中國有色礦業有限公司

China Nonferrous Mining Corporation Limited

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

Stock Code: 01258

2015 ANNUAL REPORT

CONTENTS

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

Executive Directors

Mr. Xinghu Tao *(Chairman and President)*
(appointed as Chairman on 20 April 2015)
Mr. Xingeng Luo *(Vice President)*
Mr. Chunlai Wang *(Vice President)*
Mr. Wei Fan *(Vice President)*
(appointed on 28 July 2015)
Mr. Kaishou Xie *(Vice President)*
Mr. Xinguo Yang *(Vice President)*
(resigned on 28 July 2015)

Non-Executive Director

Mr. Diyong Yan *(Vice Chairman)*
(appointed on 20 April 2015)
Mr. Tao Luo *(Chairman)*
(resigned on 20 April 2015)

Independent Non-Executive Directors

Mr. Chuanyao Sun
Mr. Jingwei Liu
Mr. Huanfei Guan

THE COMMITTEES OF THE BOARD

Audit Committee

Mr. Jingwei Liu *(Chairman)*
Mr. Diyong Yan *(appointed on 20 April 2015)*
Mr. Huanfei Guan
Mr. Tao Luo *(resigned on 20 April 2015)*

Nomination Committee

Mr. Chuanyao Sun *(Chairman)*
Mr. Diyong Yan *(appointed on 20 April 2015)*
Mr. Jingwei Liu
Mr. Tao Luo *(resigned on 20 April 2015)*

Remuneration Committee

Mr. Huanfei Guan *(Chairman)*
Mr. Diyong Yan *(appointed on 20 April 2015)*
Mr. Chuanyao Sun
Mr. Tao Luo *(resigned on 20 April 2015)*

Compliance Committee

Mr. Xinghu Tao *(Chairman)*
(appointed on 20 April 2015)
Mr. Tao Luo *(Chairman) (resigned on 20 April 2015)*
Mr. Chuanyao Sun
Mr. Huanfei Guan

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

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F., 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

Chairman of the Board
Xinghu Tao

CHAIRMAN'S STATEMENT (CONTINUED)

On behalf of the Board of Directors, I hereby present to all Shareholders the annual report of China Nonferrous Mining Corporation Limited and its subsidiaries for the year ended 31 December 2015.

In the Year, the Group recorded revenue of US$1,189.2 million, representing a decrease of 38.8% as compared with the same period of last year; the loss attributable to owners of the Company was US$279.9 million, representing a decrease of 290.6% as compared with the same period of last year. The decrease was principally attributable to market factors (a decrease of approximately 20% in the average LME copper price in 2015 as compared with the corresponding period last year due to the slower growth of the global economy and a decrease of approximately 25% in average price of sulfuric acid as compared with the corresponding period last year as impacted by the local supply and demand) and force majeure factors such as decrease of 30% in power supply; Meanwhile, the Company re-recognised the deferred income tax liabilities due to resumption of collection of Zambia income tax from 1 July 2015, which resulted in a decrease of approximately US$91.1 million in profit; and made a provision for impairment of property, plant and equipment approximately US$343.2 million as affected by lower copper price. As the last two factors were non-cash items, the net cash flows generated from the operating activities of the Group increased by 18.1% to US$261.9 million in 2015; and the Group's bank balances and cash increased by 11.5% from last year to US$560.2 million as at 31 December 2015, the Group maintained a healthy and solid financial condition.

Over the past year, except that Baluba Center Mine and Slag Copper Recovery Project of Luanshya suspended production based on electricity supply or operation conditions, all other production projects were under normal operation, thanks to the concerted efforts from the Board, the management and all staff. Due to inadequate electricity supply and power maintenance, the Group produced 185,698 tonnes of blister copper and 481,364 tonnes of sulfuric acid, representing a decrease of 16.4% and 21.4% as compared with last year, respectively; However, the Group produced 68,464 tonnes of copper cathodes with more cost advantages, representing an increase of 21.2% as compared with last year, due to continuous expansion of the production capacity of Muliashi Leach Project and Mabende Project, as well as commencement of production of Muliashi South Oxidize Mine Project. During the last year, we further secured resources for Huachin Leach and CNMC Huachin Mabende through acquisition; meanwhile, we further enhanced the integration of materials procurement and products sale in Zambia and DRC by establishment of a trading company in Congo; the completion of Mwambashi Strip Mine project and the High Grade Cobalt Matte Metallurgy project in 2016, as well as the completion of the projects under plan such as the integrated exploration and construction project of the Chambishi Southeast Mine, will cement a solid foundation for the Group to further develop its business in future.

Deeply rooted in Africa, we are dedicated to development. As the first resource company listed on the Hong Kong equity market in Africa, we are very confident in further investment in Africa as we have already operated and developed for 15 years in Africa. On 31 March 2015, CNMC, our controlling group, and the Embassy of Zambia in China jointly hosted the Zambia-China Economic, Trade and Tourism Forum in the premises of CNMC, at which Mr. Edgar Lungu, the then president of Zambia who was paying a state visit to China and more than 200 people including guests and representatives of entrepreneurs from both China and Zambia and friends from press media gathered together and discussed cooperation. On 1 September 2015, headed by Martin Kabwelulu, Minister of Mines, the ministerial delegation of DRC paid a visit to CNMC. During our operation and construction in the past 15 years, we have established an amicable cooperative relationship with the government, communities and the public of Zambia and DRC with a view to achieve mutual benefits and win-win objectives. On 21 March 2016, Zhang Dejiang, a member of the Standing Committee of the Political Bureau of the CPC Central Committee and Chairman of the NPC Standing Committee, who was attending the 134th Assembly of the Inter-Parliamentary Union and paying a formal amiable visit to Zambia, inspected Lusaka sub-zone of Zambia-China Economic & Trade Cooperation Zone, which was invested in and constructed by CNMC (the Company's smelting and leaching businesses are located in the Kitwe industrial area of cooperation zone). After debriefing, Zhang Dejiang, the Chairman of the NPC Standing Committee, spoke highly of the development achievements of CNMC and the Economic & Trade Cooperation Zone in Africa with the expression of "an admirable beginning, outstanding results and broad prospect."

With a firm confidence, we will spare no efforts to turn adversities into opportunities and jointly overcome the current difficulties, striving for development. In the future, facing both opportunities and challenges, we will enhance confidence and capitalise on various opportunities arising from the low-speed-growth period of the economy. While further prioritizing the interest of Shareholders and attaching great importance to the stakeholders such as employees, suppliers and communities, we will follow the development strategy as a rapidly growing vertically integrated copper producer with mining, ore processing, leaching and smelting capacities in the future and unremittingly consolidate management foundation. More efforts will be put to ensure law-abiding corporate management and operational regulatory compliance, so as to improve the level and efficiency of its corporate governance. Meanwhile, we will capitalise on the opportunities, fully utilise the financing function of the capital market, speed up resources exploration and acquisition and accelerate the construction of pipeline projects so as to continuously improve the production capacities of existing in-operation mines and the smelting and leaching businesses, and optimise the product and industrial structure, so as to improve results and market performance of the Company!

Finally, on behalf of the Board of Directors, I sincerely express thanks to all shareholders, business partners and people from all walks of life for their longstanding support and care of the Group, and to all management and staff for their assiduous work during this year.

Xinghu Tao
Chairman
China Nonferrous Mining Corporation Limited

Hong Kong, 24 March 2016

RESULTS HIGHLIGHTS

OPERATING RESULTS

In 2015, the Group recorded revenue of US$1,189.2 million, representing a decrease of 38.8% as compared with 2014.

In 2015, the Group recorded loss attributable to owners of the Company of US$279.9 million, representing a decrease of 290.6% as compared with 2014.

CHANGES IN PRODUCT OUTPUT

In 2015, the Group produced 185,698 tonnes of blister copper, representing a decrease of 16.4% year-on-year.

In 2015, the Group produced 68,464 tonnes of copper cathodes, representing an increase of 21.2% year-on-year.

In 2015, the Group produced 481,364 tonnes of sulfuric acid, representing a decrease of 21.4% year-on-year.

Blister copper products

STEADY PROGRESS IN PROJECT DEVELOPMENT

The integrated exploration and construction project of the Chambishi Southeast Mine of NFCA is under development and is expected to be completed in the third quarter of 2018.

The Mwambashi strip mine project of SML is in the construction and expected to complete construction and commence operation in June 2016.

The High Cobalt Matte Project of CCS consist of two sub-projects known as "the converter slag reduction furnace" and "the high grade cobalt matte metallurgy", in which, "the converter slag reduction furnace" was completed in 2015 and "the high grade cobalt matte metallurgy" is expected to be completed in April 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Results of Operations

The following table sets forth sales volume, average selling price, revenue and percentage contribution to total revenue of the products of the Group during the years indicated.

	For the year ended 31 December							
	2015				2014			
	Sales Volume (Note)	**Average Selling Price**	**Revenue**	**% of Total Revenue**	Sales Volume	Average Selling Price	Revenue	% of Total Revenue
	(Tonnes)	***(US$ per tonne)***	***(US$'000)***	***(%)***	*(Tonnes)*	*(US$ per tonne)*	*(US$'000)*	*(%)*
Blister copper	**185,217**	**4,708**	**871,993**	**73.3**	242,397	6,340	1,536,767	79.1
Copper cathodes	**66,301**	**4,300**	**285,116**	**24.0**	56,216	6,006	337,654	17.4
Sulfuric acid	**283,727**	**113**	**32,055**	**2.7**	421,106	156	65,867	3.4
Bismuth	**–**	**–**	**–**	**–**	180	9,361	1,685	0.1
Total			**1,189,164**	**100.0**			1,941,973	100.0

Note: The sales volumes of all the products (except for sulfuric acid and bismuth) are on a contained-copper basis.

Leach solution from spray leaching of Muliashi Project

Revenue

The revenue of the Group decreased by 38.8% from US$1,942.0 million in 2014 to US$1,189.2 million in 2015. In 2015, the Group's revenue from blister copper, copper cathodes and sulfuric acid accounted for 73.3%, 24.0% and 2.7%, respectively, of the total revenue.

The revenue from blister copper decreased by 43.3% from US$1,536.8 million in 2014 to US$872.0 million in 2015, mainly due to the decrease in the average selling price of blister copper by 25.7% from US$6,340 per tonne in 2014 to US$4,708 per tonne in 2015 as a result of the decline in international copper prices, and the decrease in sales volume of blister copper in 2015 to 185,217 tonnes, 23.6% down from 2014.

The revenue from copper cathodes decreased by 15.6% from US$337.7 million in 2014 to US$285.1 million in 2015. The sales volume of copper cathodes increased by 17.9% from 56,216 tonnes in 2014 to 66,301 tonnes in 2015, which was attributable to the significant increase in production volume of copper cathodes as the Mabende Project commenced production in the middle of 2014 and Mulisahi Project had been in operation throughout 2015 to continuously increase the heap leaching capacity. Although the sales volume of copper cathodes increased, the revenue from copper cathodes still decreased due to the decline in selling prices by 28.4% from US$6,006 per tonne in 2014 to US$4,300 per tonne in 2015 as a result of the decrease in international copper prices.

The revenue from sulfuric acid decreased by 51.3% from US$65.9 million in 2014 to US$32.1 million in 2015, primarily attributable to the decrease in the production volume of blister copper in 2015 as compared with that in 2014, which in turn decreased the production volume and the sales volume of sulfuric acid, a by-product generated during the production of blister copper, by 32.6% from 421,106 tonnes in 2014 to 283,727 tonnes in 2015. At the same time, the unit selling price of sulfuric acid decreased by 27.6% from US$156 in 2014 to US$113 in 2015.

Cost of sales

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 during the periods indicated.

	For the year ended 31 December							
	2015				2014			
	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	**820,203**	**4,428**	**51,790**	**5.9**	1,406,205	5,801	130,562	8.5
Copper cathodes	**234,015**	**3,530**	**51,101**	**17.9**	223,110	3,969	114,544	33.9
Sulfuric acid	**9,337**	**33**	**22,718**	**70.9**	8,616	20	57,251	86.9
Bismuth	**–**	**–**	**–**	**–**	1,455	8,083	230	13.7
Total	**1,063,555**		**125,609**	**10.6**	1,639,386		302,587	15.6

The cost of sales of the Group decreased by 35.1% from US$1,639.4 million in 2014 to US$1,063.6 million in 2015, primarily due to the declined total costs as a result of the decreased sales volume of blister copper, and the decrease in international copper prices, partially offset by the increased cost of copper cathodes and sulfuric acid.

The cost of sales of blister copper decreased by 41.7% from US$1,406.2 million in 2014 to US$820.2 million in 2015, primarily due to the relatively significant decrease in the sales volume of blister copper and international copper price, more specifically a decrease of 23.7% in unit cost of sales of blister copper from US$5,801 per tonne in 2014 to US$4,428 per tonne in 2015 as a result of the lower price of copper concentrate purchased from external suppliers attributable to the decrease in international copper prices.

The cost of sales of copper cathodes increased by 4.9% from US$223.1 million in 2014 to US$234.0 million in 2015, primarily due to an increase of 17.9% in the sales volume of copper cathodes, coupled with a decrease in the unit cost of sales of copper cathodes from US$3,969 per tonne in 2014 to US$3,530 per tonne in 2015.

The cost of sales of sulfuric acid increased by 8.4% from US$8.6 million in 2014 to US$9.3 million in 2015, primarily due to the increase in depreciation and staff cost caused by the commencement of production of Phase II of Sulfuric Acid Project. The unit cost of sales increased from US$20 in 2014 to US$33 in 2015.

Gross profit and gross profit margin

The Group recorded a gross profit of US$125.6 million in 2015, representing a decrease of 58.5% from US$302.6 million in 2014. The gross profit margin decreased from 15.6% in 2014 to 10.6% in 2015. The decrease in gross profit were mainly due to the decrease in cost was lower than the decrease of the international copper prices.

The gross profit margin of blister copper decreased from 8.5% in 2014 to 5.9% in 2015, primarily attributable to the decline in international copper prices which led to decreased average selling price of blister copper.

The gross profit margin of copper cathodes decreased from 33.9% in 2014 to 17.9% in 2015, primarily due to the decrease in international copper prices which led to decreased average selling price of copper cathodes.

The gross profit margin of sulfuric acid decreased from 86.9% in 2014 to 70.9% in 2015, primarily due to the decrease in the average selling price of sulfuric acid.

Distribution and selling expenses

The distribution and selling expenses of the Group increased by 81.2% from US$9.1 million in 2014 to US$16.5 million in 2015, primarily due to the changes in the selling and settlement terms of sulfuric acid which led to an increase in distribution and selling expenses by shifting the burden of transportation costs from the buyers to the sellers.

Administrative expenses

The administrative expenses of the Group decreased by 19.1% from US$59.5 million in 2014 to US$48.2 million in 2015, primarily due to the depreciation of Zambian Kwacha, leading to the decrease in staff remuneration.

Finance costs

The finance costs of the Group increased by 8.8% from US$18.4 million in 2014 to US$20.0 million in 2015, primarily due to increased financing scale.

Other gains and losses

The net loss of other gains and losses of the Group increased by US$345.7 million from US$59.9 million in 2014 to US$405.6 million in 2015, including provision for impairment loss of US$343.2 million in property, plant and equipment as well as the increase of exchange loss from US$20.3 million in 2014 to US$54.2 million in 2015. Impairment provision was made for property, plant and equipment of the Group as a result of declining international copper price during the year ended 31 December 2015. In addition, the exchange losses mainly arose from the retranslation of VAT receivables which are denominated in ZMK which was significantly depreciated against US dollar.

Income tax credit

The income tax credit of the Group decreased by US$22.1 million from US$60.2 million in 2014 to US$38.1 million. In 2015, according to the "Income Tax (Amendment) Act, 2015" and "Mines and Minerals Development Act, 2015" of Zambia, effective on 1 July 2015, the corresponding deferred tax assets/liabilities derecognised in 2014 were re-recognised of approximately US$91.1 million.

(Loss) profit and net profit margin attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company decreased significantly by 290.6% from US$146.8 million in 2014 to a loss of US$279.9 million in 2015. The profit margins attributable to owners of the Company (being the profit attributable to the owners of the Company as a percentage of revenue) were 7.6% in 2014 and -23.5% in 2015, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

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

	For the year ended 31 December	
	2015	2014
	US$'000	*US$'000*
NET CASH FROM OPERATING ACTIVITIES	**261,925**	221,785
NET CASH USED IN INVESTING ACTIVITIES	**(191,023)**	(168,185)
NET CASH FROM FINANCING ACTIVITIES	**2,425**	32,462
NET INCREASE IN CASH AND CASH EQUIVALENTS	**73,327**	86,062
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**501,145**	415,135
Effect of foreign exchange rate changes	**(14,226)**	(52)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by:		
Bank balances and cash	**560,246**	502,562
Bank overdrafts	**–**	(1,417)
	560,246	501,145

Net cash flows from operating activities

Cash inflows from operating activities are primarily attributable to the sales revenue of copper and sulfuric acid products and cash outflows are primarily attributable to various operating expenses. Net cash flows generated from the operating activities of the Group increased by 18.1% from US$221.8 million in 2014 to US$261.9 million in 2015, primarily attributable to the decrease in the inventories and the collection of trade receivables.

Net cash flows used in investing activities

Cash outflows from investing activities are mainly for the purchase of properties, plants and equipment for copper production. The net cash flows used in investing activities of the Group increased by 13.6% from US$168.2 million in 2014 to US$191.0 million in 2015. Investment in 2015 was primarily used in the Integrating Exploration and Construction Project of the Chambishi Southeast Mine of NFCA, re-investment in the existing mining and smelting projects and acquisition of oxide ore resources.

Net cash flows from financing activities

The cash inflows from financing activities primarily consist of new bank borrowings and other borrowings. The cash outflows from financing activities primarily consist of repayments for bank borrowings, payments of dividends and interest payments. The net cash flows generated from financing activities of the Group decreased by 92.6% from US$32.5 million in 2014 to US$2.4 million in 2015, primarily due to increase in repayments for bank borrowings and the increase in interest payments.

Bank balances and cash

The Group's bank balances and cash increased by US$57.6 million from US$502.6 million as at 31 December 2014 to US$560.2 million as at 31 December 2015.

Trade receivables

The trade receivables of the Group decreased by US$68.2 million from US$183.5 million as at 31 December 2014 to US$115.3 million as at 31 December 2015, which is in line with the decrease in the Group's scale of operations.

Inventories

The inventories held by the Group decreased by US$7.3 million from US$313.7 million as at 31 December 2014 to US$306.4 million as at 31 December 2015, primarily due to the inventories of raw materials and spare parts of the Group as at 31 December 2015 decreased by US$21.5 million while work in progress and finished products increased by US$7.4 million and US$6.8 million separately as compared with that of 31 December 2014 to meet production plans and changes in the market.

Significant investments held, material acquisitions and disposals of subsidiaries and future plans for material investments or acquisition of capital asset

Saved as disclosed in this annual report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the year ended 31 December 2015. Apart from those disclosed in this annual report, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this annual report.

Charge on assets

As at 31 December 2015, no assets of the Group was pledged (as at 31 December 2014: US$4,165,000 pledged to secure banking facilities).

Gearing ratio

As at 31 December 2015, the gearing ratio was 65.14% (as at 31 December 2014: 52.79%) 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

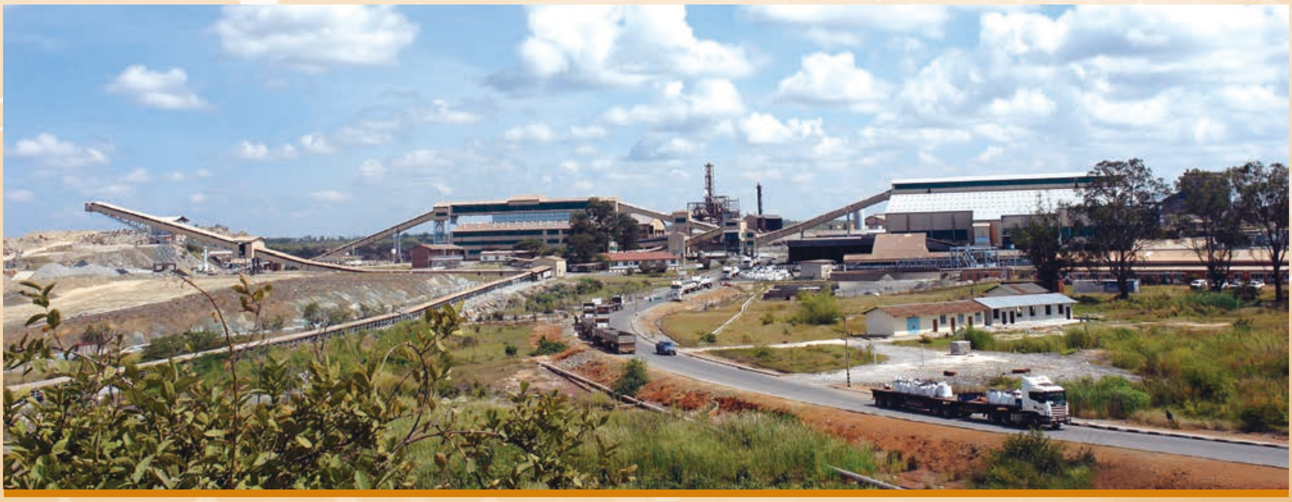
Details of contingent liabilities as at 31 December 2015 are included in note 38 to the audited consolidated financial statements of this annual report.

Bank and other borrowings

Details of bank and other borrowings as at 31 December 2015 are included in note 25 to the audited consolidated financial statements of this annual report. Except for the loan from CNMC in the amount equivalent to US$1,077,000 is made in RMB, other loans of the Group are made in US$. Save for the loan from a non-controlling shareholder of a subsidiary of US$22,605,000 which has a fixed interest rate, other loans of the Group do not have fixed interest rate.

Trade payables

Trade payables of the Group decreased by US$6.1 million from US$164.2 million as at 31 December 2014 to US$158.1 million as at 31 December 2015, mainly due to decrease in trade payables for copper concentrates as a result of the decline in copper price.



