured bank loans comprise the following:

- Bank loans of US$475,350,000 (31 December 2013: US$446,350,000 (Audited)) with corporate guarantees issued by CNMC in favor of the relevant banks.
- Bank loans of US$80,000,000 (31 December 2013: US$80,000,000 (Audited)) with joint corporate guarantees issued by both CNMC and a non-controlling shareholder of a subsidiary in favor of the relevant banks.
- Bank loans of US$60,000,000 (31 December 2013: US$60,000,000 (Audited)) with corporate guarantees issued by a non-controlling shareholder of a subsidiary in favor of the relevant banks.
- Bank loans of US$100,000,000 (31 December 2013: US$100,000,000 (Audited)) without corporate guarantee.

(iii) The loan from a non-controlling shareholder of a subsidiary of US$22,605,000 (31 December 2013: US$22,605,000 (Audited)) bore interest at a rate of 8.0% per annum (31 December 2013: 8.0% per annum (Audited)) and is repayable in May 2016.

21. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Authorised		
At 1 January 2014		
Ordinary shares of HK$1.00 each	5,000,000	5,000,000
At 30 June 2014	Note	Note
Issued and fully paid		
At 1 January 2014		
Ordinary shares of HK$1.00 each		3,489,036
At 30 June 2014		
Ordinary shares with no par value		3,489,036

Note: Under the Hong Kong Companies Ordinance (Cap 622) with effect from 3 March 2014, the concept of authorised share capital no longer exists and the Company's shares no longer have a par value. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

	At 30 June 2014 ***US$'000*** **(Unaudited)**	At 31 December 2013 *US$'000* (Audited)
Presented in the condensed consolidated financial statements as	**447,901**	447,901

22. COMMITMENTS

(A) Capital Commitments

	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
Capital expenditure contracted for but not provided for in respect of acquisition of property, plant and equipment	**50,823**	233,691
Capital expenditure authorised but not contracted for in respect of acquisition of property, plant and equipment	**1,074,843**	991,007

(B) Lease Commitments - the Group as Lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of buildings and properties of CNMC and a fellow subsidiary in the PRC and Zambia for general and ancillary purposes which fall due as follows:

	At 30 June 2014 US$'000 (Unaudited)	At 31 December 2013 US$'000 (Audited)
Within one year	**46**	3,054
In the second to fifth year inclusive	**186**	—

23. RELATED PARTY TRANSACTIONS

The Company is ultimately controlled by the PRC government and the Group operates in an economic environment currently predominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities").

Other than the transactions and balances with related parties disclosed elsewhere in these condensed consolidated financial statements, during the period, the Group had the following significant transactions with related parties:

	Notes	**Related parties**	**Six months ended 30 June 2014 US$'000 (Unaudited)**	30 June 2013 *US$'000* (Unaudited)
Sales of:				
— Blister copper	(i)	Fellow subsidiaries	**505,972**	424,755
	(i)	Subsidiaries of a non-controlling shareholder of a subsidiary	**265,371**	203,913
— Copper cathodes	(i)	Fellow subsidiaries	**85,928**	68,161
— Other materials	(i)	Fellow subsidiaries	**105**	21
Finance income earned under finance leases	(i)(iii)	Fellow subsidiary	**622**	619
Purchases of:				
— Plant and equipment	(i)	Fellow subsidiaries	**24,965**	17,891
— Materials	(i)	Fellow subsidiaries	**14,650**	27,569
	(i)	Associate	**2,968**	—
— Services	(i)	Fellow subsidiaries	**34,245**	41,813
— Electricity	(i)	Fellow subsidiary	**7,058**	6,370
— Freight and transportation	(i)	Fellow subsidiary	**657**	742
Rental expenses	(i)	CNMC and a fellow subsidiary	**3,169**	3,276
Interest expense	(ii)	A non-controlling shareholder of a subsidiary	**904**	—
Guarantee fee expenses	(i)	CNMC	**1,494**	1,868

23. RELATED PARTY TRANSACTIONS *(CONTINUED)*

Notes:

(i) These transactions were conducted in accordance with terms of the relevant agreements.

(ii) The interest expense arose from an unsecured loan from a non-controlling shareholder of a subsidiary. The loan is unsecured, bore interest at 8.0% per annum and is repayable in May 2016.

(iii) The finance income earned under finance leases arose from the finance leases to a fellow subsidiary. Details of the finance leases are set out in note 14.

In addition to the above, during the period, the Group also had the following transactions with related parties:

(a) Apart from those disclosed above, CNMC also provided guarantees to banks, at nil consideration, for granting unsecured loans to the Group. Further details are set out in note 20.

(b) The details of remuneration of key management personnel, representing emoluments of the Directors, paid during the period are set out below:

	Six months ended	
	30 June	30 June
	2014	2013
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Salary, bonus and other allowance	**417**	398
Retirement benefit schemes contributions	**30**	23
	447	421

23. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(c) On 1 July 2009, CCS entered into an agreement with Fifteen MCC Africa Construction & Trade Ltd. ("Fifteen MCC Africa"), a fellow subsidiary, (the "Fifteen MCC Africa Agreement") pursuant to which CCS agreed to provide certain living quarters to Fifteen MCC Africa on a free of charge basis. Fifteen MCC Africa shall pay for the use of water and electricity and other expenses such as repair and any applicable tax in Zambia. The Fifteen MCC Africa Agreement shall remain for as long as CCS is in existence. As Fifteen MCC Africa provides construction as well as equipment repair and maintenance services to CCS on an ongoing basis, it requires accommodation for its staff based in Zambia.

(d) The Group has also entered into various transactions, including deposits placements, borrowings and other general bank facilities, with banks which are government-related entities in its ordinary course of business.

24. CONTINGENT LIABILITIES

As at the date of approval of these condensed consolidated financial statements, the Group was the defendant for various claims involving alleged unfair/unlawful termination or breach of employment contracts, wrongful calculation of wages/benefits, compensation for injuries and false imprisonment and defamation.

As at 30 June 2014, the Group has made relevant provision for the potential liabilities of US$300,000 (31 December 2013: US$300,000 (Audited)) which the Directors opined is adequate based on the present assessments of the Group's legal advisers.

25. RETIREMENT BENEFIT SCHEMES

The employees of the Group's subsidiaries in Zambia are members of the state-managed retirement benefits scheme operated by the Zambia government. The subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. Besides, certain employees of the Group are also members of the state-managed retirement benefits scheme operated by the PRC government. The Group also contributes a certain percentage of their payroll to the retirement benefits scheme to fund the benefits.

The only obligation of the Group with respect to the aforesaid retirement benefits schemes is to make the required contributions under the schemes.

中國有色礦業有限公司
China Nonferrous Mining Corporation Limited