Panorama of Chambishi Copper Mine processing plant

Capital expenditure

	For the year ended 31 December	
	2015	2014
	(US$'000)	*(US$'000)*
Mining and ore processing facilities at Chambishi Southeast Mine of NFCA	**80,589**	68,888
Other mining and ore processing facilities of NFCA	**12,689**	17,370
Mining and ore processing facilities at Luanshya (Baluba Center Mine)	**15,171**	12,287
Mining and leaching facilities at Luanshya (Muliashi Project)	**17,749**	30,791
Smelting facilities at CCS	**19,700**	28,759
Leaching facilities at SML	**11,252**	6,514
Leaching facilities at Huachin Metals Leach SA	**752**	1,118
Mining rights and leaching facilities at CNMC Huachin Mabende	**15,426**	22,302
Total	**173,328**	188,029

The total capital expenditure of the Group decreased by US$14.7 million from US$188.0 million in 2014 to US$173.3 million in 2015. During the reporting period, the capital expenditure of the Group was primarily used in the Chambishi Southeast Mine Project, Baluba Center Mine Project, Muliashi Project, CCS smelting facilities project, Huachin Mabende mining rights and leaching facilities project.

Financial Policies

During the year ended 31 December 2015, the Group had in place 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 Listing Rules.

Please also refer to note 33 to the audited consolidated financial statements of this annual report for the financial instruments (which include the financial risk management objectives and policies).

Principal Risks and Uncertainties

Although we have established the risk management system to identify, analyse, evaluate and respond to risks, our business activities are subject to the following risks, which could have material effects on our strategy, operations, compliance and financial condition. We urge you to carefully consider the risks described below.

Copper price affects the business, cash flow and profit of the Company

The sharp fluctuation of copper price mainly reflects the change in supply and demand of copper products, market uncertainty and other factors out of control of the Company, including but not limited to the overall economic situation, political unrest, armed conflicts and terrorist acts, economic condition and acts of major copper producing countries, availability of other metals, regulations of governments both at home and abroad, natural disasters and weather conditions. Price fluctuation will have a material impact on the business, cash flow and revenue of the Company.

Low copper price may have a negative impact on the business, revenue and profit of the Company, which will lead the Company to write off reserve and other assets with high cost, or to reduce the production volume of economic copper and terminate the existing contracts no longer earning profit. The sluggish copper price in the long run will affect the long-term project investment strategy and operation capacity of the Company.

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 business in Zambia and the DRC and most of its sales and purchases in the past were denominated in US dollar, its functional currency, while certain sales and purchases were settled in currencies other than its functional currency (mainly ZMK and Reminbi), 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 balances and bank and other borrowings at variable interest rates. The Group currently does not have any interest rate hedging policy. However, the Directors of the Company will consider hedging significant interest rate risk should the need arise.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OVERVIEW

In 2015, facing the intensified adjustment of global economy, slowdown domestic economy and a weak market demand for base metals, the Group overcame challenges from, inter alia, insufficient electricity supply and decrease in copper and sulfuric acid price while insisting on accelerating development and paying effort to increase revenue and reduce cost. Business development remained steady. However, affected by the price, tax, provision for impairment and other factors, operating revenue decreased significantly over the corresponding period last year.

During the reporting period, the production and sales of blister copper and sulfuric acid, the main products of the Company, decreased while the production and sales of copper cathodes further increased due to the expansion of its production capacity. Affected by the year-on-year decrease in the prices of copper and sulfuric acid, the revenue decreased by 38.8% to US$1,189.2 million over the same period last year.

During the Reporting Period, the loss attributable to owners of the Company amounted to US$279.9 million, representing a decrease of 290.6% over the same period last year. In addition to the decrease in income, the decrease was mainly due to the following factors: the re-recognition of the deferred income tax liabilities of the Company due to resumption of collection of Zambia income tax from 1 July 2015, which resulted in a decrease of approximately US$91.1 million in profit; affected by the decreases in copper price, the Company made a provision for impairment of of property, plant and equipment approximately US$343 million.

Meanwhile, the production capacity of Muliashi Leach Project and Mabende Project continued to expand. Muliashi South Oxidize Mine Project commenced production. The High Cobalt Matte Project will be completed in 2016 and the Integrating Exploration and Construction Project of the Chambishi Southeast Mine is under large-scale construction. Along with the completion of the High Cobalt Matte Project, a solid foundation for the Group's business growth will be laid.

Central office building of NFCA in the green bush

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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, the byproducts generated during the blister copper smelting process.

The businesses of the Group are carried out mainly through the following companies: NFCA, Luanshya, CCS and SML as well as the two joint subsidiaries of SML, namely Huachin Leach and CNMC Huachin Mabende located in the DRC.

In 2015, blister copper and sulfuric acid produced by the Group amounted to 185,698 tonnes and 481,364 tonnes, representing a decrease of 16.4% and 21.4% over the same period last year, respectively; copper cathodes produced amounted to 68,464 tonnes in total, representing an increase of 21.2% over the same period last year. Revenue of the Group decreased by 38.8% from US$1,942.0 million in 2014 to US$1,189.2 million in 2015.

RESOURCES AND RESERVES

Assumptions adopted for the annual update of resources and/or reserves

The same assumptions as those applied in the 2012 prospectus in accordance with the JORC Code were adopted for the annual update of resources and/or reserves in this announcement. Relevant updates were made according to our new exploration and based on the historical data used by technical consultants.

The main changes in resources and/or reserves were attributable to the adjustments arising from production wastage and intensified exploration.

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

Leach solution from spray leaching of Muliashi Project

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 December 2015, the Group's ore reserves and mineral resources reported in accordance with the JORC Code were as follows:

(1) *Resources*

Chambishi Main Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**8.73**	**2.24%**	**–**	**–**	8.58	2.25%	–	–
Indicated	**7.11**	**2.41%**	**–**	**–**	7.34	2.39%	–	–
Inferred	**14.78**	**2.27%**	**–**	**–**	6.65	2.34%	–	–

Note: In 2015, 805,000 tonnes of ore was mined from Chambishi Main Mine and 71 pit drilling holes for production purposes were completed with drilling footage of 6,305.24m.

Chambishi West Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**3.64**	**2.03%**	**1.00%**	**–**	3.8	1.98%	1.02%	–
Indicated	**1.46**	**1.83%**	**0.96%**	**–**	1.42	1.99%	0.96%	–
Inferred	**1.45**	**2.32%**	**1.10%**	**–**	0.96	1.99%	0.96%	–
Sulfide Ore								
Measured	**8.55**	**2.22%**	**–**	**–**	8.36	2.21%	–	–
Indicated	**7.09**	**2.33%**	**–**	**–**	6.55	2.23%	–	–
Inferred	**10.81**	**2.32%**	**–**	**–**	11.51	2.32%	–	–

Note: In 2015, 1,015,000 tonnes of ore was mined from Chambishi West Mine and 65 pit drilling holes (75mm end hole caliber) for production purposes were completed with drilling footage of 7,768.5m.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Chambishi Southeast Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Measured	**1.95**	**1.90%**	**–**	**0.11%**	1.95	1.90%	–	0.11%
Indicated	**28.60**	**1.90%**	**–**	**0.11%**	28.60	1.90%	–	0.11%
Inferred	**117.78**	**1.88%**	**–**	**0.10%**	117.78	1.88%	–	0.10%

Note: In 2015, no mining activity was carried out in Chambishi Southeast Mine. 32 investigative drilling holes with drilling footage of 7,982.58m were completed for development purpose.

Mwambashi Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Measured	**–**	**–**	**–**	**–**	2.50	2.15%	1.09%	–
Indicated	**7.38**	**2.02%**	**0.82%**	**–**	4.88	1.96%	0.68%	–
Inferred	**3.31**	**2.06%**	**0.48%**	**–**	3.31	2.06%	0.48%	–

Note: In 2015, no mining activity was carried out in Mwambashi Mine. The resources have been re-verified and estimated.

Kakoso Tailings

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**–**	**–**	**–**	**–**	–	–	–	–
Inferred	**9.08**	**0.60%**	**0.47%**	**–**	9.08	0.60%	0.47%	–

Chambishi Tailings and Ore Piles

JORC category	**31 December 2015** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	–	–	–	–	–	–	–	–
Indicated	–	–	–	–	–	–	–	–
Inferred	**0.38**	**0.36%**	**0.25%**	–	0.46	0.36%	0.25%	–

Note: Approximately 80,000 tonnes of pile ores were processed in 2015.

Baluba Center Sulfide Mine

JORC category	**31 December 2015** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	–	–	–	–	–	–	–	–
Indicated	**6.56**	**1.65%**	**1.14%**	**0.12%**	–	–	–	–
Inferred	**1.62**	**1.70%**	**0.93%**	**0.10%**	–	–	–	–
Sulfide Ore								
Measured	**4.05**	**2.20%**	–	**0.16%**	3.90	2.14%	0.08%	0.16%
Indicated	**7.29**	**2.10%**	–	**0.14%**	8.15	2.08%	0.08%	0.15%
Inferred	**3.62**	**1.47%**	–	**0.09%**	3.76	1.50%	0.06%	0.08%

Note: Baluba Center Mine Sulfide consumed geological ore of approximately 1,150,000 tonnes with TCu grade of 1.94% in 2015.

Muliashi North Mine

JORC category	**31 December 2015** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**22.93**	**1.13%**	**0.50%**	**0.02%**	26.84	1.14%	0.49%	0.02%
Indicated	**17.57**	**1.03%**	**0.41%**	**0.02%**	18.77	1.04%	0.42%	0.02%
Inferred	**21.23**	**1.01%**	**0.37%**	**0.02%**	21.29	1.00%	0.34%	0.02%

Note: Muliashi North Mine consumed geological ore of approximately 4,240,000 tonnes with TCu grade of 1.124% in 2015.

Muliashi South Oxidize Mine

JORC category	**31 December 2015** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**1.57**	**1.96%**	**1.23%**	**0.02%**	2.0	1.19%	1.2%	0.02%
Indicated	**1.01**	**1.58%**	**0.69%**	**0.01%**	1.1	1.58%	0.72%	0.02%
Inferred	**0.18**	**1.26%**	**0.48%**	**0.01%**	0.2	1.33%	0.52%	0.02%
Sulfide Ore								
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**0.60**	**2.48%**	**–**	**–**	–	–	–	–
Inferred	**0.08**	**2.50%**	**–**	**–**	–	–	–	–

Note: Muliashi South Oxidize Mine consumed geological ore of approximately 470,000 tonnes with TCu grade of 1.966% in 2015.

Mashiba Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**3.17**	**1.89%**	**0.24%**	**–**	3.17	1.89%	0.24%	0.02%
Indicated	**5.67**	**1.96%**	**0.22%**	**–**	5.67	1.96%	0.22%	0.03%
Inferred	**4.97**	**1.67%**	**0.43%**	**–**	4.97	1.67%	0.43%	0.04%

Note: No exploration or mining activities were carried out in 2015.

Baluba East Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**6.40**	**1.90%**	**1.00%**	**0.02%**	6.40	1.90%	1.00%	–
Indicated	**27.64**	**0.77%**	**0.31%**	**0.03%**	27.64	0.77%	0.31%	–
Inferred	**3.27**	**1.03%**	**0.37%**	**0.04%**	3.27	1.03%	0.37%	–

Note: No exploration or mining activities were carried out in 2015.

(2) *Reserves*

Chambishi Main Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**5.08**	**1.55%**	**–**	**–**	3.72	1.47%	–	–
Probable	**2.70**	**1.43%**	**–**	**–**	2.64	1.48%	–	–

Note: The Chambishi Main Mine produced ore of 805,000 tonnes in 2015.

Chambishi West Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC category	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Oxide ore								
Proved	**2.05**	**1.76%**	**–**	**–**	1.43	1.85%	1.01%	–
Probable	**2.21**	**1.64%**	**–**	**–**	2.74	1.79%	0.9%	–
Sulfide Ore								
Proved	**4.49**	**1.92%**	**–**	**–**	4.61	2.08%	–	–
Probable	**13.19**	**1.99%**	**–**	**–**	14.31	2.06%	–	–

Note: The Chambishi West Mine produced ore of 1,015,000 tonnes in 2015.

Chambishi Southeast Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**–**	**–**	**–**	**–**	–	–	–	–
Probable	**37.72**	**1.81%**	**–**	**0.08%**	37.72	1.84%	–	0.08%

Baluba Center Sulfide Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**2.30**	**1.38%**	**0.06%**	**0.04%**	1.87	1.40%	0.06%	0.04%
Probable	**3.58**	**1.25%**	**0.11%**	**0.09%**	4.87	1.27%	0.11%	0.09%

Muliashi North Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**18.51**	**1.11%**	**0.49%**	**0.02%**	13.33	1.01%	0.45%	0.02%
Probable	**11.75**	**0.98%**	**0.49%**	**0.02%**	22.86	1.13%	0.49%	0.02%

Muliashi South Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**1.04**	**1.99%**	**1.39%**	**–**	–	–	–	–
Probable	**0.40**	**1.61%**	**0.93%**	**–**	–	–	–	–

Baluba East Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**6.38**	**1.81%**	**0.95%**	**0.02%**	6.38	1.81%	0.95%	0.02%
Probable	**27.57**	**0.73%**	**0.30%**	**0.03%**	27.57	0.73%	0.30%	0.03%

Mashiba Mine

JORC category	31 December 2015 Ore (Mt)	31 December 2015 Average grade Total copper	31 December 2015 Average grade Oxide copper	31 December 2015 Cobalt	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	31 December 2014 Average grade Oxide copper	31 December 2014 Cobalt
Proved	**2.66**	**1.35%**	**0.17%**	**–**	2.66	1.35%	0.17%	–
Probable	**4.76**	**1.40%**	**0.16%**	**–**	4.76	1.40%	0.16%	–

Mashiba B Mine

	31 December 2015				31 December 2014			
		Average grade				Average grade		
JORC		**Total**	**Oxide**			Total	Oxide	
category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**7.38**	**2.02%**	**0.82%**	**–**	7.38	2.02%	0.82%	–
Probable	**3.31**	**2.06%**	**0.48%**	**–**	3.31	2.06%	0.48%	–

A bird view of the mining and processing project of Chambishi Southeast Mine

PRODUCTION OVERVIEW

NFCA

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

In 2015, copper contained in copper concentrates produced by NFCA amounted to 26,041 tonnes, representing a decrease of 8.9% over the same period in the previous year. Such decrease in production volume was primarily attributable to the slightly degraded crude ores and the insufficient electricity supply in Zambia.

The Chambishi Main Mine and Chambishi West Mine of NFCA produced ore of 805,000 tonnes and 1,015,000 tonnes, respectively, during the year.

Luanshya

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

Copper contained in copper concentrates produced by the Baluba Center Mine in 2015 amounted to 9,059 tonnes, representing a decrease of 41% over the same period in the previous year. Copper contained in copper concentrates produced by the Slag Copper Recovery Project amounted to 2,312 tonnes, representing an increase of 49.9% over

Main shaft of Chambishi Copper Mine

the same period in the previous year. The operation of processing plant, the Baluba Center Mine and the Slag Copper Recovery Project have been suspended since 8 September 2015 mainly due to the occurrence of force majeure event of 30% reduction in electricity supply (see announcement of the Company on suspension of production of Baluba Center Mine and Slag Copper Recovery Project of Luanshya due to inadequate electricity supply dated 8 September 2015 for details). The production volume of Slag Copper Recovery Project in 2015 was increased due to the continuing increase in capacity following the operation of the project.

The Muliashi Project produced 33,101 tonnes of copper cathodes, representing an increase of 12.3% over the same period in the previous year, mainly attributable to the increase of heap leaching, leading to continuous improvement in the output capacity of the system.

The Baluba Center Mine, the Muliashi North Mine and the Muliashi South Mine produced ore of 1,150,000 tonnes, 4,240,000 tonnes and 470,000 tonnes, respectively, during the year.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In 2015, blister copper and sulfuric acid produced by CCS amounted to 185,698 tonnes and 474,753 tonnes, respectively, representing decreases of 16.4% and 21.2%, respectively, over the same period in the previous year primarily attributable to the insufficient electricity supply, the increase in supply of sulfuric acid in the market and the repair of equipment.

SML

SML mainly operates the Chambishi Leach Plant, the CNMC Huachin Leach Project through Huachin Leach and the Mabende Project through CNMC Huachin Mabende.

Electrode workshop of Muliashi Project

Electrode workshop of Muliashi Project

In 2015, copper cathodes produced by SML amounted to 35,363 tonnes in aggregate, representing an increase of 30.9% over the same period in the previous year. In particular, the Mabende Project produced 18,855 tonnes of copper cathodes, representing an increase of 41.1% over the same period in the previous year, mainly attributable to the initial operation of the Mabende Project (which was completed in March 2014), therefore the annual output increased significantly in 2015. Chambishi Leach Plant produced 4,317 tonnes of copper cathodes in aggregate, representing an increase of 19.1% over the same period in the previous year. CNMC Huachin Leach Project produced 12,191 tonnes of copper cathodes in aggregate, representing an increase of 21.6% over the same period in the previous year. The increase in production in the Chambishi Leach Plant and the CNMC Huachin Leach Project was mainly due to the improvement of raw materials supply.

The copper contained in copper concentrates produced by SML Chambishi Processing Plant in 2015 amounted to 463 tonnes, representing a decrease of 6.8% over the same period in the previous year, mainly attributable to smaller quantity of sulfide contained in materials.

Bismuth produced in CCS amounted to 40 tonnes in 2015, representing a decrease of 77.8% over the same period in the previous year, mainly attributable to the decrease of bismuth contained in smoke.

The table below sets forth the production volume of the products of the Group and the year-on-year growth for the periods indicated.

	Production volume for 2015 ***(Tonnes)***	Production volume for 2014 *(Tonnes)*	Year-on-year growth/ (decrease) *(%)*
Copper concentrate	**37,876**	45,951	-17.6%
Blister copper	**185,698**	222,224	-16.4%
Copper cathodes	**68,464**	56,492	21.2%
Sulfuric acid	**481,364**	612,598	-21.4%
Bismuth	**40**	180	-77.8%

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

Settling pond for leaching

EXPLORATION, DEVELOPMENT AND MINING COST OF THE GROUP

Expenses of exploration, development, and mining activities of the Group for the year ended 31 December 2015 are set out below:

	NFCA			Luanshya			SML	
Unit: Million US dollars	Chambishi Main Mine	Chambishi West Mine	Chambishi Southeast Mine	Baluba Center Sulfide Mine	Muliashi North Mine	Muliashi South Mine	Mwambashi Mine	Total
Exploration activities								
Drilling and analysis	1.11	1.09	0.48	0.25	–	0.25	0.05	3.23
Others	–	–	–	–	–	0.02	–	0.02
Sub-total	**1.11**	**1.09**	**0.48**	**0.25**	**–**	**0.27**	**0.05**	**3.25**
Development activities (including mine construction)								
Purchases of assets and equipment	5.06	6.83	–	0.85	–	0.05	–	12.79
Civil work for construction of tunnels and roads	1.13	0.12	74.50	3.39	–	9.28	0.05	88.47
Others	–	–	–	–	10.96	0.01	–	10.97
Sub-total	**6.19**	**6.95**	**74.50**	**4.24**	**10.96**	**9.34**	**0.05**	**112.23**
Mining activities (excluding ore processing)								
Staff cost	2.35	3.18	–	18.46	–	0.22	0.06	24.27
Consumables	1.70	2.30	–	11.34	–	2.11	–	17.45
Fuel, electricity, water and Others services	4.24	5.72	–	5.85	–	–	–	15.81
On-site and remote system management	1.52	2.05	–	–	–	–	–	3.57
Non-income taxes, royalties and other government expenses	0.01	0.01	–	4.56	21.96	–	–	26.54
Others	0.29	0.39	–	–	–	–	0.42	1.10
Sub-contracting charges	24.76	34.36	–	4.41	50.8	3.46	0.90	118.69
Depreciation	9.28	12.53	–	14.02	8.60	0.49	0.75	45.49
Sub-total	**44.15**	**60.54**	**–**	**58.64**	**81.36**	**6.28**	**1.95**	**252.92**

MINING EXPLORATION, MINING DEVELOPMENT AND ORE MINING ACTIVITIES

Mining Exploration

During the year, 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 Southeast Mine, 32 investigative drilling holes were completed for surface exploration purposes with drilling footage of 7,982.58m, of which the design hole depth of drilling in the pit of Chambishi Southeast Mine was 1,750m and 20 holes were actually completed with the drilling footage of 1,950.52m; 12 surface old drilling holes were actually cleaned and sealed with the drilling footage of 6,032.06m.

Luanshya conducted drilling in Baluba Center Mine and Muliashi Open-pit Mine (South Mine) for production and exploration purposes. In particular, 153 drilling holes (46mm end hole caliber) for production purposes were completed in Baluba Center Mine with drilling footage of 3,540m. In Muliashi Open-pit Mine, 24 platform trenches (1m × 2m) were completed with a total length of 2,412m and a total capacity of 4,824m^3.

SML completed 1 drilling hole for Mwambashi Mine with an aggregate drilling footage of 50m.

Mining Development

For details of mining development please refer to “Projects Under Progress” on page 36.

Mining Activities

For details of mining activities, please refer to “Production Overview” on page 30.

3# shaft of Chambishi Copper Mine

Infrastructure projects, subcontracting arrangements and procurement of equipment

During the year, the new contracts entered into by the Group are as follows:

NFCA

The new infrastructure contracts engaged in the year amounted to approximatively US$62,304,500.

Luanshya

The new infrastructure contracts engaged in the year amounted to approximatively US$14,390,000.

No subcontracting arrangements were entered into by the Group during the year*.

During the year, contracts which amounted to approximately US$12,790,000 were entered into by the Group for purchase of equipment related to mining exploration, mining development and mining activities, including equipment for mining, transportation, processing, drainage, soil discharge, electricity, laboratory, etc.

* Subcontracting arrangement refers to an arrangement made between one party to a contract and a third party, pursuant to which the third party shall fulfill all or part of the obligation of that party under the said contract. For example, it refers to the circumstance where the Group wins a project as a contractor and then transfers the entire project or subcontracts in part the project to a third party.

Panorama of copper smelting company

PROJECTS UNDER PROGRESS

NFCA

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine

The Integrating Exploration and Construction Project of the Chambishi Southeast Mine 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 copper concentrates of approximately 63,000 tonnes per annum. By the end of 2015, in terms of shaft construction: 1,251m of main shaft was completed with a capacity of 56,070m^3/11,608m^3; 1,014m of auxilliary shaft was completed with a capacity of 55,989m^3/11,651m^3. Total length of 678m of the south air shaft was completed with a capacity of 28,681m^3/4,821m^3; and total length of 958m of the north air shaft completed with a capacity of 38,468m^3/6,726m^3. In terms of drift exploitation: 1,004m of the south air shaft 560mL middle section was completed with a capacity of 14,700m^3; 3,283m of the south air shaft 680mL and below exploration engineering was completed with a capacity of 45,294m^3. 589m of the measure projects was

Central auxiliary shaft of Chambishi West Mine completed with 8,248m^3 drilled. 2,155m of the north air shaft horizontal engineering was completed with a capacity of 33,490m^3. 1,469m of 1,080mL middle section in the main shaft construction was completed with 23,018m^3 drilled; 1,185mL belt and orepass access was completed with 147m/1,596m^{3}drilled; 1,125mL middle section was completed with 342m/9,693m^3 drilled; 1,251mL ore fines recovery drift was completed with 730m^3 drilled. 7,072m/138,019m^3 of exploitation projects such as drift and decline was completed. The aggregate project investments amounted to US$830 million, among which, a total of US$261.12 million of investments had been completed as of the end of 2015, representing 31.40% of the total investment amount. The entire project is expected to be completed in the third quarter of 2018.

SML

Mwambashi Strip Mine project

The project comprises a strip mine with designed capacity of 600,000 tonnes of ores per annum and a processing plant with a daily capacity of 2,000 tonnes. The construction was commenced in September 2013. The total investment amount is US$71,570,400. The completion of project was delayed due to water inflow. Since May 2015, the production was transformed to parallel arrangement of stripping and mining. The completed investments by the end of December 2015 amounted to US$34,015,000, representing 47.53% of the total investment, and the project was expected to be in full operation in June 2016.

CCS

50,000 tonnes of high grade cobalt matte per annum project

The project consisted of two sub-projects known as "the converter slag reduction furnace" and "the high grade cobalt matte metallurgy" and the construction period was one year, among which:

The Converter Slag Reduction Furnace Project

The project has a scale of processing 100,000 tonnes of converter slag per annum and an annual output of 10,350 tonnes of copper-cobalt alloy (which contains 9.27% cobalt, 23.08% copper). The project has been put into trial production in 2015. The aggregate project investments amounted to US$15.11 million, among which, an accumulated investment of a total of US$15.11 million had been completed as at the end of 2015, representing 100% of the total investment.

The High Grade Cobalt Matte Metallurgy Project

The project has a scale of processing 50,000 tonnes of high grade cobalt matte per annum and an annual output of 34,650 tonnes of copper concentrate (which contains 39.07% copper). The project commenced on 6 April 2015 and was expected to complete in April 2016. By the end of 2015, its main structure was completed and the majority of main equipments was installed. The aggregate project investments amounted to US$32.64 million, among which, an accumulated investment of a total of US$8.7762 million had been completed as at the end of December 2015, representing 26.89% of the total investment.

Workers of Mabende Project hoisting copper cathode products (the first batch of products produced in March 2014)

Luanshya

Muliashi South Strip Mine Mining Project

The Muliashi South Strip Mine Mining Project has a designated capacity of 500,000 tonnes of mines per annum, construction commenced in September 2014 and the construction period was one year. The aggregate project investments amounted to US$14 million, among which, an accumulated investment of a total of US$12.8029 million had been completed as at the end of 2015, representing 91.45% of the total investment. The project was completed and put into operation as scheduled and finished an aggregate exploitation of 4.7106 million tonnes including 435,500 tonnes of mines.

In addition, the Group currently researches on the development of certain new resource and leaching projects such as CNMCL-PIMA (for details of CNMCL-PIMA, please refer to the announcement of the Company dated 15 January 2015) to actively promote the resource reserves and enhance the leaching production capacity, so as to secure a continuous growth of the Company.

Surface mine of Muliashi Project

HUMAN RESOURCES

As of 31 December 2015, the Group employed a total of 6,690 employees (as of 31 December 2014: 7,004 employees), which comprised 494 foreign and 6,196 local employees. Employees' remuneration was determined by the Group based on their performance, experience and the prevailing market practice. As of 31 December 2015, the total cost of employees reflected in the consolidated statement of profit or loss and other comprehensive income amounted to approximately US$79.4 million (in 2014: US$97.7 million).

Managerial members of NFCA participating the mine rescue drilling contest

First-aid team of the mine

2016 OUTLOOK

In 2016, economy of the United States is expected to continuously remain a stable and upward momentum and the emerging economies as a whole are still in the period of adjustments amid growth. With monetary easing policies and other economic promotion policies introduced in world-wide countries, the financial stability was exposed to certain risks and the growth of global economies was expected to witness improvements. Against the backdrop of implementation of 13th five years plan and many infrastructure construction projects and ongoing deepened reform, China, as one of the drivers of global economies, remains amongst the fastest growing economies at its current or expected speed despite challenges ahead. In light of the slow global economic growth, decline in oil price and slow down of demand growth, copper price has hit the bottom line of cost of many mining enterprises following the intensified adjustments for past five years. As a result, many mining enterprises announced production-reduction and expenditure-saving measures. With the upward economy and improved supply and demand, there is enhanced upward momentum for copper price and the price of copper remains optimistic in the long run.

In 2016, the Group will continue to increase investments in geological exploration and development, pay high attention to and more efforts in expanding the exploration area, as well as exploring the surrounding areas and in the depth of the 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.

The Group will continue to optimise internal management, intensify cost control and improve operation efficiency, so as to continuously enhance its profitability. The Group will continue to pay due efforts in its mining activities in underground mines (including Chambishi Main Mine and Chambishi West Mine) and the Muliashi Open-pit Mine and Mwambashi Strip Mine Project, so as to increase the production volume of copper concentrate and oxide ore from its own mines. Great efforts will be put in the management of the technology of CCS, Muliashi Leaching and Smelting, SML, Huachin Leach and CNMC Huachin Mabende so as to improve the output and quality of blister copper, copper cathodes and sulfuric acid, with a view to further increase the operating efficiency and profit from existing production capacity.

Meanwhile, the Group will continue to promote the adjustment of product and organisation structure, optimisation of management on supply chain and value chain and facilitate the regional integration of production, supply and sale, so as to increase the self-sufficiency rate of our smelting plants, expand the leaching and smelting capacity, and thus leverage the advantages of vertical integration to improve profitability.

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

BOARD OF DIRECTORS

Our Board of Directors is responsible for the management and conduct of our business and consists of nine Directors, including one non-executive Director, five executive Directors and three independent non-executive Directors. The table below sets forth certain information in respect of the members of the Board of Directors of our Company:

Name	Age	Position/Title
Xinghu Tao (appointed as Chairman on 20 April 2015)	58	Chairman, Executive Director and President
Diyong Yan (appointed on 20 April 2015)	51	Vice Chairman and Non-executive Director
Xingeng Luo	53	Executive Director and Vice President
Chunlai Wang	55	Executive Director and Vice President
Wei Fan (appointed on 28 July 2015)	41	Executive Director and Vice President
Kaishou Xie	60	Executive Director and Vice President
Xinguo Yang *(Note)* (resigned on 28 July 2015)	42	Executive Director and Vice President
Tao Luo *(Note)* (resigned on 20 April 2015)	62	Chairman and Non-executive Director
Chuanyao Sun	71	Independent Non-executive Director
Jingwei Liu	48	Independent Non-executive Director
Huanfei Guan	58	Independent Non-executive Director

Note: For the biography of Tao Luo and Xinguo Yang, please refer to "Directors and Senior Management Biographies" of 2014 Annual Report.

Xinghu Tao (陶星虎), aged 58, is the chairman, executive Director and president of our Company and was appointed to our Board on 18 July 2011 and appointed as chairman on 20 April 2015. He has been the vice general manager of CNMC since November 2007. Mr. Tao currently also serves as the chairman of NFCA, CCS, SML, Luanshya, China Nonferrous Mining Hong Kong Holdings Limited and MPongwe and the vice chairman of ZCCZ. Mr. Tao has 34 years of experience in the mining industry. He became the general manager of ZCCZ and NFCA in June 2006 and September 2002, respectively. Mr. Tao worked in Zhongtiaoshan Nonferrous Metals Group Co., Ltd. (中條山有色金屬集團有限公司) ("Zhongtiaoshan") from 1982 to 2002, during which he also served as the mine manager of Tongkuangyu Mine and the general manager and director of Zhongtiaoshan, etc.. Mr. Tao graduated from the Beijing Steel and Iron Institute (北京鋼鐵學院) (currently the University of Science and Technology Beijing (北京科技大學)) in 1982 with a major in mining engineering. He completed graduate studies in economic management from the Party School of the Central Committee of the Communist Party of China (中共中央黨校) in January 2005. Mr. Tao was recognised as a State Council Special Allowance Expert in 2004 and was recognised as a Senior Mining Engineer (professor level) in 1999.

Diyong Yan (嚴弟勇), aged 51, is the vice chairman and non-executive Director of our Company and was appointed to our Board on 20 April 2015. Mr. Yan served as the deputy director of Human Resources Department and Personnel Training Department of China National Nonferrous Metals Industry Corporation, director of Personnel (Party Committee) General Office of State Bureau of Nonferrous Metal Industry, deputy officer of Taiwan Affairs Office, manager of External Affairs Office of Human Resources Department of China Nonferrous Metal Mining and Construction Group Co Ltd., assistant to general manager, manager of Human Resources Department, officer of External Affairs Office of China Nonferrous Metal Mining and Construction Group Co Ltd., assistant to general manager of China Nonferrous Metal Mining Group Co Ltd. and deputy general manager of China Nonferrous Metal Mining Group Co Ltd. Mr. Yan has 29 years of experience in non-ferrous metal industry and acted as the chief organiser for the listing of the Company, he has extensive and practical experience in corporate governance and operation of listed company. Mr. Yan obtained the bachelor's degree from Central South University of Technology in 1987 and master's degree in Engineering Management in 1996.

Xingeng Luo (駱新耿), aged 53, is an executive Director, the vice president of our Company. He was appointed to our Board on 12 April 2012. Mr. Luo has 31 years of experience in the mining industry. He has been the general manager and director of Luanshya, a director of SML and the general manager of NFCA since September 2009, May 2008 and May 2007, respectively. He has also been the assistant to the general manager of CNMC since March 2016 and resigned as the general manger and director of Luanshya. Prior to joining NFCA in April 2004, Mr. Luo worked at Zhongtiaoshan Nonferrous Metals Group Co., Ltd. (中條山有色金屬集團有限公司) ("Zhongtiaoshan") from July 1984 and became the mine manager of the Hujiayu Mine under Zhongtiaoshan in August 1998. He was appointed as chief engineer of Zhongtiaoshan in May 2001. Mr. Luo received a bachelor's degree in mining from Jiangxi University of Science and Technology (江西理工大學) in 1984. He was recognised as a State Council Special Allowance Expert in 2005 and was recognised as a Senior Mining Engineer (professor level) in 2002.

Chunlai Wang (王春來), aged 55, is an executive Director and the vice president of our Company primarily in charge of Luanshya. He was appointed to our Board on 12 April 2012. Mr. Wang has 35 years of experience in the mining industry. He currently is the general manager of Luanshya. He served as the deputy general manager of NFCA from 2005 to 2009 and became its executive director in 2007, and was transferred from the managing director of NFCA to the managing director of Luanshya on 24 March 2016. From 1981 to 2005, Mr. Wang worked in the Dongguashan Copper Mine of Tongling Nonferrous Metals Group Co., Ltd. (銅陵有色金屬集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, SZ000630) during which period he served as a mining engineer, assistant to the mine manager, deputy mine manager and mine manager. Mr. Wang graduated from Anhui Metallurgy College (安徽冶金專科學校) in 1981 with a major in mining and obtained a Master of Business Administration degree from the School of Business of Nanjing University (南京大學工商管理學院) in 2005. Mr. Wang was recognised as a State Council Special Allowance Expert in 2002 and was recognised as a Senior Mining Engineer (professor level) in 2007.

Wei Fan (范巍), aged 41, is an executive Director and the vice president of our Company primarily in charge of CCS. He was appointed to our Board on 28 July 2015. From June 2006 to February 2012, Mr. Fan successively served as an assistant to general manager and as deputy general manager in Chambishi Copper Smelter Limited ("CCS", a subsidiary of the Company). From April 2011 to December 2014, Mr. Fan served as deputy officer of production department in 雲南銅業集團有限公司 (Yunnan Copper Industry (Group) Co., Ltd*), ("Yunnan Copper Group", a substantial shareholder of CCS and the holding company of Yunnan Copper). From October 2001 to June 2006 and from April 2013 to July 2015, Mr. Fan also successively served as senior engineer, officer and manager of Sale & Operation Management Department of 雲南銅業股份有限公司 (Yunnan Copper Industry Co., Ltd*) ("Yunnan Copper", a company listed on the Shenzhen Stock Exchange, SZ00878). Mr. Fan has more than 15 years of experience in the metal industry. He has extensive and practical experience in the operation of listed group companies. Mr. Fan obtained a master's degree in business administration from Kunming University of Science and Technology in 2007.

Kaishou Xie (謝開壽), aged 60, is an executive Director and the vice president of the Company. He was appointed to the Board on 12 April 2012 and is currently a director and the general manager of China Nonferrous Mining Hong Kong Holdings Limited. Mr. Xie served as the general manager of SML and Chambishi Sulfuric Acid Plant Zambia Limited* (贊比亞謙比希硫磺制酸公司) since 2006 and 2008 respectively. He served as an executive director and the general manager of SML and Chambishi Sulfuric Acid Plant Zambia Limited* from 2008 to 2012. On 24 March 2016, Mr. Xie resigned as a director and the general manager of SML to serve as a director and the general manager of CNMC DRC Company. Mr. Kaishou Xie is also the chairman of the board of directors of Huachin Leach and CNMC Huachin Mabende in the DRC. He served as director and general manager of Kunming Jinsharen Cemical Co., Ltd. (昆明金沙人化工有限公司) from 2003 to 2006, the workshop director, assistant to the factory director, vice factory director and chief engineer of Dongchuan Aluminum Factory (東川鋁廠) from 1991 to 1998, and the deputy general manager of Dongchuan Aluminum Co., Ltd. (東川鋁業有限公司) from 1998 to 2003. He worked in the Tangdan Mine of Dongchuan Copper Mines Administration (東川礦務局) from 1972 to 1991. Mr. Xie graduated from the Southwest University of Science and Technology (西南科技大學) with a degree in law.

Chuanyao Sun (孫傳堯), aged 71, is an independent non-executive Director of the Company, the chairman for the Nomination Committee and a member of the Compliance and Remuneration Committee and was appointed to join the Board on 27 April 2012. He has 47 years of experience in the mining industry. Mr. Sun currently serves as an independent non-executive director of Jiamusi Electric Machine Company Limited (哈爾濱電氣集團佳木斯電機股份有限公司) (a company listed on the Shenzhen Stock Exchange, SZ000922) and China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) (a company listed on the Hong Kong Stock Exchange, HK02068). Mr. Sun joined the Beijing General Research Institute of Mining and Metallurgy (北京礦冶研究總院) ("BGRIMM") in 1981 and served as its dean from February 1988 to February 2007. He worked at the Xinjiang Keketuohai Ore Processing Plant (新疆可可托海礦業加工廠) from December 1968 and became its deputy factory director in October 1976. Mr. Sun graduated from Northeastern Institute of Technology (東北工學院) (currently known as Northeastern University (東北大學)) in 1968 and was awarded a master degree in BGRIMM (北京礦冶研究總院) with a major in ore processing in 1981. Mr. Sun is an associate of Chinese Academy of Engineering (中國工程院) and St Petersburg Academy of Engineering and Science in Russia (俄羅斯聖彼德堡工程科學院), a council member of International Council on Mineral Processing (國際礦物加工大會理事會), deputy director of Committee of Experts of China Nonferrous Metal Industry Association (中國有色金屬工業協會專家委員會), the director of the Ore Processing Academic Committee of the Nonferrous Metals Society of China (中國有色金屬學會選礦學術委員會) and the director of Key Laboratory of Mineral Processing of the State (國家礦物加工重點實驗室).

Jingwei Liu (劉景偉), aged 48, is an independent non-executive Director of our Company, the chairman of the Audit Committee and a member of the Nomination Committee, and was appointed to our Board on 27 April 2012. He currently serves as a partner and deputy general manager of Shinewing Certified Public Accountants (信永中和會計師事務所). Mr. Liu previously served as a director and general manager of Beijing Jincheng Gardening Co., Ltd. (北京金城園林公司). He has also served as an independent director of Jinxi Axle Co., Ltd, (晉西車軸股份有限公司) (a company listed on the Shanghai Stock Exchange, SH600495) since 2010 and of Chongqing Fuling Zhacai Group Co., Ltd. (重慶市涪陵榨菜集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, SZ002507) since 2008. Mr. Liu was previously an independent director of Ningxia Orient Tantalum Industry Co., Ltd. (寧夏東方鉭業股份有限公司) (a company listed on the Shenzhen Stock Exchange, SZ000962) from 2005 to April 2011. Mr. Liu graduated from the School of Economics of Beijing Forestry University (北京林業大學經濟管理學院) in 1989 and is a PRC Certified Public Accountant.

Mr. Huanfei Guan (關浣非), aged 58, is an independent non-executive Director of our Company, chairman of the Remuneration Committee, a member of the Audit Committee and the Compliance Committee, and was appointed to our Board on August 28, 2014. Mr. Guan has been a part-time researcher of the Insurance Research Centre of Fudan University since 2004. He has also been appointed as a part-time lecturer of professional degree of Fudan University since 2013. Mr. Guan has extensive experience in the finance and insurance industry in Hong Kong and the People's Republic of China. He served various senior managerial positions in the People's Insurance Company of China (Jilin Branch) (中國人民保險公司吉林省分公司), the business department of Hong Kong and Macao Regional Office of China Insurance Group (中國保險港澳管理處), Ming An Insurance Company (Hong Kong) Limited (香港民安保險有限公司) and China Pacific Insurance Co., (HK) Ltd. (中國太平洋保險(香港)有限公司). Mr. Guan also held offices at the Bank of Communications, including the deputy chairman of the risk asset management committee (風險資產管理委員會副主任委員), deputy chairman of credit asset management committee (信貸資產管理委員會副主任委員), chairman of loan verification committee (貸款審查委員會主任委員), deputy general manager of the Bank of Communications Hong Kong Branch, the director of Bank of Communications Trustee Limited (交通銀行信託有限公司), the chairman and chief executive of China BOCOM Insurance Co., Ltd. (中國交銀保險有限公司) and an executive director and general manager of BoCommLife Insurance Company Limited. Mr. Guan is also an economic and technical consultant of Jilin Provincial Government (吉林省人民政府經濟技術顧問). Mr. Guan is now an executive director of CCT LAND HOLDINGS LIMITED and an independent non-executive director of Sunwah Kingsway Capital Holdings Limited (shares of both companies are listed on the main board of the Stock Exchange). He has been appointed as the chairman emeritus of Culturecom Holdings Limited (a company listed in Hong Kong) and the chairman of the board of directors of UCAN.COM Group Limited, a subsidiary of Culturecom Holdings Limited, since July 2013. Mr. Guan was an independent non-executive director of Silver Base Group Holdings Limited (the shares of which are listed on the main board of the Stock Exchange) for the period from March 2008 to January 2011. He was re-designated as an executive director and president of that company from January 2011 to December 2012. He has been engaged as a senior consultant of that company since January 2013. Mr. Guan obtained a doctor's degree in Economics in 2000 from Wuhan University and was a post-doctoral researcher in Theoretical Economics with Fudan University from 2000 to 2002.

SENIOR MANAGEMENT

Xinghu Tao (陶星虎) is the president of our Company. Please refer to the paragraph headed "Board of Directors" for his biographical background.

Xingeng Luo (駱新耿) is a vice president of our Company. Please refer to the paragraph headed "Board of Directors" for his biographical background.

Chunlai Wang (王春來) is a vice president of our Company primarily in charge of Luanshya. Please refer to the paragraph headed "Board of Directors" for his biographical background.

Wei Fan (范巍) is a vice president of our Company primarily in charge of CCS. Please refer to the paragraph headed"Board of Directors" for his biographical background.

Kaishou Xie (謝開壽) is a vice president of our Company. Please refer to the paragraph headed "Board of Directors" for his biographical background.

Jinjun Zhang (張晉軍), aged 47, is the vice president of the Company. He was appointed and engaged in the senior management of the Company on 24 March 2016 and was in charge of NFCA. He is the current director and general manager of NFCA and the director of SML. Mr. Zhang has 27 years of experience in the mining industry and acted as the mining manager and the vice general manager of NFCA in 2009 and 2015, respectively, and was also appointed as the executive director of NFCA. He joined NFCA to act as the manager of production technology department from 2006 to 2009. From 1988 to 2006, Mr. Zhang worked in the Hujiayu Copper Mine under Zhongtiaoshan Nonferrous Metals Group Co., Ltd. and successively acted as the technology director, pit director and the mining manager assistant. Mr. Zhang graduated from Changsha Non-ferrous College (長沙有色金屬專科學校) in 1988 with a major in mining and obtained a master degree of mining engineering in University of Science & Technology Beijing in 2015. Mr. Zhang was recognised as a Senior Mining Engineer (professor level) in 2015.

Peiwen Zhang (張培文), aged 48, the vice president of the Company who is in charge of SML. He was appointed and joined the senior management of the Company on 24 March 2016 and currently acts as a director and the general manager of SML and a director of CNMC Huachin Mabende. Mr. Zhang has 26 years of experience in the mining industry and acted as the vice general manager of SML from 2005 to 2016. In 2004, he was appointed as the technology director of Kunming Rui Yuan Ju Corporation (昆明瑞源巨公司), the 2,000-tonne hydrometallurgical plant of Yunnan Jinsha Corporation (雲南金沙公司). From 2001 to 2004, he acted as the vice director of the scientific research institute of Yunnan Jinsha Mining Co., Ltd.. From 1995 to 2000, he has successively acted as the vice director, director, the assistant to the head of and deputy head of the metallurgical research institute under the scientific research institute of former Yunnan Dongchuan Copper Mines Administration (雲南東川礦務局) and the director of 500-tonne hydrometallurgical plant. Mr. Zhang graduated from Changsha Non-ferrous College (長沙有色金屬專科學校) in 1989 with a major in non-ferrous metal metallurgy and was recognised as a metallurgical engineer in 1998.

Aibin Hu (胡愛斌), aged 47, is the chief compliance officer and joint company secretary of our Company with over 20 years of experience in the mining industry. Mr. Hu joined Luanshya in November 2009 and served as the board secretary and assistant to the general manager of Luanshya. He served as the deputy manager of the Administrative Department of NFCA from January 2007 to October 2009. Mr. Hu served as the office secretary of Tongling Nonferrous Metals Group Holdings Co., Ltd. (安徽銅陵有色金屬集團控股公司) from June 2001 to October 2003 and was seconded to the reorganisation group of the SASAC from November 2003 to December 2006. Mr. Hu graduated from Anhui Normal University (安徽師範大學) with a bachelor's degree in science in 1994 and received a Master of Business Administration degree from Beijing Jiaotong University (北京交通大學) on 2008. Mr. Hu is a qualified enterprise legal adviser in the PRC and a senior economist and concurrently the enterprise legal adviser.

Xinghua Liu (劉興華), aged 47, is the chief financial officer of our Company *(Note)*. With 24 years of experience in financial management, Mr. Liu joined China 15th Metallurgical Construction Group Company Limited ("15th MCC") (中國十五冶金建設有限公司) (a subsidiary of CNMC) in 1992 and once served as the financial manager of the Fuzhou management team of the 15th MCC. He joined NFC Africa Mining PLC (a subsidiary of our Company) in 2002 and had successively served as the deputy manager of its Financial Department, the manager of its Financial Department, the deputy CFO and assistant CEO. He joined our Company in 2016 and has served as chief financial officer ever since. Mr. Liu graduated from North China University of Technology with a bachelor degree in accounting in 1992, and obtained a master degree of engineering from University of Science and Technology Beijing in 2016. He also obtained the title of senior accountant in 2002.

Note: **Hong Han (韓紅)**, the former chief financial officer of our Company who had resigned on 25 January 2016, and Mr. Xinghua Liu was appointed as the chief financial officer of the Company on the same date. For biography of Hong Han, please refer to the section headed "Directors and Senior Management Biographies "of the 2014 annual report.

JOINT COMPANY SECRETARIES

Aibin Hu (胡愛斌), aged 47, is the joint company secretary and chief compliance officer of our Company. Please refer to the paragraph headed "Senior Management" above for his biographical background.

Tin Wai Lee (李天維), aged 41, was appointed as a joint secretary of the Company on 15 December 2013. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants and has over 11 years of experience in auditing, taxation and company secretarial industries. He is also a partner of a local accounting firm.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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. Except for deviation from code provision A.2.1 of the CG Code, which is explained in paragraph headed "Chairman and Chief Executive" below, none of the directors of the Company is aware of any information which would reasonably indicate that the Company has not, for any part of the year ended 31 December 2015, complied with the code provisions as set out in the CG Code.

The Company has applied the principles of the CG Code to its corporate governance structure.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in the Model Code as contained in Appendix 10 of the Listing Rules.

The Company had made specific enquiry to all the Directors and confirmed that all of them have complied with the Model Code for the year ended 31 December 2015.

BOARD OF DIRECTORS

On 20 April 2015, Mr. Tao Luo has resigned as the chairman of the Board, a non-executive Director, member of the Audit Committee, member of the Nomination Committee, member of the Remuneration Committee and the chairman of the Compliance Committee since he has reached his retirement age. On the same day, Mr. Xinghu Tao has been appointed as the chairman of the Board and the chairman of the Compliance Committee; Mr. Diyong Yan has been appointed as a vice-chairman, member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

On 28 July 2015, Mr. Xinguo Yang has resigned as an executive Director due to other career pursuit which requires more of his attention. On the same day, Mr. Wei Fan has been appointed as an executive Director.

As at 31 December 2015, the Board of the Company comprised five executive Directors, namely Mr. Xinghu Tao, Mr. Xingeng Luo, Mr. Chunlai Wang, Mr. Wei Fan and Mr. Kaishou Xie; one non-executive Director, namely Mr. Diyong Yan; and three independent non-executive Directors, namely Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Huanfei Guan. Mr. Xinghu Tao is the chairman of the Board.

For the year ended 31 December 2015, all the members of the Board and Board Committees actively attended relevant meetings. The attendances at the meetings of the Board and its committees and the annual general meeting held in person or through other electronic means of communication are as follows:

	Number of meetings held for the year ended 31 December 2015					
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Compliance Committee	AGM
Mr. Xinghu Tao	4/4	N/A	N/A	N/A	1/1	1/1
Mr. Diyong Yan (appointed on 20 April 2015)	2/2	1/1	0/0	2/2	N/A	1/1
Mr. Xingeng Luo	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Chunlai Wang	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Wei Fan (appointed on 28 July 2015)	2/2	N/A	N/A	N/A	N/A	0/0
Mr. Kaishou Xie	4/4	N/A	N/A	N/A	N/A	1/1
Mr. Xinguo Yang (resigned on 28 July 2015)	2/2	N/A	N/A	N/A	N/A	1/1
Mr. Tao Luo (resigned on 20 April 2015)	0/2	0/1	0/2	0/1	0/1	0/0
Mr. Chuanyao Sun	4/4	N/A	2/2	3/3	2/2	1/1
Mr. Jingwei Liu	4/4	2/2	2/2	N/A	N/A	1/1
Mr. Huanfei Guan	4/4	2/2	N/A	3/3	2/2	1/1

The Board shall meet at least four times a year at approximately quarterly intervals. The Audit Committee shall meet not less than twice a year to review and discuss the interim and annual consolidated financial statements. The Compliance Committee shall meet at least two times a year to review the Company's internal control policies and corporate management. Both of the Nomination Committee and the Remuneration Committee shall meet at least once a year. In addition, the chairman of the Board shall meet with non-executive Directors (including independent non-executive Directors) without the attendance of executive Directors at least once a year. The Company was in compliance with all the requirements in respect of meetings of Board committee throughout the year of 2015.

The Board is responsible for leading, supervising and managing the Company. Its main duties include but are not limited to: (i) formulating and reviewing the corporate governance policies and practice of the Company; (ii) reviewing and inspecting trainings and continuing development of Directors and senior management; (iii) reviewing and monitoring relevant policies and rules of the Company in relation to compliance with laws and regulations; (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and directors; and (v) reviewing the Company's compliance with Corporate Governance Code and the disclosure of relevant information in the Corporate Governance Report. The Board supervises the business, strategy and decision making as well as performance of the Group, in a bid to achieve sound growth momentum to improve shareholder value. Each Director executes his duties in good faith and make objective decisions in compliance with requirements of applicable laws and regulations. The Board delegates day-to-day operations of the Company to the management of the Group and also instructs the management to implement the Board's decisions and resolutions. The delegated functions are periodically reviewed. Approval has to be obtained from the Board prior to any significant transaction is entered into. Non-executive Directors and independent non-executive Directors actively participated in the meetings of the Board and its committees to exercise their independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct of the Company. All of the non-executive Directors and independent non-executive Directors made positive contributions to the strategy and policies of the Company's development through independent, constructive and informed comments. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Nomination Committee, the Remuneration Committee and the Compliance Committee.

The Board also has a balance of skills and experience appropriate for the requirements of the Company's business and it ensures that changes to its composition can be managed without undue disruption. There is a sufficient number of non-executive Directors for their views to carry weight. As not less than one-third of the Board shall be made up of independent non-executive Directors, there is also a strong independent element on the Board, which facilitates the exercise of independent judgment by the Board. One of the independent non-executive Directors, Mr. Jingwei Liu, holds the appropriate professional qualifications as required under Rule 3.10(2) of the Listing Rules.

Directors are provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his appointment, so as to ensure that he understands the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

The directors are continually provided with information relating to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Continuing briefings and professional development for the directors were arranged by the Company and its professional advisers.

During the year ended 31 December 2015, all the Directors (that is, Mr. Xinghu Tao, Mr. Diyong Yan, Mr. Xingeng Luo, Mr. Chunlai Wang, Mr. Wei Fan, Mr. Kaishou Xie, Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Huanfei Guan) have taken continuous professional development trainings in order to refresh their knowledge and skills and have provided their records to the Company.

The types of trainings in which all directors participated in during the year are as follows:

	Type of Trainings
Executive Directors	
Xinghu Tao	A, B
Xingeng Luo	A, B
Chunlai Wang	A, B
Wei Fan (appointed on 28 July 2015)	A, B
Kaishou Xie	A, B
Xinguo Yang (resigned on 28 July 2015)	A, B
Non-Executive Directors	
Diyong Yan (appointed on 20 April 2015)	A
Tao Luo (resigned on 20 April 2015)	A
Independent Non-Executive Directors	
Chuanyao Sun	A
Jingwei Liu	A
Huanfei Guan	A

A: attending seminars, conferences and/or expert briefings relevant to the business or directors’ duties

B: paying visits to the Group’s local management and facilities

Pursuant to Rule 3.13 of the Listing Rules, the Company has received written annual confirmation from each independent non-executive Director of his independence and considers that all independent non-executive Directors are independent in accordance with the guidelines set out in the Listing Rules.

The Company has arranged appropriate insurance cover in respect of legal action against all the Directors.

CHAIRMAN AND CHIEF EXECUTIVE

Mr. Xinghu Tao serves as the Chairman and President of the Company with effect from 20 April 2015. This is at variance with code provision A.2.1 of the Corporate Governance Code, which provides that the roles of Chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive should be clearly established and set out in writing.

In view of the ever-changing business environment in which our Group operates, the Chairman and President must be proficient in the mining industry and be sensitive to market changes in order to promote the businesses of the Group. The Board thus considers that a segregation of the role of the Chairman and President may create unnecessary costs for the daily operation of the Group.

Besides, all major decisions have been made in consultation with members of the Board and appropriate committees, as well as the senior management team. Chief officers and senior executives are invited to attend Board meetings from time to time to make presentations and answer Board's enquiries. In addition, directors are encouraged to participate actively in all Board and committee meetings of which they are members, and the Chairman ensures that all issues raised are properly briefed at the Board meetings, and together with the senior management, provide adequate, accurate, clear, complete and reliable information to members of the Board in a timely manner. Further, the Chairman ensures that adequate time is available for discussion for all items at the Board meetings.

The Board is therefore of the view that there are adequate balance of power and safeguards in place. Nevertheless, the Board will continue to regularly monitor and review the Company's current structure and to make necessary changes at an appropriate time.

APPOINTMENT AND RETIREMENT OF DIRECTORS

In accordance with the article 102 of the Articles of Association, at each annual general meeting, one-third of the directors or, if their number is not three (3) or a multiple of three (3), the number which is nearest to and is at least one-third, shall retire from office by rotation at least once every three (3) years. A retiring director shall be eligible for re-election. In compliance with this provision, Mr. Xinghu Tao, Mr. Xingeng Luo and Mr. Kaishou Xie, being one-third of the directors, shall retire at the forthcoming annual general meeting. They are eligible for re-election and will offer themselves for re-election.

Pursuant to the article 107 of the Articles of Association, a director appointed to fill a vacancy or as an additional director, by the Board, shall retire at the next following general meeting and shall then be eligible for re-election. In compliance with this provision, Mr. Wei Fan, being appointed by the Board on 28 July 2015, shall retire at the forthcoming annual general meeting and, being eligible, will offer himself for re-election.

The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the appointment and succession planning of directors and assessing the independence of independent non-executive directors.

Each of the executive Directors had signed a service agreement with the Company for an initial term of three years (subject to termination in certain circumstances as stipulated in the relevant service agreement). Each of the non-executive Directors (including three independent non-executive Directors) had signed a letter of appointment with the Company for an initial term of three years (subject to termination in certain circumstances as stipulated in the relevant letters of appointment).

Save as disclosed herein, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without the payment of compensation other than statutory compensation).

PRACTICES OF BOARD MEETINGS

Notices of regular Board meetings are given to all the Directors at least 14 days before the meetings. Schedules and agenda of each meeting are made available to the Directors in advance. All the Directors are given an opportunity to include matters in the agenda for regular Board meetings. For other Board and committee meetings, notices are given within reasonable time in advance. Minutes of all Board meetings and committee meetings are kept by the joint company secretaries and open for the Directors' inspection. Draft and final version of minutes are circulated to the Directors for their comments and records within a reasonable time after the Board meeting is held. Minutes of the meetings of the Board and Committees recorded sufficient details of the matters considered and decisions reached at relevant meetings, including any concerns raised by Directors or dissenting views expressed.

The Directors, upon reasonable request, will be provided with independent professional advice, at the Company's expenses, to assist them perform their duties. They may also have access to the senior management whenever necessary. Senior management would attend all regular Board meetings as and whenever necessary to report and advise the Board on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company. All Directors are entitled to have access to Board papers and related materials. The Company shall provide prompt and full responses to queries raised by the Directors as soon as it possibly can.

Pursuant to the provision of the Company's Articles of Association, a Director shall not vote nor be counted in the quorum at the Board meeting on any resolution approving any contract or arrangement or concerning a matter in which he or any of his associate(s) has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) unless his interest arises because of specified matters set out in the Articles.

BOARD COMMITTEES

The Board has established the Audit Committee, the Nomination Committee, the Remuneration Committee and the Compliance Committee to oversee particular aspects of the affairs of the Company. Each of these committees is set up with specific written terms of reference and the same has been published on the website of Hong Kong Stock Exchange. Each committee is delegated with authorities and duties within its terms of reference. The agenda of Board committees and relevant documents will be sent to all Directors at least three days before the intended date of relevant meetings. Each committee shall report to the Board according to its terms of reference.

AUDIT COMMITTEE

The Audit Committee consists of three members. On 20 April 2015, Mr. Tao Luo has resigned as a member of Audit Committee. On the same day, Mr. Diyong Yan has been appointed as a member of Audit Committee. As at 31 December 2015, the Audit Committee members are Mr. Jingwei Liu, Mr. Diyong Yan and Mr. Huanfei Guan. The chairman of the Audit Committee is Mr. Jingwei Liu, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include but are not limited to being in charge of matters related to external auditors, assisting the Board by providing an independent view of the effectiveness of the financial process, internal control and risk management system of the Group, overseeing the audit process, reviewing the financial information of the Company and performing other duties and responsibilities assigned by the Board.

The Audit Committee is also responsible for overseeing and monitoring the risk management and internal control systems of the Company on an ongoing basis and review with our external auditors and management periodically, not less than annually, the scope, adequacy and effectiveness of the Company's corporate accounting and financial controls, risk management and internal control systems, and any related significant findings regarding risks or exposures and consider recommendations for improvement of such controls. The review should cover all material controls, including financial, operational and compliance controls. In conducting annual review, the Audit Committee should, in particular, consider the factors including (a) the changes, since the last annual review, in the nature and extent of significant risks, and the issuer's ability to respond to changes in its business and the external environment; (b) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers; (c) the extent and frequency of communication of monitoring results to the board which enables it to assess control of the issuer and the effectiveness of risk management; (d) significant control failings or weaknesses that have been identified during the period. Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the issuer's financial performance or condition; (e) and the effectiveness of the issuer's processes for financial reporting and Listing Rule compliance.

The Audit Committee is also responsible for reviewing the Company's internal audit function, ensuring co-ordination within the Group and between the Company's internal and external auditors, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company and to review and monitor its effectiveness.

The Company's and the Group's financial statements for the year ended 31 December 2015 have been reviewed by the Audit Committee, who was of the opinion that these statements complied with the applicable accounting standards, the Listing Rules and the legal requirements, and that adequate disclosures had been made.

The Audit Committee had also reviewed the unaudited financial statements of the Group for the six months ended 30 June 2015.

For the year under review, the Audit Committee held two meetings and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. Jingwei Liu	2/2
Mr. Diyong Yan (appointed on 20 April 2015)	1/1
Mr. Huanfei Guan	2/2
Mr. Tao Luo (resigned on 20 April 2015)	0/1

NOMINATION COMMITTEE

The Nomination Committee consists of three members. On 20 April 2015, Mr. Tao Luo has resigned as a member of Nomination Committee. On the same day, Mr. Diyong Yan has been appointed as a member of Nomination Committee. As at 31 December 2015, the Nomination Committee members are Mr. Chuanyao Sun, Mr. Diyong Yan and Mr. Jingwei Liu. The chairman of the Nomination Committee is Mr. Chuangyao Sun. The Company has adopted the board diversity policy on 30 August 2013. The primary functions of the Nomination Committee include, but not limited to, reviewing the structure, size, diversity (including but not limited to gender, age, culture and educational background), and composition of the Board of Directors, assessing the independence of independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors. Therefore, on 20 April 2015 and 28 July 2015, the Board, after taking into account the diversity policy, appointed Mr. Diyong Yan as a non-executive Director and Mr. Wei Fan as an executive Director. As Mr. Yan has extensive and practical experience in corporate governance and operation of listed company, his knowledge and experience will broaden the horizon of the Board and benefit the development of the Company. Mr. Wei has extensive and practical experience in the operation of listed group companies, his knowledge and experience will broaden the horizon of the Board and benefit the development of the Company. The Nomination Committee is authorised by the Directors to obtain advices from external counsels or other independent professional consultants if necessary. It may invite external individuals with relevant experience and professional knowledge to attend the meeting when it is needed. The Nomination Committee will be provided adequate resources to perform its duties.

The Nomination Committee of the Company has fulfilled the primary duties mentioned above. The Nomination Committee reviewed the appointment of each Director prior to that Director seeking re-election at the forthcoming annual general meeting and was pleased to recommend the re-election of all the four eligible Directors to the Board.

For the year under review, the Nomination Committee held two meetings and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. Chuanyao Sun	2/2
Mr. Diyong Yan (appointed on 20 April 2015)	0/0
Mr. Jingwei Liu	2/2
Mr. Tao Luo (resigned on 20 April 2015)	0/2

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members. On 20 April 2015, Mr. Tao Luo has resigned as a member of Remuneration Committee. On the same day, Mr. Diyong Yan has been appointed as a member of Remuneration Committee. As at 31 December 2015, the Remuneration Committee members are, Mr. Huanfei Guan and Mr. Chuanyao Sun, being independent non-executive Directors, and Mr. Diyong Yan, being a non-executive Director. The Remuneration Committee is chaired by Mr. Huanfei Guan, an independent non-executive Director. The primary duties of the Remuneration Committee include, but not limited to, the following: (i) making recommendations to the Board on our policy and structure for all remuneration of the Directors (including executive Directors) and senior management and on the establishment of a formal and transparent procedure for development policy on such remuneration; and (ii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. The Remuneration Committee is authorised by the Directors to obtain advices from external counsels or other independent professional consultants if necessary. It may invite external individuals with relevant experience and professional knowledge to attend the meeting when needed. The Remuneration Committee is provided with adequate resources to perform its duties.

The remuneration payable to each of the directors is determined by the Remuneration Committee with reference to his contribution of time, effort and expertise on the Company's matters.

The Remuneration Committee of the Company has performed the primary duties mentioned above.

For the remuneration of the Directors for the year ended 31 December 2015, please refer to note 12 to the audited consolidated financial statements of this annual report.

Please see below for the remuneration of the senior management of the Company by band for the year ended 31 December 2015:

	Number of senior management
HK$500,001 to HK$1,000,000	2
HK$1,000,001 to HK$1,500,000	3
HK$1,500,001 to HK$2,000,000	2

For the year under review, the Remuneration Committee held three meetings and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. Huanfei Guan	3/3
Mr. Diyong Yan (appointed on 20 April 2015)	2/2
Mr. Chuanyao Sun	3/3
Mr. Tao Luo (resigned on 20 April 2015)	0/1

COMPLIANCE COMMITTEE

The Compliance Committee consists of three members. On 20 April 2015, Mr. Tao Luo has resigned as the chairman of Compliance Committee. On the same day, Mr. Xinghu Tao has been appointed as the chairman of Compliance Committee. As at 31 December 2015, the Compliance Committee members are Mr. Xinghu Tao, Mr. Chuanyao Sun and Mr. Huanfei Guan. The chairman of the Compliance Committee is Mr. Xinghu Tao. The primary functions of the Compliance Committee include, without limitation, overseeing and monitoring the compliance status of our business and operations based on the applicable legal and regulatory requirements as well as our own internal control policies and procedures; reviewing regular and special reports submitted by the compliance principal in each subsidiary and requiring such compliance principals to prepare specific reports dealing with particular internal control or compliance issues for review; holding regular meeting to discuss, investigate and make plans for the legal and compliance matters; formulating and reviewing our policies and practice on corporate government and making recommendations to the Board; and reviewing our compliance with Corporate Governance Code set out in the Listing Rules and disclosure in the Corporate Governance Report section of our consolidated financial statements.

The Compliance Committee of the Company has performed the primary duties mentioned above.

For the year under review, the Compliance Committee held two meetings and the attendance records of individual members are set out below:

Name of Directors	**Number of meetings attended/held**
Mr. Xinghu Tao (appointed on 20 April 2015)	1/1
Mr. Chuanyao Sun	2/2
Mr. Huanfei Guan	2/2
Mr. Tao Luo (resigned on 20 April 2015)	0/1

INDEPENDENT AUDITOR

The Group's independent external auditor is Deloitte Touche Tohmatsu ("Deloitte"). Deloitte is responsible for presenting independent opinions on the consolidated financial statements of the Group in accordance with the results of their auditing work, and reporting to the Shareholders of the Company on the same. Apart from the statutory audit and the annual consolidated financial statements, Deloitte was also engaged to perform a review of the interim consolidated financial statements of the Group for the six months ended 30 June 2015 and to provide service on the review of continuing connected transactions.

The remuneration paid to Deloitte in respect of audit services and other non-auditing services (that is, review of the interim consolidated financial statements of the Group) for the year ended 31 December 2015 amounted to US$443,794 (RMB2,880,000) and US$203,998 (RMB1,120,000 and HKD220,000) respectively.

COMPANY SECRETARIES

Mr. Aibin Hu and Mr. Tin Wai Lee are the joint company secretaries of the Company.

Mr. Lee's primary corporate contact person at the Company is Mr. Aibin Hu. The joint company secretaries have taken no less than 15 hours of relevant professional training during the year. Joint secretaries of the Company shall report to chairman of the Board and/or chief executive.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group, which were prepared in accordance with statutory requirements and applicable accounting standards. The management has provided detailed explanation and information to the Board, which will enable the Board to make informed assessment on the financial and other information put before the Board for approval. Updated information has been provided by the management to members of the Board on a monthly basis, containing fair and understandable assessment on performance, financial condition and prospect of the Company.

The auditor's report for the consolidated financial statements for the year ended 31 December 2015 is set out on pages 80 to 81 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group dedicates to maintain and establish quality corporate governance. Pursuant to code provisions of the Corporate Governance Code set out in Appendix 14 of Listing Rules, the Basic Standards, the Guidelines for Evaluation as well as other requirements under relevant laws and regulations, the Group has conducted self-evaluation on the effectiveness of internal control in respect of design and operation as at the base date. As at 31 December 2015, the internal control for businesses and matters involved in evaluation was established and operated effectively. Thus the internal control objective of the Company was achieved and the internal control of the Company was sound and effective.

The Board recognises its responsibility for maintaining an adequate and sound internal control system and makes appraisal of effectiveness of internal control on regular basis. Through the Audit Committee, the Compliance Committee and an external firm of qualified accountants providing internal control services, the Board conducts reviews on the effectiveness of these systems at least annually, covering all material controls, including financial, operational and compliance controls, and risk management functions. In addition, the review also considers the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

We've noticed that, risk management and internal control shall be in line with the Company's operation scale, business scope, competition and risk level, and shall be adjusted in a timely manner according to the changes in circumstances. During the year; 1) we further finalised the responsibilities for risk management and internal control as well as the persons involved, adjusted the terms of reference of the Audit Committee through incorporating functions such as risk management and internal control pursuant to the requirements under the Listing Rules; set up a position for internal auditor and added one internal auditor to strengthen relevant management, among which, the internal auditor is responsible for the internal auditing and internal control evaluation of the Company and its subsidiary, as well as the overall risk management of the Company, providing analysis, evaluation, advice and information to management and the Audit Committee, and assisting in improvement of the risk management, control and governance process, so as to achieve the goals of the Company; 2) In 2014, we engaged Baker Tilly China to help the Company in preparing internal control management handbook. In 2015, the Company designated persons to cooperate with Baker Tilly China to complete the on-site amendment to the internal control management handbook of the various companies under the Group in 2015. Accordingly, the existing business and procedures of the Company are regulated by rules and policies, thus providing the Company with management tools for both the macro governance structure and specific operational level as well as laying a solid foundation for the improvement of governance level of the Company; 3) we strengthened management training to improve management level. In 2015, the Board has reviewed the risk management and internal control of the Company. The Compliance Committee held 2 meetings to study and arrange statutory and compliance management works. In addition to the compliance training provided by Davis Polk & Wardwell in relation to the key provisions of Listing Rules such as the duty performance obligations of senior management and connected transactions, the company secretary and other compliance management personnel also attended the professional training provided by Beijing Corporate Counsel Association (北京市法律顧問協會) and The Hong Kong Institute of Chartered Secretaries, aiming to continuously improve the awareness for prevention of legal risks and operational capabilities of themselves and the law-related staff of the Company. Through the monthly report regarding legal cases, connected transactions, and internal control, as well as the organisation of necessary research and study as well as examination, the effectiveness regarding risk management and internal control was guaranteed. In 2015, Mr. Aibin Hu, the joint company secretary and chief compliance officer and Ms. Lei Guo, the compliance officer of NFCA, were recognised as "Top 100 Legal Adviser in SOE" and "Advanced Worker of Legal Affairs in SOE", respectively.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Group emphasises the importance of maintaining good communication with the Shareholders and investors, so as to increase the Group's transparency and facilitate the performance of undertaking by the Shareholders. The annual general meeting provides a useful forum for Shareholders to exchange views with the Board. The chairman of the Board will attend and invite the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee to attend the annual general meetings. The members of the Board are pleased to answer Shareholders' questions. To foster two-way communication amongst the Group, its Shareholders and potential investors, the Group has assigned personnel in respect of investor relations to respond to enquiries from Shareholders and the public. In the event that a Shareholder wishes to put forward a proposal to the Board, he may put forth his enquiry in writing to the investor relations personnel who will handle the same accordingly. The Group is also willing to maintain communication with shareholders and investors on a continuous basis through individual and group meetings. In addition, the Group is committed to maximising the use of its website as a channel to provide updated information in a timely manner and strengthen the communication with both the Shareholders and the public.

Pursuant to code provision E.1.3 of CG Code, the issuer should arrange for the notice to shareholders to be sent for annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days for all other general meetings.

Pursuant to Articles of Association, any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice of not less than 21 clear days. All other extraordinary general meetings may be called by notice of not less than 14 clear days but if permitted by the Articles of Association, a general meeting may be called by shorter notice.

In addition, in accordance with the provisions of the Articles of Association, an extraordinary general meeting may be convened on requisition as provided by the Companies Ordinance. According to the Companies Ordinance, the directors are required to call a general meeting if the company has received requests to do so from shareholders of the company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings. Such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting. The directors also have a duty to circulate a resolution proposed as a written resolution by a shareholder (together with any statement of not more than 1,000 words on the subject of the resolution proposed by the shareholder) if the company has received such requests from the shareholders of the company representing not less than 5% of the total voting rights of all the shareholders entitled to vote on the resolution.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

All resolutions put forward at a general meeting will be taken by poll pursuant to the Listing Rules except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. In addition, the poll results will be posted on the websites of the Company and the Hong Kong Stock Exchange after the relevant shareholders' meeting.

INVESTOR RELATIONS

The Group strongly believes that investor relations are an integral part of maintaining good corporate governance of a listed company. During the reporting period, the Group has been actively maintaining contact with investors and keeping them abreast of the latest industry updates, corporate communications and business development in a timely manner, so as to establish a platform for fair, open and transparent information disclosure. One of the joint company secretaries, Mr. Aibin Hu, together with the manager of general affairs department, Mr. Shuai Hao are responsible for the investor relations of the Group with the full support from the Board and the senior management. Mr. Hu can be contacted by email at huab@cnmc.com.cn, by telephone at +86 10 8442 6886 and by fax at +86 10 8442 6376. Mr. Hao can be contacted by email at haos@cnmc.com.cn and by telephone at +86 10 8442 6232. During the reporting period, the Group actively participated in various investor relations activities and provided on-time information to investors through its company website.

CONTINUOUS IMPROVEMENT OF INVESTOR RELATIONS

The Group published interim and annual results and disclosed discloseable inside information promptly in strict compliance with guidelines of Securities and Futures Commission and Hong Kong Stock Exchange, to provide financial performance, operating strategies and future prospects of the Company to the public in an accurate and effective manner.

The Group maintained a close relationship with certain institutions including professional media and investment banks, in a view to learn about the market recognition and expectation to the Group through various channels such as media and analysts. In the meantime, the Group provided updates to the public in a bid to increase the Group's publicity.

The Company's website is considered to be one of the quickest means to communicate with investors. Through on-going information dissemination, the Group's website www.cnmcl.net serves as a platform to communicate with the public. The Group regularly updates the website contents, disseminates the latest updates, so as to enable the public to obtain such information in a timely manner. In addition, the Group also swiftly responds to different enquiries made by the Shareholders, investors, analysts and media by means of email, facsimile and telephone. The Group also published announcements, press releases and other latest updates on the development of the Group, so as to strengthen the effectiveness of information dissemination.

Chambishi Leaching Office area in Lubumbashi in DRC

CORPORATE SOCIAL RESPONSIBILITY

The Group always adheres to the principle of "delivering returns to shareholders, employees and the society through corporate development". In 2015, subsidiaries of the Group strived to achieve development and obtain economic benefits in compliance with relevant laws and regulations in their own countries concerning safety and environmental protection. Meanwhile, it spared no efforts in fulfilling its corporate social responsibility in respect of production safety, environment protection, spearheading local economic development, employment provision and local public welfare undertakings.

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

Voluntary Chinese teaching in Luanshya trust school

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

The Group always adheres to the safe production principle of "safety first, prevention foremost", and firmly embeds the safe production concept of "respect for life, prevention first". The standards for safe production management has been improved year by year 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 on 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 in 2015. Throughout 2015, the Group maintained stable performance in safe production.

The Group has attached great importance to the harmonious relationship between enterprise development and the natural environment, community and residents. The Group endeavours to promote the establishment of an environmental management system, pays attention to using environmental-friendly equipment and advanced technology for production, fully implements energy conservation and emission reduction in the process of production by optimising resource management, and guarantees timely funding for mine rehabilitation, striveing to achieve a win-win situation of environmental protection and resource development.

The Group has the utmost respect of a "people-oriented" corporate governance concept and promotes an equal and normative labor policy. We fully respect the cultural background of local staff, protect their legitimate rights and interests and endeavour to improve the working and living conditions of our staff. Meanwhile, we provide quality environment for their growth by carrying out comprehensive and multi-level trainings for our employees, so as to achieve a joint development of employees and enterprise.

In 2015, the Group actively participated in local social welfare undertakings in Zambia through monetary funding, physical assets, constructions and other means. It supported urban and community construction, donated books, food and medical supplies, made donation to the construction of schools, sponsored local cultural and physical educational undertakings.

In view of his personal and the Company's significant contributions to economic cooperation and friendship between Zambia and China, Mr. Xinghu Tao, the Chairman of the Board of the Company and the president, concurrently the chairman of the Association of Chinese Corporations in Zambia, was conferred the ambassador of friendship award and outstanding contribution by Mr. Yang Youming, the Chinese ambassador to Zambia on 18 November 2015.

REPORT OF THE DIRECTORS

The Directors present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and sulfuric acid. There has been no significant change in the Group's principal activities for the year ended 31 December 2015.

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.

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 as at 31 December 2015 was as follow:

	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	30,770	–
Total	247,770	210,770	37,000

RESULTS

The Group's operating results for the year ended 31 December 2015 and the financial position of the Group as at 31 December 2015 are set out on pages 82 to 165 in the audited consolidated financial statements contained in this annual report.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2015.

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group and the Prospectus, is set out on page 166 in this annual report.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group and analysis of the Group's performance using financial key performance indicators is provided in the Business Overview and Management's Discussion and Analysis section on pages 8 to 9 and pages 10 to 41 of this annual report.

Environmental Policies and Performance

Particulars in relation to the Company's environmental policies and performance are set out on pages 48 to 63 in the sections of "Corporate Governance Report" and "Corporate Social Responsibility Report" in this annual report.

Compliance with relevant Laws and Regulations

Particulars in relation to compliance with relevant laws and regulations that have a significant impact on the Company are set out on pages 48 to 63 in the sections of "Corporate Governance Report" and "Corporate Social Responsibility Report" in this annual report.

Relevant laws and regulation mainly include:

(1) Mines and Minerals Development Act No. 11 of 2005;

(2) Environmental Management Act No. 12 of 2011;

(3) Employment Act Chapter 268 of the Laws of Zambia;

(4) Explosives Act Chapter 115 of the Laws of Zambia and Explosives Regulations;

(5) Factories Act Chapter 441 of the Laws of Zambia;

(6) Occupational Health and Safety Act No. 36 of Zambia; and

(7) Workers Compensation Act No. 10 of 1999.

The Company has established and improved the manual for internal control in relation to overall business chains and management processes with subsequent monthly and annual supervision and review to ensure compliance with the relevant laws and regulations. For the year ended 31 December 2015, the Group had complied with relevant laws and regulations which had significant impact on the businesses and operations of the Group in all material aspects. As of 31 December 2015, the Group the Group has not been subject to any penalty due to violation of the aforesaid laws, regulations and other public policies.

Except for deviation from code provision A.2.1 of the CG Code, which is explained in paragraph headed "Chairman and Chief Executive" in this annual report, the Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers.

Key Relationships with Stakeholders

The support and trust of our stakeholders is integral to the Company's growth and success. Our stakeholders include shareholders and creditors, employees and employee organisations, governments and regulatory authorities, the public and communities, charities and non-government organisations (NGOs) and clients. We place emphasis on communications with our stakeholders and have established an open and transparent communication channel for each category of stakeholders to understand their expectations and requests.

We continued to strengthen the quality and effectiveness of information disclosure, comply with applicable laws and regulations and actively participate in public welfare activities, with the purpose of achieving mutual development and value sharing with our stakeholders. We have also formulated key indicators based on the focuses and concerns of different stakeholders to reflect our management performance on the above subject matters. Some of our key indicators include return on equity and payout ratio for shareholders and creditors; employee training frequency and turnover rate for employees and employee organisations; violations of laws and regulations and safety and environment performance concerned by the government; public opinion and corporate image concerned by the public; community evaluations for communities; response rate on enquiries for charities and NGOs; satisfactory reports for clients and etc. Going forward, we will endeavor to improve our current policies, strive to maximise our stakeholders' value and achieve a mutually beneficial outcome.

Key Risks and Uncertainties

A description of principal risks and uncertainties that the Group may be facing is provided on pages 10 to 41 in the Management Discussion and Analysis of this annual report.

Prospects

Please refer to the Chairman's Statement on page 4 to 7 and the Management Discussion and Analysis on page 10 on 41.

Subsequent Event

There are not important event affecting the Company that have occurred since 31 December 2015.

BANK AND OTHER BORROWINGS

Details of bank borrowings of the Group during the year ended 31 December 2015 are set out in note 25 to the consolidated financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Company during the year ended 31 December 2015 amounted to US$310,000.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2015 are set out in note 15 to the consolidated financial statements.

As at 31 December 2015, the Group did not own any properties for investment purposes or held for development and/or sale where one or more percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) exceed 5%.

RESERVES

Details of change in the reserves of the Group during the year ended 31 December 2015 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2015, the Company had distributable reserves amounting to US$225,807,000.

SHARE CAPITAL

There was no change in the capital of the Company during the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the year ended 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2015, sales to the Group's five largest customers accounted for 97.5% of the Group's total sales, and sales to its largest customer, being the Retained Group, accounted for 65.0% of the Group's total sales. The second largest customer, namely Yunnan Copper Group, is a Substantial Shareholder of CCS.

During the year ended 31 December 2015, purchases from the Group's five largest suppliers in aggregate accounted for approximately 79.6% of the total purchases and purchases from the largest supplier accounted for approximately 46.3% of total purchases. The third largest supplier, Fifteen MCC Africa, is fellow subsidiary of CNMC, the ultimate Controlling Shareholder of the Company.

Save as disclosed above, none of the Directors, their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers during the year.

CONTRACT OF SIGNIFICANCE

Save as disclosed in "Connected Transactions", no contract of significance was entered into between the Company, or one of its subsidiary companies, and a controlling shareholder or any of its subsidiaries during the year ended 31 December 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2015.

DIRECTORS

The Directors during the year and up to the date of this report were as follows:

Executive Directors
Mr. Xinghu Tao
Mr. Xingeng Luo
Mr. Chunlai Wang
Mr. Wei Fan (appointed on 28 July 2015)
Mr. Kaishou Xie
Mr. Xinguo Yang (resigned on 28 July 2015)

Non-Executive Director
Mr. Diyong Yan (appointed on 20 April 2015)
Mr. Tao Luo (resigned on 20 April 2015)

Independent Non-Executive Directors
Mr. Chuanyao Sun
Mr. Jingwei Liu
Mr. Huanfei Guan

In accordance with article 102 of the Articles of Association, at each annual general meeting, one-third of the directors or, if their number is not three (3) or a multiple of three (3), the number which is nearest to and is at least one-third, shall retire from office by rotation at least once every three (3) years. A retiring director shall be eligible for re-election. A director appointed to fill a vacancy or as an additional director shall retire at the next following general meeting and shall then be eligible for re-election. A vacancy of the Board created by the removal of a Director may be filled by the election or appointment by the shareholders at the meeting at which such Director is removed to hold office until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment, shareholders may authorise the Board at such general meeting to fill any vacancy in the number left unfilled. In compliance with the provisions of the Articles, Mr. Xinghu Tao, Mr. Xingeng Luo and Mr. Kaishou Xie shall retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Pursuant to article 107 of the Articles of Association, a director appointed to fill a vacancy or as an additional director shall retire at the next following general meeting and shall then be eligible for re-election. In compliance with the provisions of the Articles and paragraph 4(2) of Appendix 3 to the Listing Rules, Mr. Wei Fan, who was appointed on 28 July 2015, shall retire at the forthcoming annual general meeting and, being eligible, will offer himself for re-election.

Please refer to "Corporate Governance Report – Board of Directors" for reasons of resignation of the Directors.

The Company has received annual confirmation of independence from the three independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules and considers them to be independent.

The names of all Directors who have served on the boards of the subsidiaries of China Nonferrous Mining Corporation Limited during the year ended 31 December 2015 or during the period from 1 January 2016 to 24 March 2016 are set out below and those marked with an asterisk* are Directors as at 24 March 2016:

Xinghu Tao*	Xingeng Luo*	Chunlai Wang*
Anne Flood*	Jinjun Zhang*	Ran Guo*
Changheng Qi	Jingjing Zhang*	Donghong Zhang*
Liang Zhou*	Mufingwe Ng'ambi*	Larry Phiri*
Jianqiang Wu*	Baosen Zan*	Rongting Li*
Wei Fan*	Xi Yi*	Kaishou Xie*
Weimin Xu*	Xiliang Xu*	Jian Guo*
Yunsheng Li	Jingjun Wang*	Yuanyuan Liu*
Haiyang Li*	Fawu Shi*	Tamara S Ngoma*
Tembwe G Katongo*	Muyangwa Kakenenwa*	Yaolin Li*
Qujian Lin*	Siu Kam Peter Ng*	Siu Hong Ng*
Peiwen Zhang*	Moukachar Abu Chebib*	Zhimin Chen*
Guobin Hu*	Wenyan Xu*	Chengyi Fang*

DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management are set out on page 42 to page 47 in this annual report.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

No Directors and their connected entities had an interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2015.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTOR' S PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director or other office of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year ended 31 December 2015, and such coverage remained in full force as of the date of this report.

DIRECTOR'S 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 year ended 31 December 2015.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of Shares 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' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 31 December 2015, none of the Directors or chief executive 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) as 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 Hong Kong Stock Exchange pursuant to the Model Code as stipulated in the Listing Rules.

EMOLUMENTS OF THE DIRECTORS, SENIOR MANAGEMENT AND THE FIVE HIGHEST PAID INDIVIDUALS

Please refer to note 12 to the consolidated financial statements on pages 122 to 124 for details of the emoluments of the Directors, senior management and the five highest paid individuals of the Company.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2015, so far as it is known to 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 Hong Kong Stock Exchange pursuant to the provisions of Section 336 of 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 31 December 2015, each of the following entities were directly and/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	ZCCM-IH	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Group	40%
SML	Hainan Sino-Africa Mining	30%
Huachin Leach	Huachin SPRL	37.5%
Kakoso Company	Shenzen Resources Limited	12%
CNMC Huachin Mabende	Huachin SPRL	40%
China Nonferrous Mining Hong Kong Holdings Limited	Hong Kong Sino-Africa Mining Investment Ltd	30%

Save as disclosed above, as at 31 December 2015, 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.

RETIREMENT BENEFIT

Details of the retirement benefit of the Group are set out in note 37 to the consolidated financial statements.

SHARE OPTION SCHEME

The Group has not adopted any share option scheme.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2015.

CONNECTED TRANSACTIONS

During the year, the Group carried out the following transactions which constituted continuing connected transactions under Chapter 14A of the Listing Rules and were subject to annual review.

1. CNMC Copper Supply Framework Agreement

On 18 November 2014, the Company had entered into the CNMC Copper Supply Framework Agreement with CNMC pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Retained Group, subject to the approval of the Independent Shareholders. The Independent Shareholders approved the CNMC Copper Supply Frame Work and the proposed annual caps at the extraordinary general meeting ("EGM") held on 29 December 2014. The terms of CNMC Copper Supply Framework Agreement commenced 1 January 2015 to 31 December 2017. Details of the CNMC Copper Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 18 November 2014 and 8 December 2014 respectively.

During the year ended 31 December 2015, the revenue from the sale of copper products to the Retained Group amounted to US$773,126,000, which is below the annual cap amount of US$1,433,610,610.

CNMC held 100% and 74.52% of the Company's issued share capital before and after the Listing, respectively. The Retained Group consists of CNMC and its subsidiaries, excluding the Group. Both CNMC and the Retained Group constitute connected persons of the Company under the Listing Rules.

2. Yunnan Copper Supply Framework Agreement

On 18 November 2014, the Company entered into the Yunnan Copper Supply Framework Agreement with Yunnan Copper Group pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Yunnan Copper Group and its subsidiaries. The terms of Yunnan Copper Supply Framework Agreement commenced 1 January 2015 to 31 December 2017. Details of the Yunnan Copper Supply Framework Agreement were disclosed in the announcement of the Company dated 18 November 2014.

During the year ended 31 December 2015, the revenue from the sale of copper products to Yunnan Copper Group and its subsidiaries amounted to US$201,990,000, which is below the annual cap amount of US$603,200,000.

Yunnan Copper Group is a Substantial Shareholder of CCS holding 40% of the issued share capital of CCS. Yunnan Copper Group and its subsidiaries constitute connected persons of the Company under the Listing Rules.

3. Huachin Ore Supply Framework Agreement

On 18 November 2014, the Company entered into the Huachin Ore Supply Framework Agreement with Mabende Mining pursuant to which the Company agreed to buy, or procure its subsidiaries to buy, copper ores mined by Mabende Mining. The terms of Huachin Ore Supply Framework Agreement commenced 1 January 2015 to 31 December 2017. Details of the Huachin Ore Supply Framework Agreement were disclosed in the announcement of the Company dated 18 November 2014.

During the year ended 31 December 2015, the Group purchased ores amounting to US$13,451,000 from Mabende Mining, which is below the annual cap amount of US$36,134,370.

Huachin Leach and CNMC Huachin Mabende are 37.5% and 40%, respectively, indirectly owned by Mr. Ng Siu Kam, who also owns 70% interest in Mabende Mining. Mabende Mining constitutes a connected person of the Company under the Listing Rules.

4. Mutual Supply Framework Agreement

On 18 November 2014, the Company entered into the Mutual Supply Framework Agreement with CNMC (as supplemented by a supplemental agreement dated 4 December 2014) pursuant to which both parties agreed to provide, or procure their respective subsidiaries to provide certain raw materials, products and services to each other, and CNMC agreed to provide, or procure its subsidiaries to provide transportation and logistics services to the Group, subject to the approval of the Independent Shareholders. The Independent Shareholders approved the Mutual Supply Framework Agreement and the proposed annual caps at the EGM held on 29 December 2014. The terms of Mutual Supply Framework Agreement commenced 1 January 2015 to 31 December 2017. Details of the Mutual Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 18 November 2014 and 8 December 2014 respectively.

During the year ended 31 December 2015, the amount paid by the Group for the provision of raw materials, products and services provided by the Retained Group amounted to US$128,272,000; and the revenue from the provision of raw materials, products and services to the Retained Group amounted to US$1,132,000, both of which are below the annual caps amount to US$367,447,790 and US$5,365,080, respectively.

5. Properties Leasing Framework Agreement

On 18 November 2014, the Company entered into the Properties Leasing Framework Agreement with CNMC pursuant to which CNMC has agreed to lease the Leased Properties to the Group for general business and ancillary purposes. The terms of Properties Leasing Framework Agreement Agreement commenced 1 January 2015 to 31 December 2017. Details of the Properties Leasing Framework Agreement were disclosed in the announcement of the Company dated 18 November 2014.

During the year ended 31 December 2015, the rentals paid to the Retained Group amounted to US$6,010,000, which is below the annual cap amount of US$7,743,910.

6. Guarantees from CNMC

During the year ended 31 December 2015, CNMC continued to provide back to back guarantees for one external borrowing of Luanshya provided by China Construction Bank Johannesburg Branch which involved the Group providing security deposit ("CNMC Guarantees"). The Independent Shareholders approved the CNMC Guanrantees and the proposed annual caps at the EGM held on 29 December 2014. Details of the CNMC Guarantees were disclosed in the announcement and circular of the Company dated 18 November 2014 and 8 December 2014 respectively.

As at 31 December 2015, there was no outstanding amounts of the secured loans taken out by Luanshya with China Construction Bank, Johannesburg Branch. Therefore, such CNMC Guarantees were discharged.

7. CNMC Guarantee Fees Framework Agreement

On 18 November 2014, the Company entered into the CNMC Guarantee Fees Framework Agreement with CNMC pursuant to which subsidiaries of the Company agreed to reimburse CNMC for any guarantee fees that it will pay to third party financial institutions for the unconditional irrevocable letters of guarantee to be issued. The terms of CNMC Guarantee Fees Framework Agreement commenced 1 January 2015 to 31 December 2017. Details of the CNMC Guarantee Fees Framework Agreement were disclosed in the announcement of the Company dated 18 November 2014.

During the year ended 31 December 2015, the aggregate amount of guarantee fees paid by the Group to CNMC amounted to US$2,696,000, which is below the annual cap amount of US$3,888,340.

For related party transactions disclosed in note 36 to the consolidated financial statements which constituted connected transactions under the Listing Rules, the Company has complied with all the relevant disclosure requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors have reviewed the nature and process of the business transactions, discussed about the pricing policies of those transactions, and have confirmed that these continuing connected transactions of the Group have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The Company has designated the Compliance Committee to continuously monitor the continuing connected transactions with the abovementioned connected persons. The Compliance Committee continuously traces and regularly monitors the progress of the continuing connected transactions and report to management of the Company. The Compliance Committee reviews the continuing connected transactions with the finance department to ensure that annual caps are not exceeded. The heads of different departments of the Company will also be informed on a periodic basis in relation to the terms and pricing policies of the continuing connected transactions. The Compliance Committee will communicate with the Company's Audit Committee , management and the Board of Directors, monthly or as needed, to report the progress of the continuing connected transactions, and request for approval of new changes of existing transaction terms. Audit Committee and the Compliance Committee has also assigned the independent internal audit team to ensure that the Company's internal control measures in respect of the continuing connected transactions remain effective and complete. With these measures, the independent non-executive directors could therefore assess and give the confirmations in the preceding paragraph.

The Company's auditor has been engaged to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter containing its findings and conclusions, in respect of the above-mentioned continuing connected transactions disclosed by the Company in this annual report in accordance with Rule 14A.56 of the Listing Rules.

In respect of the continuing connected transactions disclosed (the "Disclosed Continuing Connected Transactions"), the Company's auditor confirmed that:

a. nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have not been approved by the Company's board of directors;

b. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

c. nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

d. with respect to the aggregate amount of each of the continuing connected transactions set out in the letter, nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have exceeded the maximum aggregate annual value disclosed in the announcement of the Company dated 18 November 2014 made by the Company in respect of each of the Disclosed Continuing Connected Transactions.

A copy of the auditor's letter has been provided by the Company to the Hong Kong Stock Exchange.

NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus, the independent non-executive Directors will review, on an annual basis, the compliance by CNMC and its associates with the Non-Competition Undertaking under the Deed of Non-Competition Undertaking, including whether to pursue any business opportunities which may be referred or offered to the Company by the Retained Group. The Company has received an annual confirmation from CNMC in respect of its compliance with the Non-Competition Undertaking. The independent non-executive Directors of the Company have reviewed the status of compliance of the Non-Competition Undertaking for the year ended 31 December 2015 and confirmed that all the undertakings under the Deed of Non-Competition Undertaking have been complied with by CNMC.

COMPLIANCE WITH PROVISIONS OF CORPORATE GOVERNANCE CODE

Save for the Code Provision A.2.1 of the Corporate Governance Code, the Group had complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules throughout the period from the Listing Date to 31 December 2015.

SUFFICIENCY OF PUBLIC FLOATING

Based on the information that is publicly available to the Company and as far as the Directors are aware, the Company has maintained at least 25% of public float as at the date of this annual report.

AUDIT COMMITTEE

The Group's audited consolidated financial statements for the year ended 31 December 2015 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.

AUDITOR

A resolution for the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor of the Company is to be submitted at the forthcoming annual general meeting.

Approved on behalf of the Board of Directors
Xinghu Tao
Chairman

24 March 2016

Deloitte.
德勤

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

We have audited the consolidated financial statements of China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 82 to 165, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 US$'000	2014 US$'000
Revenue	5, 6	**1,189,164**	1,941,973
Cost of sales		**(1,063,555)**	(1,639,386)
Gross profit		**125,609**	302,587
Other income	7	**13,055**	13,863
Distribution and selling expenses		**(16,470)**	(9,091)
Administrative expenses		**(48,159)**	(59,506)
Finance costs	8	**(20,029)**	(18,415)
Other gains and losses	9	**(405,567)**	(59,945)
(Loss) profit before tax		**(351,561)**	169,493
Income tax credit	10	**38,052**	60,150
(Loss) profit and total comprehensive (expenses) income for the year	6, 11	**(313,509)**	229,643
(Loss) profit and total comprehensive (expenses) income attributable to:			
Owners of the Company		**(279,902)**	146,821
Non-controlling interests		**(33,607)**	82,822
		(313,509)	229,643
(Loss) earnings per share	14		
– Basic *(US cents per share)*		**(8.02)**	4.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	Notes	**2015** **US$'000**	2014 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**906,353**	1,208,297
Mining right	16	**11,000**	–
Interest in an associate	17	**2,143**	2,143
Finance lease receivables	18	**1,024**	7,281
Other assets	21	**11,377**	20,359
Restricted bank balances	22	**6,482**	7,980
Deferred tax assets	30	**55,812**	–
		994,191	1,246,060
CURRENT ASSETS			
Inventories	19	**306,380**	313,660
Finance lease receivables	18	**6,661**	10,335
Trade receivables	20	**115,312**	183,483
Prepayments and other receivables	21	**110,974**	210,489
Derivatives, at fair value	26	**–**	780
Restricted bank balances	22	**6,146**	8,773
Bank deposits	22	**69,357**	–
Bank balances and cash	22	**560,246**	502,562
		1,175,076	1,230,082
CURRENT LIABILITIES			
Trade payables	23	**158,136**	164,190
Other payables and accrued expenses	24	**72,081**	78,721
Income tax payable		**17,765**	16,796
Bank and other borrowings			
– due within one year	25	**362,505**	330,000
Derivative, at fair value	26	**182**	–
Bank overdrafts, unsecured		**–**	1,417
		610,669	591,124
NET CURRENT ASSETS		**564,407**	638,958
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,558,598**	1,885,018

	Notes	2015 US$'000	2014 US$'000
CAPITAL AND RESERVES			
Share capital	27	**613,233**	613,233
Retained profits		**19,582**	309,358
Equity attributable to owners of the Company		**632,815**	922,591
Non-controlling interests		**154,656**	200,263
TOTAL EQUITY		**787,471**	1,122,854
NON-CURRENT LIABILITIES			
Bank and other borrowings			
– due after one year	25	**691,967**	674,955
Deferred income	28	**18,547**	24,629
Provision for restoration, rehabilitation and environmental costs	29	**20,544**	20,831
Deferred tax liabilities	30	**40,069**	41,749
		771,127	762,164
		1,558,598	1,885,018

The consolidated financial statements on pages 82 to 165 were approved and authorised for issue by the board of directors on 24 March 2016 and are signed on its behalf by:

Xinghu Tao
DIRECTOR

Xingeng Luo
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity 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$'000*	**Total equity** *US$'000*
Balance at 1 January 2014	447,901	165,332	169,516	782,749	137,441	920,190
Profit and total comprehensive income for the year	–	–	146,821	146,821	82,822	229,643
Transfer from share premium upon abolition of par value	165,332	(165,332)	–	–	–	–
Dividend declared by a subsidiary	–	–	–	–	(20,000)	(20,000)
Dividend paid	–	–	(6,979)	(6,979)	–	(6,979)
Balance at 31 December 2014	613,233	–	309,358	922,591	200,263	1,122,854
Loss and total comprehensive expenses for the year	–	–	(279,902)	(279,902)	(33,607)	(313,509)
Dividend declared by a subsidiary	–	–	–	–	(12,000)	(12,000)
Dividend paid	–	–	(9,874)	(9,874)	–	(9,874)
Balance at 31 December 2015	613,233	–	19,582	632,815	154,656	787,471

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	US$'000	*US$'000*
OPERATING ACTIVITIES		
(Loss) profit before tax	**(351,561)**	169,493
Adjustments for:		
Loss on impairment of mining assets	**343,237**	40,000
Depreciation of property, plant and equipment	**120,245**	114,140
Deferred income recognised	**(8,446)**	(7,674)
Interest income	**(2,969)**	(3,455)
Net income earned under finance leases to a fellow subsidiary	**(729)**	(801)
Gain arising on changes in fair value of derivatives	**(1,414)**	(3,863)
Loss on disposal of property, plant and equipment, net	**104**	42
Foreign exchange loss	**14,226**	–
Finance costs	**20,029**	18,415
Operating cash flows before movements in working capital	**132,722**	326,297
Decrease in inventories	**7,280**	56,515
Decrease/(Increase) in trade and other receivables and prepayments	**157,016**	(87,383)
Decrease in trade and other payables and accrued expenses	**(16,622)**	(47,400)
Cash generated from operations	**280,396**	248,029
Income tax paid	**(18,471)**	(26,244)
NET CASH FROM OPERATING ACTIVITIES	**261,925**	221,785
INVESTING ACTIVITIES		
Proceeds from redemption of available-for-sale investments	**–**	6,397
Purchase of property, plant and equipment	**(142,029)**	(190,848)
Net cash flow out on acquisition of a subsidiary	**(11,000)**	–
Proceeds from disposal of property, plant and equipment	**686**	2,689
Placement of restricted bank balances	**(3,544)**	(43)
Proceeds from release of restricted bank balances	**7,669**	–
Repayment of finance lease receivables from a fellow subsidiary	**9,931**	9,364
Finance income earned under finance leases to a fellow subsidiary received	**729**	801
Placement of bank deposits	**(69,357)**	–
Interest received	**2,969**	3,455
Receipts of government grants	**12,923**	–
NET CASH USED IN INVESTING ACTIVITIES	**(191,023)**	(168,185)

	2015	2014
	US$'000	*US$'000*
FINANCING ACTIVITIES		
New bank and other borrowings raised	**376,517**	203,000
Repayment of bank and other borrowings	**(327,000)**	(77,000)
Dividends paid to shareholders	**(2,516)**	(6,979)
Dividends paid to non-controlling shareholders	**(20,000)**	(64,958)
Interest paid	**(24,576)**	(21,601)
NET CASH FROM FINANCING ACTIVITIES	**2,425**	32,462
NET INCREASE IN CASH AND CASH EQUIVALENTS	**73,327**	86,062
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	**501,145**	415,135
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**(14,226)**	(52)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		
Represented by:		
Bank balances and cash	**560,246**	502,562
Bank overdrafts	**–**	(1,417)
	560,246	501,145

1. GENERAL INFORMATION

The Company is a company incorporated in Hong Kong on 18 July 2011 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 immediate holding company is China Nonferrous Mining Development Limited, a private company incorporated in the British Virgin Islands and the Company's ultimate holding company is China Nonferrous Metal Mining (Group) Co., Ltd ("CNMC"), an enterprise established in the People's Republic of China (the "PRC") and wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council. 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, The Republic of Zambia ("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 activities of the subsidiaries of the Company are set out in the note 31.

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

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

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs that are mandatorily effective for the current year:

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

The application of other new and amendments to HKFRSs has had no material impact on the Group's consolidated financial statements.

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

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

HKFRS 9	Financial Instruments [1]
HKFRS 15	Revenue from Contracts with Customers [1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations [2]
Amendments to HKAS 1	Disclosure Initiative [2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation [2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle [2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants [2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception [2]

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

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

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

HKFRS 9 *Financial Instruments* *(Continued)*

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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

HKFRS 9 *Financial Instruments* *(Continued)*

Except for the potential early recognition of impairment losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, the Directors anticipate that the adoption of HKFRS 9 in the future may not have significant impact on amounts reported based on assessment of the Group's financial assets and financial liabilities as at 31 December 2015. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review is performed.

HKFRS 15 *Revenue from Contracts with Customers*

In 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and of the Hong Kong Companies Ordinance ("CO").

The provision of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and director's report and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and the streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for good and services.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another standard.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the an associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for goods sold in the normal course of business, net of allowances, applicable sales taxes and mineral royalty.

Sale of goods

Revenue from the sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In most instances, sales revenue is recognised when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises.

For certain sales of the Group, the sales price is determined on a provisional basis at the date of sale, as the final selling price is subject to the grades of copper, gold and silver in the Group's copper products and movements in market prices up to the date of final pricing, normally ranging from 30 to 90 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated grades of copper, gold and silver in the Group's copper products and fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously in trade receivables on the consolidated statement of financial position and changes in fair value are recognised in profit or loss. In all cases, fair value is estimated by reference to forward market prices.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probably that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

The functional currency of companies comprising the Group is US$. In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The resulting deferred tax assets and liabilities due to a change in tax rates (and tax laws) is recognised in profit or loss, except to the extent that it relates to items previously recognised outside profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation *(Continued)*

Current and deferred tax for the year

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method or the unit-of-production method.

Mining properties in the course of development or construction are included under construction in progress and are not depreciated. Capitalised mining properties costs are depreciated once commercial production commences, as described in "Property, plant and equipment – mining properties".

Depreciation for other property, plant and equipment (other than construction in progress) is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land and buildings	10 to 30 years
Machinery and equipment	3 to 10 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of any item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment *(Continued)*

Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties, are firstly capitalised as property, plant and equipment under the heading of "Construction in progress" in the year in which they are incurred and then reclassified to the heading of "Mining properties" when they are ready for commercial production.

When a decision is taken that a mining property is viable for commercial production, all pre-production primary development expenditure other than land, buildings, plant and equipment, etc. is capitalised as part of the cost of the mining property until the mining property is capable of commercial production. From that point, capitalised mining properties costs are depreciated on a unit-of-production basis over the total estimated remaining commercial reserves of each property or a group of properties.

Stripping costs incurred in the development of a mine (or pit) before the production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a unit of production basis. Stripping costs and secondary development expenditure, mainly comprising costs on blasting, haulage, excavation, etc. incurred during the production stage of an ore body, to the extent that the benefit from these activities is realised in the form of improved access ore, is recognised as a non-current asset ("Mining properties") when certain criteria are met, whereas the costs of normal on-going operational stripping activities are accounted for in accordance with HKAS 2 Inventories.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period.

Commercial reserves are proved and probable reserves. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Mining rights

The cost of mining rights either as an individual asset purchase or as part of a business combination is capitalised and represents the asset's fair value at the date of acquisition.

Subsequent to initial recognition, mining rights are reported at costs less accumulated amortisation and any accumulated impairment losses. The costs of mining rights are amortised or depreciated on a unit-of-production basis over the total estimated remaining commercial reserves of each mine.

A mining right is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of a mining right, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of property, plant and equipment and mining rights

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and mining rights to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

The impairment loss is allocated to reduce the carrying amount of the assets within a cash-generating unit on a pro-rata basis based on the carrying amount of each asset in the unit. When allocating an impairment loss to individual assets, the carrying amount of an individual asset should not be reduced below the highest of its fair value less cost of disposal (if measureable), its value in use, and zero. If this results in an amount being allocated to an asset which is less than its pro rata share of the impairment loss, the excess is allocated to the remaining assets within the cash-generating unit on a pro-rata basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Costs of inventories are determined on the following bases:

- Purchased copper concentrates and all other materials, including spare parts and consumables, are valued on weighted average basis.

- Finished products are valued at raw material cost plus costs of conversion, comprising labor costs and an attributable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or production facilities. Costs arising from facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to profit or loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in profit or loss.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses. Where the costs of site restoration are not anticipated to be significant, they are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in "other gains and losses" for other line items, as appropriate. Fair value is determined in the manner described in note 33.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables (excluding the embedded commodity derivative component), restricted bank balances, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amounts of financial assets is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as at FVTPL when the financial liability is held for trading.

Financial liabilities at FVTPL

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 33.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments *(Continued)*

Financial liabilities and equity instruments (Continued)

Other financial liabilities

Other financial liabilities (including trade and other payables, bank overdrafts, bank and other borrowings) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. The embedded derivatives are presented in the same line item as the host contract.

Derecognition

The Group derecognises a financial asset (including finance lease receivables) only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset (including finance lease receivables), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Group produces blister copper, copper cathodes, copper concentrates, bismuth and sulfuric acid. Copper products are sold 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 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. Besides, changes between the prices recorded upon recognition of revenue and the final price due to fluctuations in copper market prices result in the existence of a commodity derivative embedded in the relevant sale contracts. These embedded derivatives are recorded at fair value, with changes in fair value recognised in the profit or loss.

Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites and certain production facilities of the Group as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mining, leaching and smelting industries and they are normally incurred at the end of the life of the mine and production facilities. The costs are estimated on the basis of mine/plant closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised when incurred reflecting the Group's obligations at that time. A corresponding provision is created on the liability side.

The capitalised asset is charged to profit or loss over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

The Group provides for such costs in accordance with statutory requirements.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Depreciation of mining right and properties

Mining right and properties costs are depreciated using the unit of production method (the "UOP"). The calculation of the UOP rate of depreciation, and therefore the annual depreciation charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mine reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the project, which, in turn is limited to the life of the proved and probable mineral reserves. Estimates of proved and probable reserves are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve base and the operating and development plan are performed regularly.

Estimated impairment of trade receivables

In estimating whether allowance for bad and doubtful debts is required, the Group considers the age of the receivables and the likelihood of collection. Following the identification of doubtful debts, the responsible sales personnel discuss with the relevant customers and report on the recoverability. When there is objective evidence of impairment loss, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Details of movements of allowance for trade receivables are disclosed in Note 20.

Impairment of property, plant and equipment

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement particularly in assessing: (1) whether an event has occurred that may affect the asset's value or such event affecting the asset's value has not been in existence; (2) whether the carrying value of an asset can be supported by its recoverable amount, which is the higher of an assets or the cash-generating unit's ("CGU") fair value less cost to sell and its value in use; (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs.

Changes in estimations of the cash flow projections, such as the change in discount rates or the future copper price assumptions, may materially affect the amount of recoverable amount derived for impairment test purpose, which would then result in further recognition or reversal of impairment loss.

As at 31 December 2015, the carrying amount of property, plant and equipment is US$906,353,000 (2014: US$1,208,297,000). Details of the recoverable amount calculation and impairments are disclosed in Note 15.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Income taxes

The Group is subject to taxes in a number of jurisdictions. Significant judgement is required in determining the tax position, the progressive tax rate applicable for the deferred tax provision and the estimates and assumptions in relation to the provision for taxes and the recovery of deferred tax assets, having regard to the nature and timing of their origination and compliance with the relevant tax legislation.

As at 31 December 2015, deferred tax assets of US$55,812,000 (2014: Nil) in relation to the unused tax losses and impairment of property, plant and equipment have been recognised in the consolidated statement of financial position (see Note 30). Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment. In addition, the applicable tax rate used in recognising deferred tax assets is determined by the forecast proportion of assessible income against gross sales and the timing of the usage of tax losses when the entity was granted income tax incentives.

5. REVENUE

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

	2015	2014
	US$'000	*US$'000*
Blister copper	**871,993**	1,536,767
Copper cathodes	**285,116**	337,654
Sulfuric acid	**32,055**	65,867
Bismuth	**–**	1,685
	1,189,164	1,941,973

6. 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 in current year 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), bismuth and sulfuric acid which are produced using ISA smelting technology. Bismuth and sulfuric acid are by-products in the production of blister copper.

No operating segments have been aggregated to be derived the reportable segments of the Group.

Segment revenue and results

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

	Leaching *US$'000*	Smelting *US$'000*	Consolidated *US$'000*
For the year ended 31 December 2015			
Revenue from external customers	285,116	904,048	1,189,164
Inter-segment sales	697	18,727	19,424
Total segment revenue	285,813	922,775	1,208,588
Elimination			(19,424)
Revenue for the year			1,189,164
Segment profit (loss) profit	19,757	(327,910)	(308,153)
Unallocated income*			826
Unallocated expenses#			(6,182)
Loss for the year			(313,509)

6. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results *(Continued)*

	Leaching *US$'000*	Smelting *US$'000*	Consolidated *US$'000*
For the year ended 31 December 2014			
Revenue from external customers	337,654	1,604,319	1,941,973
Inter-segment sales	2,470	24,322	26,792
Total segment revenue	340,124	1,628,641	1,968,765
Elimination			(26,792)
Revenue for the year			1,941,973
Segment profit	55,609	187,949	243,558
Unallocated income*			1,072
Unallocated expenses#			(14,987)
Profit for the year			229,643

* The unallocated income mainly represents the interest income arising from the bank deposits and bank balances 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 unallocated expenses mainly represent the administrative expenses, interest expenses and income tax expenses of the Company and CNMH.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit for the year 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.

Inter-segment sales are charged at prevailing market rates.

6. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

	2015	2014
	US$'000	*US$'000*
Segment assets		
– Leaching	**739,118**	860,547
– Smelting	**1,214,085**	1,513,500
Total segment assets	**1,953,203**	2,374,047
Unallocated assets*	**237,015**	124,298
Elimination	**(20,951)**	(22,203)
Consolidated total assets	**2,169,267**	2,476,142
Segment liabilities		
– Leaching	**576,500**	599,480
– Smelting	**552,335**	601,640
Total segment liabilities	**1,128,835**	1,201,120
Unallocated liabilities*	**273,912**	174,371
Elimination	**(20,951)**	(22,203)
Consolidated total liabilities	**1,381,796**	1,353,288

* The unallocated assets and liabilities mainly represent 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 reportable and operating segments.

6. SEGMENT INFORMATION (CONTINUED)

Other segment information

Amounts included in the measure of segment profit and segment assets:

	Leaching *US$'000*	**Smelting** *US$'000*	**Unallocated** *US$'000*	**Consolidated** *US$'000*
For the year ended 31 December 2015				
Addition to non-current asset#	**45,115**	**128,213**	**–**	**173,328**
Interest income*	**20**	**2,123**	**826**	**2,969**
Finance cost	**11,993**	**4,853**	**3,183**	**20,029**
Finance income earned under finance leases to a fellow subsidiary	**729**	**–**	**–**	**729**
Gain arising on change in fair value of derivatives	**–**	**1,414**	**–**	**1,414**
Income tax expense/(credit)	**4,129**	**(46,341)**	**4,160**	**(38,052)**
Depreciation of property, plant and equipment	**56,760**	**63,485**	**–**	**120,245**
Losses on impairment of property, plant and equipment	**45,571**	**297,666**	**–**	**343,237**
Write-down of inventories	**395**	**2,250**	**–**	**2,645**

	Leaching *US$'000*	Smelting *US$'000*	Unallocated *US$'000*	Consolidated *US$'000*
For the year ended 31 December 2014				
Addition to non-current asset#	60,725	127,304	–	188,029
Interest income*	2	2,381	1,072	3,455
Finance cost	12,001	2,190	4,224	18,415
Finance income earned under finance leases to a fellow subsidiary	801	–	–	801
Gain arising on change in fair value of derivatives	–	3,863	–	3,863
Income tax expense/(credit)	12,183	(84,422)	12,089	(60,150)
Depreciation of property, plant and equipment	44,352	69,788	–	114,140
Loss on impairment of property, plant and equipment	40,000	–	–	40,000

* Unallocated interest income represents interest income earned from bank balances of the Company and CNMH.

\# Excluding financial instruments and deferred tax assets.

6. SEGMENT INFORMATION (CONTINUED)

Revenue from major products

The Group's revenue from its major products is set out in note 5.

Geographical information

The Group's operation is mainly in Zambia and US$814,095,000 (2014: US$1,115,491,000) and US$116,778,000 (2014: US$115,308,000) of its non-current assets (other than financial instruments and deferred tax assets) are in Zambia and the Democratic Republic of Congo ("DRC"), respectively, by location of assets.

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

	2015	2014
	US$'000	*US$'000*
PRC	**772,940**	718,568
Hong Kong	**–**	427,599
Australia	**202,176**	425,785
Switzerland	**94,769**	165,393
Singapore	**57,550**	92,753
Africa	**17,227**	78,229
Luxemburg	**44,502**	33,601
	1,189,164	1,941,973

Information about major customers

Revenue from customers individually contributing over 10% of the total revenue of the Group are as follows:

	2015	2014
	US$'000	*US$'000*
Customer A		
– Leaching	**208,297**	239,612
– Smelting	**201,990**	899,011
Customer B		
– Smelting	**564,829**	432,108
	975,116	1,570,731

7. OTHER INCOME

	2015	2014
	US$'000	*US$'000*
Interest income	**2,969**	3,455
Government grant	**8,709**	7,674
Net income earned under finance leases to a fellow subsidiary	**729**	801
Net income from sale of spare parts and other materials	**192**	298
Others	**456**	1,635
	13,055	13,863

8. FINANCE COSTS

	2015	2014
	US$'000	*US$'000*
Interest on bank and other borrowings	**24,576**	21,601
Unwinding of the discount *(Note 28)*	**352**	539
	24,928	22,140
Less: Amounts capitalised in the cost of qualifying assets	**(4,899)**	(3,725)
	20,029	18,415
The weighted average capitalisation rate used to determine the amount of borrowing costs arose on general borrowing pool eligible for capitalisation (per annum)	**2.23%**	2.16%

9. OTHER GAINS AND LOSSES

	2015	2014
	US$'000	*US$'000*
Foreign exchange losses, net*	**(54,245)**	(20,287)
Loss on disposal of property, plant and equipment, net	**(104)**	(42)
Losses on impairment of property, plant and equipment *(Note 15)*	**(343,237)**	(40,000)
Gain arising on change in fair values of derivatives	**1,414**	3,863
Others	**(9,395)**	(3,479)
	(405,567)	(59,945)

* The amount included exchange losses arose from the retranslation of VAT receivables denominated in Zambia Kwacha ("ZMK") to US$ amounting to US$48,801,000 during the current year (2014: US$21,671,000).

10. INCOME TAX CREDIT

Income tax credit recognised in profit or loss:

	2015	2014
	US$'000	*US$'000*
Current tax:		
– Income Tax in Zambia	**13,105**	277
– Income Tax in DRC	**4,085**	7,659
– Income Tax in Ireland	**2,250**	3,750
	19,440	11,686
Deferred tax *(Note 30)*:		
– Current year	**(148,640)**	29,087
– Attributable to a change in tax rate	**91,148**	(100,923)
	(57,492)	(71,836)
Total income tax credit	**(38,052)**	(60,150)

No provision for Hong Kong profits tax has been made as there was no assessable profit arising in, or derived from Hong Kong during the years ended 31 December 2015 and 2014.

Income Tax in The Republic of Ireland ("Ireland") is calculated at 12.5% (2014: 12.5%) on the estimated assessable income.

10. INCOME TAX CREDIT (CONTINUED)

Income Tax in DRC is calculated at 30% (2014: 30%) on the estimated assessable income.

Income Tax in Zambia is calculated at 35% (2014: 35%) on the assessable income, except for that arising from mining activities which is stated as below.

On 23 December 2014, the Parliament of Zambia enacted "An Act to amend the Income Tax Act", effected from 1 January 2015, there were certain amendments to the Income Tax Act that include, inter alia, to change the applicable tax rates on the assessable income from mineral processing and mining operations to 30% and 0% (2014: 35% and 30%, respectively), respectively. On 14 August 2015, the Parliament of Zambia enacted Income Tax (Amendment) Act, 2015 ("New Tax Amendment") which is effective on 1 July 2015. According to the New Tax Amendment, the applicable tax rate on assessable income from mineral processing is increased from 30% to 35%, whereas the applicable tax rate on income from mining operation is increased from 0% to 1) 30% where the assessable income does not exceed 8% of gross sales; 2) variable tax rate up to 15% plus 30% where the assessable income exceed 8% of gross sales.

Accordingly, from 1 January 2015 to 30 June 2015, the applicable tax rate on the assessable income from leaching and smelting operation of Sino-metals Leach Zambia Limited ("SML") and Chambishi Copper Smelter Limited ("CCS"), respectively, is 30% whereas the applicable tax rate on the assessable income from the mining operations of NFC Africa Mining PLC ("NFCA") and CNMC Luanshya Copper Mines PLC ("Luanshya") is 0%. From 1 July 2015 to 31 December 2015, the applicable tax rate on the assessable income of CCS and SML is 35%, and the applicable tax rate on the assessable income of NFCA and Luanshya ranges from 30% to 45%.

The Group enjoyed the following income tax incentives:

- CCS is eligible for the tax exemption for the first five profitable years; 50% income tax relief for the next three years thereafter; and 25% of income tax relief for the next two years thereafter. The tax incentives are applicable to the assessable profit generated from the two different phases of production facilities of CCS with different dates of commencement of the tax incentives. One of the phases of production facilities of CCS is under the first year of 50% income tax relief during the current year (2014: 0%). The remaining phase of production facilities of CCS is still under the tax holiday during the current year.

- SML was also granted ten-year income tax incentives of zero rate 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 two years. The applicable tax rate for SML for the years ended 31 December 2014 and 2015 was 17.5%.

Certain dividend income of CNMH from Zambian subsidiaries may be subject to Income Tax in Ireland at 12.5%. At the end of the reporting period, deferred tax liability of US$20,311,000 (2014: US$18,401,000) has been provided for temporary differences associated with undistributed earnings of these subsidiaries (see note 30) 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$19,391,000 (2014: US$14,670,000). 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 reverse in the foreseeable future.

10. INCOME TAX CREDIT (CONTINUED)

In the opinion of the Company's Zambian counsel, pursuant to the Convention between the Republic of Zambia and Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Tax on Income, distribution of dividends to CNMH, a wholly owned subsidiary of the Company and an investment holding company incorporated under the laws of Ireland, from its Zambian subsidiaries is exempt from withholding tax save for instances where CNMH has a permanent establishment in Zambia. The Directors confirm that CNMH has no permanent establishment in Zambia, and therefore are of the view that no provision for withholding tax on the undistributed profit of the Zambian subsidiaries is required to be made for both years.

The income tax (credit) expense for the year can be reconciled to the (loss) profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 ***US$'000***	2014 *US$'000*
(Loss) profit before tax	**(351,561)**	169,493
Tax at Income Tax rate in Ireland		
– for operations at 12.5%	**2,250**	3,750
Tax at Income Tax rate in DRC		
– for operations at 30%	**5,522**	9,392
Tax at Income Tax rate in Zambia		
– for operations at 30%	**(131,175)**	(9,292)
– for operations at 35%	**20,954**	56,024
	(102,449)	59,874
Tax effect of expenses not deductible for tax purpose	**6,706**	25,887
Deferred tax on undistributed earnings	**1,910**	8,339
Tax effect of income not taxable for tax purpose	**–**	(1,012)
Tax effect of tax losses not recognised	**4,164**	–
Effect of tax incentives granted to the Group	**(20,829)**	(52,315)
Recognised deferred taxation of tax losses previously not recognised	**(2,710)**	–
Recognised deferred taxation of deductible temporary differences previously not recognised	**(15,992)**	–
Effect on deferred taxation due to amendments to Income Tax Act of Zambia enacted during the year	**91,148**	(100,923)
Income tax credit for the year	**(38,052)**	(60,150)

10. INCOME TAX CREDIT (CONTINUED)

Other taxes

The Group is also subject to other non-income taxes as below:

The Group is subject to Value Added Tax ("VAT") at 16% on purchases and sales in Zambia and DRC whereas VAT is exempted on export, and relevant input VAT paid for purchases supported by valid VAT invoices could be refunded by the Zambia and DRC to the extent total input VAT paid on purchases exceeds total output VAT payable on domestic sales.

On 23 December 2014, the Parliament of Zambia enacted "An Act to amend the Mines and Minerals Development Act, 2008" with effect from 1 January 2015, which include to change a mineral royalty at 20% for open cast mining operations and 8% for underground mining operation of the norm value of the base metals or precious metals produced or recoverable under the license (2014: both are 6%).

On 14 August 2015, the Parliament of Zambia enacted Mines and Minerals Development Act, 2015, effective 1 July 2015, which included, inter alia, to change a mineral royalty at the rate of 9% (20% before amendments) for open cast mining operations and 6% (8% before amendments) for underground mining operation of the norm value of the base metals or precious metals produced or recoverable under the license.

11. (LOSS) PROFIT FOR THE YEAR

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

	2015 ***US$'000***	2014 *US$'000*
Depreciation of property, plant and equipment	**120,245**	114,140
Auditor's remuneration	**1,295**	1,138
Staff costs (including Directors' remuneration as disclosed in Note 12):		
Salaries, wages and welfare	**73,262**	86,043
Retirement benefit schemes contributions	**7,377**	13,522
Total staff costs	**80,639**	99,565
Less: Amounts included in construction in progress	**(1,184)**	(1,818)
	79,455	97,747
Cost of inventories recognised as an expense	**1,063,555**	1,639,386
Donations	**310**	5
Minimum lease payments in respect of		
– Land and buildings	**6,243**	6,277
– Machinery and equipment	**12**	9

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

Details of the emoluments paid or payable to the Directors are as follows:

	2015				
		Other emoluments			
Name of director	Fees	Salaries and other allowances	Discretionary performance bonus*	Retirement benefit schemes contributions	Total emoluments
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Executive Directors					
Mr. Xinghu Tao	–	–	–	–	–
Mr. Xingeng Luo	–	136	18	16	170
Mr. Chunlai Wang	–	209	–	16	225
Mr. Xinguo Yang (i)	–	91	67	9	167
Mr. Kaishou Xie	–	95	47	–	142
Mr. Wei Fan (ii)	–	28	–	4	32
	–	559	132	45	736
Non-Executive Director					
Mr. Tao Luo (iii)	–	–	–	–	–
Mr. Diyong Yan (iv)	–	–	–	–	–
	–	–	–	–	–
Independent Non-executive Directors					
Mr. Chuanyao Sun	39	–	–	–	39
Mr. Jingwei Liu	39	–	–	–	39
Mr. Huanfei Guan	39	–	–	–	39
	117	–	–	–	117
Total					853

(i) Mr. Xingguo Yang was resigned as executive director of the Company with effect from 28 July 2015.

(ii) Mr. Wei Fan was appointed as executive director of the Company with effect from 28 July 2015.

(iii) Mr. Tao Luo was resigned from the post of the chairman of the Board and non-executive director of the Company, effective 20 April 2015.

(iv) Mr. Diyong Yan was appointed as non-executive director of the Company with effect from 20 April 2015.

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Directors *(Continued)*

	2014				
		Other emoluments			
Name of director	Fees	Salaries and other allowances	Discretionary performance bonus*	Retirement benefit schemes contributions	Total emoluments
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Executive Directors					
Mr. Xinghu Tao	–	–	–	–	–
Mr. Xingeng Luo	–	179	–	14	193
Mr. Chunlai Wang	–	208	–	7	215
Mr. Xinguo Yang	–	144	96	18	258
Mr. Kaishou Xie	–	89	64	–	153
	–	620	160	39	819
Non-Executive Director					
Mr. Tao Luo	–	–	–	–	–
	–	–	–	–	–
Independent Non-executive Directors					
Mr. Chuanyao Sun	39	–	–	–	39
Mr. Jingwei Liu	39	–	–	–	39
Mr. Huanfei Guan (v)	13	–	–	–	13
Mr. Shuang Chen (vi)	26	–	–	–	26
	117	–	–	–	117
Total					936

(v) Mr. Huanfei Guan was appointed as a Director on 28 August 2014.

(vi) Mr. Shuang Chen resigned as a Director on 28 August 2014.

* Certain executive directors of the Company are entitled to bonus payments which are determined based on operation results of the subsidiary for which the director is in charge.

12. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (CONTINUED)

Directors *(Continued)*

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

No Directors waived any emoluments in the year ended 31 December 2015 (2014: Nil).

Mr. Xinghu Tao, the chairman of the Board and the President of the Company, assumes the role as a chief executive and his emoluments for services rendered by him to the Group have been borne by CNMC.

Employees

Of the five individuals with the highest emoluments in the Group, two (2014: three) were Directors whose emoluments are included in the disclosure above. The emoluments of the remaining three (2014: two) individuals were as follows:

	2015 ***US$'000***	2014 *US$'000*
Salaries, other allowances	**412**	264
Discretionary performance bonus	**138**	138
Retirement benefit schemes contributions	**34**	22
	584	424

The emoluments of the above employees were within the following bands:

	2015	2014
	Number of employees	
HK$1,500,001 to HK$2,000,000	**1**	2
HK$1,000,001 to HK$1,500,000	**2**	–

13. DIVIDENDS

	2015	2014
	US$'000	*US$'000*
Dividends recognised as distribution during the year:		
2014 Final, paid – US¢0.28 per share	**9,874**	–
2013 Final, paid – US¢0.20 per share	**–**	6,979

No dividend in respect of the year ended 31 December 2015 has been proposed by the Directors since the end of the reporting period (2014: US¢0.28 per share in respect of the year ended 31 December 2014 amount to US$9,874,000).

14. (LOSS) EARNINGS PER SHARE

	2015	2014
(Loss) profit for the year attributable to owners of the Company for the purpose of basic earnings per share *(in US$'000)*	**(279,902)**	146,821
Number of ordinary shares for the purpose of basic earnings per share *('000)*	**3,489,036**	3,489,036

During the years ended 31 December 2015 and 2014, there was no potential ordinary share outstanding. Accordingly, no diluted earnings per share is presented.

15. PROPERTY, PLANT AND EQUIPMENT

	Mining properties *US'000*	Land and buildings *US$'000*	Machinery and equipment *US$'000*	Motor vehicles *US$'000*	Construction in progress *US$'000*	Total *US$'000*
Cost						
At 1 January 2014	365,209	320,604	553,201	50,028	264,254	1,553,296
Additions	8,627	1,502	11,939	9,995	148,037	180,100
Transfer from construction in progress	9,962	60,809	100,113	–	(170,884)	–
Disposals	–	–	(6,179)	(1,020)	(1,781)	(8,980)
At 31 December 2014	383,798	382,915	659,074	59,003	239,626	1,724,416
Additions	10,441	802	17,716	5,173	128,196	162,328
Transfer from construction in progress	16,399	25,271	10,120	–	(51,790)	–
Disposals	–	–	(1,037)	(761)	–	(1,798)
At 31 December 2015	410,638	408,988	685,873	63,415	316,032	1,884,946
Depreciation and impairment						
At 1 December 2014	(97,722)	(42,786)	(194,858)	(32,862)	–	(368,228)
Depreciation	(18,926)	(28,640)	(56,990)	(9,584)	–	(114,140)
Impairment *(Note (a))*	(13,155)	(9,654)	(17,191)	–	–	(40,000)
Disposals	–	–	5,429	820	–	6,249
At 31 December 2014	(129,803)	(81,080)	(263,610)	(41,626)	–	(516,119)
Depreciation	(21,642)	(20,028)	(70,565)	(8,010)	–	(120,245)
Impairment *(Note)*	(101,420)	(26,954)	(55,295)	–	(159,568)	(343,237)
Disposals	–	–	404	604	–	1,008
At 31 December 2015	(252,865)	(128,062)	(389,066)	(49,032)	(159,568)	(978,593)
Carrying amounts						
At 31 December 2015	157,773	280,926	296,807	14,383	156,464	906,353
At 31 December 2014	253,995	301,835	395,464	17,377	239,626	1,208,297

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: During the year ended 31 December 2015, due to declining copper price, the Group assessed the recoverable amount of each CGU to determine if there were any impairment in this year.

The recoverable amounts of the Group's mining properties along with the associated plant and equipment are determined based on the relevant CGU's future cash flow on the basis of their value in use determined using the income approach. The post-tax cash flow projections incorporate management's best estimates of latest mine reserves, future copper price, production cost, capital expenditure and applicable tax rate. The significant inputs and estimations used in calculating the CGU's cash flows included future copper price are as below, an discount rate of 11.52% (2014: 11.03%), an applicable tax rate of 30% on the assessable income from mining operations (2014: 0%), a mineral royalty at the rate of 9% (2014: 20%) for open cast mining operations and 6% (2014: 8%) for underground mining operation of the norm value, (the change of tax rate and mineral royalty was discussed in note 10), and mine reserves based on the most recent reserve report.

	2015			2014		
	2016-2020			2015-2019		
	2016	**Average**	**Long term average**	2015	Average	Long term average
	US$	***US$***		*US$*	*US$*	
Copper price *(per ton)*	**5,269**	**5,620**	**6,939**	6,603	6,995	8,144

Future copper price with reference to the market estimation taken into account the historical fluctuation.

When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated on a pro-rata basis to the relevant non-current assets of the CGU based on the carrying amount. Based on impairment assessment on the CGUs as at 31 December 2015 and 2014, the Directors concluded that the following properties has estimated recoverable amount below their carrying amounts and impairment provision were required:

	2015					
	Impairment provision					
	Mining properties	**Land and buildings**	**Machinery and equipment**	**Construction in progress**	**Total**	**Recoverable amount**
	US$'000	***US$'000***	***US$'000***	***US$'000***	***US$'000***	***US$'000***
NFCA	**86,247**	**16,961**	**34,890**	**159,568**	**297,666**	**183,233**
Luanshya	**15,173**	**9,993**	**20,405**	**–**	**45,571**	**367,297**
	101,420	**26,954**	**55,295**	**159,568**	**343,237**	**550,530**

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes: (Continued)

	2014					
	Impairment provision					
	Mining properties *US$'000*	Land and buildings *US$'000*	Machinery and equipment *US$'000*	Construction in progress *US$'000*	Total *US$'000*	Recoverable amount *US$'000*
Luanshya	13,155	9,654	17,191	–	40,000	443,096

The losses on impairment of mining properties of NFCA and Luanshya have been included in profit or loss in the "Other losses" line item.

The key estimation of recoverable amount is most sensitive to copper price. It is estimated that a negative 5% change for the future copper price, while holding all other assumptions constant, would lead to the recognition of additional impairment provision as follows:

	2015 *US$'000*
NFCA	**103,895**
Luanshya	**62,465**
	166,360

The Group is in the process of obtaining land use right certificates for certain parcels of its land for its tailing storage facility with a carrying amount of US$618,000 as at 31 December 2015 (2014: US$3,336,000), which in the opinion of the Directors, are not crucial to the operations of the Group.

16. MINING RIGHTS

On 20 November 2015, the Group acquired 95% equity interest in Sylver Back Resources SARL ("SBR") at a consideration of US$11,000,000 and the remaining 5% of SBR is attributed to the Democratic Republic of the Congo who has no obligation to invest, but shares 5% of profit of SBR. SBR is a company engaging on exploration and mining of copper in DRC. SBR held a mining right for copper in DRC and had not commenced any business at the date of acquisition. As a result, the transaction was accounted for acquisition of assets through acquisition of a subsidiary.

The asset acquired is as follows:

	2015 ***US$'000***
Mining right	**11,000**

Total consideration:

Cash consideration paid	**11,000**

The maturity of the mining rights is 30 years. The cost of the mining right is amortised on a UOP basis over the total estimated remaining commercial reserves.

17. INTEREST IN AN ASSOCIATE

As at 31 December 2015 and 2014, the amount represents the Group's share of net assets of the associate, being the Group's cost of investment. During the year ended 31 December 2015 and 2014, the associate was involved in trading of copper ores in DRC resulting in insignificant profit.

Details of the associate of the Group as at the end of the reporting period are set out below:

Name of company	**Place/Country of operations and date of incorporation**	**Issued and fully paid-up ordinary capital**	**Equity interest/ voting power attributable to the Company as at 31 December 2015** %	2014 %	**Principal activities**
Huachin Minerals SPRL	DRC 27 January 2012	US$5,000,000	**20.33**	20.33	Mining, exploration and sale of copper ores

As the Group's interest in an associate is not significant, no further financial information of the associate is presented.

18. FINANCE LEASE RECEIVABLES

The Group had 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.

	2015	2014
	US$'000	*US$'000*
Analysed as:		
Current	**6,661**	10,335
Non-current	**1,024**	7,281
	7,685	17,616

	Minimum lease payments		**Present value of minimum lease payments**	
	2015	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$'000*
Finance lease receivables comprise:				
Within one year	**6,701**	10,660	**6,661**	10,335
In more than one year but not more than two years	**1,265**	6,701	**1,024**	6,175
In more than two years but not more than five years	**–**	1,265	**–**	1,106
	7,966	18,626	**7,685**	17,616
Less: Unearned finance income	**(281)**	(1,010)	**N/A**	N/A
Present value of minimum lease payment receivables	**7,685**	17,616	**7,685**	17,616

During the year ended 31 December 2015, effective interest rates of the above finance leases range from 5.6% to 6.1% per annum (2014: 5.6% to 6.1% per annum).

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.

19. INVENTORIES

	2015 US$'000	2014 US$'000
Raw materials	**154,398**	179,626
Spare parts and consumables	**84,713**	80,940
Work in progress	**53,539**	46,121
Finished goods	**13,730**	6,973
	306,380	313,660

20. TRADE RECEIVABLES

	2015 US$'000	2014 US$'000
Trade receivables	**115,908**	185,105
Less: Allowance of doubtful debts	**(596)**	(1,622)
	115,312	183,483

The following is an aged analysis of trade receivables, presented based on the invoice dates, net of allowance for doubtful debts:

	2015 US$'000	2014 US$'000
0 to 30 days	**92,779**	70,637
31 to 90 days	**19,221**	91,044
91 to 180 days	**60**	20,786
181 to 365 days	**55**	809
1-2 years	**3,197**	207
	115,312	183,483

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.

Revenue on provisionally priced sales resulted in the revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative which included in the Group's trade receivables amounting to US$4,815,000 (a liability) as at 31 December 2015 (2014: US$13,351,000 (a liability)).

20. TRADE RECEIVABLES (CONTINUED)

Age of receivables that are past due but not impaired is analysed as follows:

	2015	2014
	US$'000	*US$'000*
Overdue by:		
0 to 30 days	**90,475**	67,205
31 to 90 days	**19,617**	91,975
91 to 180 days	**–**	19,787
181 to 365 days	**–**	809
1-2 years	**2,754**	207
	112,846	179,983

No allowance for doubtful debts have been made to the receivables which have been past due as the Group satisfied with the subsequent settlements from the debtors and the credit quality of these customers. The receivables which are neither past due nor impaired are with no history of default payment.

The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

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:

	2015	2014
	US$'000	*US$'000*
Fellow subsidiaries	**70,642**	132,370
Subsidiaries of a non-controlling shareholder of a subsidiary	**35,200**	35,421
	105,842	167,791

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

20. TRADE RECEIVABLES (CONTINUED)

In determining the recoverability of a trade receivable, the Directors consider any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

In the opinion of the Directors, the Group has concentration of credit risk because 92% (2014: 92%) of the trade receivables was due from the Group's two (2014: two) largest customers.

These two (2014: two) largest customers accounted for 74% (2014: 81%) of the Group's sales and are large and reputable in the market. They have been trading with the Group with good settlement history.

The movements in the allowance for doubtful debts during the year are as follows:

	2015	2014
	US$'000	*US$'000*
At beginning of the reporting period	**1,622**	1,622
Amounts written off as uncollectible	**(1,026)**	–
	596	1,622

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2015	2014
	US$'000	*US$'000*
Non-current:		
Deposits for property, plant and equipment	**1,335**	10,582
Contributions to Environment Protection Fund *(Note 29)*	**2,139**	1,434
Prepayments for electricity *(note (a))*	**7,903**	8,343
	11,377	20,359
Current:		
Prepayments for inventories and others	**33,724**	49,443
VAT recoverable *(note (b))*	**64,793**	136,849
Deposits in futures margin accounts	**7,680**	7,304
Other receivables	**4,777**	16,893
	110,974	210,489

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

Notes:

(a) Pursuant to a power supply agreement (the "Power Supply Agreement") and a connection agreement (the "Connection Agreement") entered into between a subsidiary of the Group, Luanshya, and a power supply company, Copperbelt Energy Corporation Plc ("Copperbelt Energy"), in Zambia, Luanshya undertook to construct certain power supply network assets (the "Network Assets") to enable Copperbelt Energy to supply the electricity to the mining/leaching project of Luanshya in MulHKAShi, Copperbelt Province of Zambia. According to the Connection Agreement, Luanshya shall transfer the Network Assets to Copperbelt Energy upon the completion of the construction for a consideration of US$3,725,000 payable by Copperbelt Energy to Luanshya within the seventh anniversary from the date of transfer, subject to Luanshya's fulfillment of consumption of electricity prescribed in the Connection Agreement.

The total construction cost of the Network Assets is US$9,442,000 and the construction of the Network Assets completed in March 2012.

The Directors consider that the construction costs for the Network Assets are, in substance, prepayments for electricity that will be amortised over the tenure of the Power Supply Agreement (expiring in January 2025) upon the commencement of electricity consumption by Luanshya. During the year ended 31 December 2015, the prepayment for electricity released to profit or loss is amounting to US$440,000 (2014: US$440,000).

(b) The VAT receivables are denominated in ZMK which is significantly depreciated against US$ during the current year. In the opinion of the Directors, the VAT will be recoverable within one year after the end of the reporting period.

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

	2015	2014
	US$'000	*US$'000*
CNMC	**41**	12,781
Fellow subsidiaries	**2,599**	17,493
A subsidiary of a non-controlling shareholder of a subsidiary	**15,544**	–
An associate	**1,610**	14,768
	19,794	45,042

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

22. BANK DEPOSITS AND RESTRICTED BANK BALANCES/BANK BALANCES AND CASH

(i) Restricted bank balances

The Group's restricted bank balances are analysed as follows:

	2015	2014
	US$'000	*US$'000*
Non-current restricted bank deposits for the banks' letters of guarantee to secure future restoration costs as required by the government of Zambia *(Note 29)*	**6,482**	7,980
Current restricted bank deposits for:		
– Custom clearance	**460**	460
– Issuing letters of credit	**5,686**	4,148
– Bank loans repayable within one year	**–**	4,165
	12,628	16,753

The restricted bank balances carry interest at rates ranging from 0.1% to 3.1% (2014: 0.1% to 3.1%) per annum.

(ii) Bank deposits

The bank deposits of US$69,357,000 are with initial maturity of more than three months and carry interest at rates ranging from 0.25% to 3.3% (2014: Nil)

(iii) Bank balances and cash

Bank balances carry interest at market rates ranging from 0.1% to 0.3% (2014: 0.1% to 0.3%) per annum.

23. TRADE PAYABLES

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

	2015	2014
	US$'000	*US$'000*
0 to 30 days	**91,006**	105,415
31 to 90 days	**16,012**	41,045
91 to 180 days	**20,687**	7,620
181 to 365 days	**11,494**	4,646
1-2 years	**18,937**	5,464
	158,136	164,190

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:

	2015	2014
	US$'000	*US$'000*
Fellow subsidiaries	**38,096**	34,282

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

24. OTHER PAYABLES AND ACCRUED EXPENSES

	2015	2014
	US$'000	*US$'000*
Receipts in advance from customers	**5,223**	8,953
Payables for properties, plant and equipment	**8,900**	2,108
Dividend payable to a shareholder	**7,358**	–
Dividend payable to a non-controlling shareholder	**12,000**	20,000
Accrued and other payables *(note)*	**38,600**	47,660
	72,081	78,721

Note: Included a provision for legal cases of US$300,000 (2014: US$300,000), details of which are set out in note 38.

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

	2015	2014
	US$'000	*US$'000*
CNMC	**1,888**	2,212
Fellow subsidiaries	**4,133**	2,108
A subsidiary of a non-controlling shareholder of a subsidiary	**–**	201
A non-controlling shareholder of a subsidiary	**2,877**	3,068
Dividend payable to non-controlling shareholders of subsidiaries	**12,000**	20,000
An associate	**2,143**	2,143
	23,041	29,732

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

25. BANK AND OTHER BORROWINGS

	Notes	2015 US$'000	2014 US$'000
Bank borrowings			
– secured	(a)	**–**	170,000
– unsecured	(b)	**1,030,790**	812,350
		1,030,790	982,350
Loan from a non-controlling shareholder of a subsidiary, unsecured	(c)	**22,605**	22,605
Loan from CNMC, unsecured	(d)	**1,077**	–
		1,054,472	1,004,955
Carrying amount repayable:*			
Within one year		**292,505**	330,000
More than one year, but not exceeding two years		**48,000**	255,505
More than two year, but not exceeding five years		**643,967**	419,450
		984,472	1,004,955
The carrying amount of bank borrowings that are repayable on demand due to breach of loan covenants (shown under current liabilities)	(e)	**70,000**	–
		1,054,472	1,004,955
Less: Amounts shown under current liabilities		**(362,505)**	(330,000)
Non-current portion		**691,967**	674,955

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

25. BANK AND OTHER BORROWINGS (CONTINUED)

Notes:

(a) The bank loans as at 31 December 2014 bore interest at rates varied based on London Interbank Offered Rate ("LIBOR"), ranging from 0.8% to 3.2% per annum and were secured by certain restricted bank balances of US$4,165,000 and were guaranteed by CNMC. The loans were repaid during the year.

(b) As at 31 December 2015, the unsecured bank loans comprised the following:

- Bank loans of US$648,790,000 (2014: US$523,350,000) with corporate guarantees issued by CNMC in favor of the relevant banks.
- Bank loans of US$80,000,000 (2014: US$80,000,000) 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 (2014: US$60,000,000) with corporate guarantees issued by a non-controlling shareholder of a subsidiary in favor of the relevant banks.
- Bank loans of US$242,000,000 (2014: US$149,000,000) without corporate guarantee.

The aforesaid bank loans as at 31 December 2015 bore interest at rates varied based on LIBOR ranging from 1.1% to 3.4% per annum (2014: 1.0% to 3.5% per annum).

(c) The loan from a non-controlling shareholder of a subsidiary of US$22,605,000 (2014: US$22,605,000) bore interest at a fixed rate of 8.0% and is repayable in May 2016 (shown under current liabilities).

(d) The loan from CNMC of US$1,077,000 bore interest at rate varies based on benchmark interest rate published by The People's Bank of China of 3.7% per annum (2014: Nil).

(e) During the year, in respect of bank loans with a carrying amount of US$70,000,000 as at 31 December 2015, the Group cannot meet the certain term of the bank loan, which is primarily related to consolidated tangible net worth. On discovery of it, the Directors informed the lender and commenced a renegotiation of the terms of the loan with the relevant banker. Up to the date of approval for issuance of the consolidated financial statements, the negotiation is still in the progress. The Directors are confident that their negotiation with the lender will ultimately reach a successful conclusion. In any event, should the lender calls for immediate repayment of the loan, the Directors believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

26. DERIVATIVES

	2015	2014
	US$'000	*US$'000*
Copper futures contracts, at fair value	**(182)**	780

Details of the above futures contracts are analysed as follows:

	At December 31	
	2015	2014
Number of contracts		
– Buy	**–**	21
– Sell	**56**	97
Notional amount *(in US$'000)*	**6,412**	12,800
Exercise price *(in US$)*	**4,710**	6,384-6,785
Maturity date	**2 March 2016**	14 January 2015- 27 February 2015

During the year, the Group entered into certain copper futures contracts to hedge its risk associated with the prices of its blister copper sold and recognised a gain of US$1,414,000 (2014: a gain of US$3,863,000) arising on change in fair value of derivatives in the profit or loss.

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statement of financial position.

The Group recognised for the derivative financial assets and liabilities in respect of copper futures contracts do not meet the criteria for offsetting in the Group's statement of financial position since the right of set-off of the recognised amounts is only enforceable upon an event of default.

26. DERIVATIVES (CONTINUED)

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements *(Continued)*

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amounts recognised of financial assets 31 December		Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position 31 December		Net amounts of financial assets presented in the consolidated statement of financial position 31 December	
	2015	2014	**2015**	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Deposits in futures margin accounts	**7,680**	7,304	**–**	–	**7,680**	7,304
Derivatives in respect of copper futures contracts	**–**	780	**–**	–	**–**	780
Total	**7,680**	8,084	**–**	–	**7,680**	8,084

Net financial assets subject to enforceable master netting arrangements and similar agreements, by counterparty

	Net amount of financial assets presented in the consolidated statement of financial position 31 December		Related amounts not set off in the consolidated statement of the financial position: Financial derivative liability 31 December		Related amounts not set off in the consolidated statement of the financial position: Cash collateral pledged 31 December		Net amount 31 December	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Counterparty A	**7,680**	8,084	**(182)**	–	**–**	–	**7,498**	8,084

26. DERIVATIVES (CONTINUED)

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements *(Continued)*

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

	Gross amounts recognised of financial liabilities 31 December		Gross amounts of recognised financial assets set off in the consolidated statement of financial position 31 December		Net amounts of financial liabilities presented in the consolidated statement of financial position 31 December	
	2015	2014	**2015**	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Derivatives in respect of copper futures contracts	**(182)**	–	**–**	–	**(182)**	–

Net financial liabilities subject to enforceable master netting arrangements and similar agreements, by counterparty

	Net amount of financial liabilities presented in the consolidated statement of financial position 31 December		Related amounts not set off in the consolidated statement of the financial position: Financial derivative assets 31 December		Related amounts not set off in the consolidated statement of the financial position: Cash collateral pledged 31 December		Net amount 31 December	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	US$'000	*US$'000*	***US$'000***	*US$000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
Counterparty A	**(182)**	–	**–**	–	**182**	–	**–**	–

27. SHARE CAPITAL

	Number of shares		Share capital	
	2015	2014	**2015**	2014
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised:				
At beginning of the year	***Note (a)***	5,000,000	***Note (a)***	5,000,000
At end of the year	***Note (a)***	*Note (a)*	***Note (a)***	*Note (a)*
Issued and fully paid:				
At beginning of the year				
Ordinary shares of HK$1.00 each	**3,489,036**	3,489,036	**4,775,319**	3,489,036
Transfer from share premium upon abolition of par value *(Note (b))*	**–**	–	**–**	1,286,283
At end of the year – ordinary shares with no par value	**3,489,036**	3,489,036	**4,775,319**	4,775,319
			US$'000	*US$'000*
Presented in the consolidated financial statements as			**613,233**	613,233

Notes:

(a) 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 the transition.

(b) In accordance with the transitional provisions set out in section 37 of schedule 11 to Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

28. DEFERRED INCOME

	2015	2014
	US$'000	*US$'000*
Balance at beginning of year	**26,851**	22,561
Additions to the grants during the year	**142**	11,964
Recognised in profit or loss during the year	**(8,446)**	(7,674)
Balance at end of year	**18,547**	26,851
Analysed as:		
Current *(Note 24)*	**–**	2,222
Non-current	**18,547**	24,629
Balance at end of year	**18,547**	26,851

The above balances represented grants from Ministry of Finance of the PRC to subsidise the Group's capital expenditure and interest incurred in its copper mines development activities in Zambia which were capitalised under mining properties. These grants are recognised in profit or loss on a systematic and rational basis over the useful lives of the related assets.

29. PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	2015	2014
	US$'000	*US$'000*
Balance at beginning of year	**20,831**	20,043
Provisions (reversed) recognised	**(639)**	249
Unwinding of discount *(Note 8)*	**352**	539
Balance at end of year	**20,544**	20,831

The Group's provision for restoration, rehabilitation and environmental costs is related to the Group's subsidiaries in Zambia which are involved in mining, leaching and smelting operations. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in Zambia, as discounted at rates ranging from 2.1% to 3.5% per annum (2014: 2.0% to 3.4% per annum), upon the completion of their operations. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life, which ranges from 4 to 36 years.

The Group is required, under the prevailing regulations, to make an annual contribution equal to 5% to 20% of the estimated restoration costs into an Environmental Protection Fund which is administrated by the Government of the Republic of Zambia (Note 21). The regulations also require that the balance of the estimated restoration costs be secured using letters of guarantee. All companies in the Group have provided the relevant letters of guarantee as at 31 December 2015 and 2014 (Note 22 (i)), except for SML, which has not received a demand notice at the date of issuance of these consolidated financial statements.

The Directors opined that adequate provision has been made at the end of each reporting period.

30. DEFERRED TAXATION

	2015	2014
	US$'000	*US$'000*
Deferred tax assets	**55,812**	–
Deferred tax liabilities	**(40,069)**	(41,749)
	15,743	(41,749)

The following are the major deferred tax balances recognised and movements thereon during the current and prior years:

	Property, plant and equipment	**Undistributable profits of subsidiaries**	**Tax losses**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Balance at 1 December 2014	(219,258)	(10,062)	115,735	(113,585)
Charge to profit or loss	(8,370)	(8,339)	(12,378)	(29,087)
Adjustments due to the amendments to the Income Tax Act and charge to profit or loss *(Note 10)*	203,181	–	(102,258)	100,923
Balance at 31 December 2014	(24,447)	(18,401)	1,099	(41,749)
Charge to profit or loss	134,464	(1,910)	16,086	148,640
Adjustments due to the amendments to the Income Tax Act and charge to profit or loss *(Note 10)*	(193,406)	–	102,258	(91,148)
Balance at 31 December 2015	(83,389)	(20,311)	119,443	15,743

As at 31 December 2015, the Group has unused tax losses of US$413,180,000 (2014: US$356,696,000) in respect of the subsidiaries in Zambia and DRC available for offset against future profits. Deferred tax assets in respect of tax losses of US$397,620,000 (2014: US$353,033,000) have been recognised in respect of all the losses of these subsidiaries in Zambia and DRC. No deferred tax asset has been recognised in respect of the remaining US$15,560,000 (2014: US$3,663,000) due to the unpredictability of future profit streams. Subject to agreement with the relevant tax bureau in Zambia and DRC, 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 set off against future taxable profits from the same source of those subsidiaries.

31. INVESTMENT IN SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are set out below:

Name of company	Place/Country of operations and date of incorporation	Issued and fully paid-up ordinary share capital	Equity interest attributable to the Company as at 31 December 2015 %	2014 %	Principal activities
CNMH *(Note (a))*	Ireland 23 September 2011	Euro171,152,002	**100**	100	Investment holding
China Nonferrous Mining Hong Kong Holding Limited *(Note (a))*	Hong Kong 6 October 2015	HK$10,000	**100**	100	Investment holding
NFCA *(Note (b))*	Zambia 5 March 1998	US$9,000,001	**85**	85	Exploration and mining of copper and production of copper concentrates
CCS *(Note (b))*	Zambia 19 July 2006	US$2,000	**60**	60	Production and sale of blister copper and sulfuric acid
SML *(Notes (b), (c))*	Zambia 3 December 2004	US$1,000	**67.75**	67.75	Production and sale of copper cathodes
Luanshya (Note (b))	Zambia 10 July 2003	US$10,000,001	**80**	80	Exploration and mining of copper and production of copper concentrates and copper cathodes
Kakoso Metals Leach Limited ("Kakoso") *(Notes (b), (e))*	Zambia 18 August 2010	ZMK10,000,000	**59.62**	59.62	Inactive
Huachin Metals Leach SA *(Notes (b), (e))*	DRC 17 December 2010	US$10,000,000	**42.34**	42.34	Production and sale of copper cathodes and sulfuric acid
CNMC Huachin Mabende Mining SPRL ("CHM") *(Notes (b), (e))*	DRC 5 October 2012	US$9,000,000	**40.65**	40.65	Production and sale of copper cathodes and sulfuric acid
Green Home Farm Limited ("Green Home") *(Notes (b), (d))*	Zambia 12 July 2012	ZMK5,000,000	**85**	85	Farming
CCS Chinda Trade & Investment SARL ("CCS Chinda") *(Note (f))*	DRC 10 April 2015	US$2,000	**60**	–	Sale of sulfuric acid
SBR *(Note (g))*	DRC 23 May 2014	CDF717,005,314	**38.62**	–	Exploration and mining of copper

31. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Notes:

(a) The ordinary share capital of these companies is directly held by the Company.

(b) The ordinary share capital of these companies is indirectly held by the Company.

(c) 55% and 15% of the issued and paid-up ordinary share capital of SML are directly held by CNMH and NFCA, respectively.

(d) Green Home is a wholly-owned subsidiary of NFCA.

(e) Incorporated by SML and other non-controlling shareholders, 88%, 62.5% and 60% of the issued and paid-up ordinary share capital of Kakoso, Huachin Minerals Leach SPRL and CHM, respectively, are directly held and controlled by SML.

(f) CCS Chinda is a wholly-owned subsidiary of CCS.

(g) CHM acquired SBR on 20 November 2015 and 95% of the issued and paid-up ordinary share capital of SBR is directly held and controlled by CHM (see note 16 for details).

Details of non-wholly owned subsidiaries that have material non-controlling interests:

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of company	Place/Country of operations and Principal place of activities	Proportion of ownership interests and voting rights held interests by non-controlling interests 2015 %	2014 %	Profit allocated to non-controlling interests 2015	2014	Accumulated non-controlling interests 2015	2014
NFCA	Zambia	**15**	15	**(45,651)**	11,868	**(6,444)**	39,207
CCS	Zambia	**40**	40	**21,664**	63,558	**143,230**	133,566
Subsidiaries with individually immaterial non-controlling interests						**17,870**	27,490
						154,656	200,263

31. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

NFCA	**2015** ***US$'000***	2014 *US$'000*
Current assets	**189,932**	176,391
Non-current assets	**224,434**	421,835
Current liabilities	**(106,878)**	(45,147)
Non-current liabilities	**(350,448)**	(291,698)
Equity attributable to owners of the Company	**(36,516)**	222,174
Non-controlling interests	**(6,444)**	39,207
Revenue	**92,631**	139,117
Expenses	**(396,973)**	(59,996)
Profit and total comprehensive income for the year	**(304,342)**	79,121
Profit and total comprehensive income attributable to owners of the Company	**(258,691)**	67,253
Profit and total comprehensive income attributable to the non-controlling interests	**(45,651)**	11,868
Net cash inflow from operating activities	**4,453**	22,485
Net cash outflow from investing activities	**(77,323)**	(81,157)
Net cash inflow from financing activities	**110,440**	98,079
Effect of foreign exchange rate changes	**(1,009)**	(24)
Net cash inflow	**36,561**	39,383

31. INVESTMENT IN SUBSIDIARIES (CONTINUED)

CCS	**2015** ***US$'000***	2014 *US$'000*
Current assets	**472,443**	602,888
Non-current assets	**224,432**	233,224
Current liabilities	**(216,004)**	(294,768)
Non-current liabilities	**(122,795)**	(207,428)
Equity attributable to owners of the Company	**214,846**	200,350
Non-controlling interests	**143,230**	133,566
Revenue	**937,523**	1,628,641
Expenses	**(883,363)**	(1,469,745)
Profit and total comprehensive income for the year	**54,160**	158,896
Profit and total comprehensive income attributable to owners of the Company	**32,496**	95,338
Profit and total comprehensive income attributable to the non-controlling interests	**21,664**	63,558
Dividends paid to non-controlling interests	**12,000**	20,000
Net cash inflow from operating activities	**137,501**	143,492
Net cash outflow from investing activities	**(5,014)**	(18,751)
Net cash outflow from financing activities	**(123,000)**	(57,972)
Effect of foreign exchange rate changes	**(11,756)**	(22)
Net cash (outflow) inflow	**(2,269)**	66,747

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt (which includes bank overdrafts, bank and other borrowings), restricted bank balances, bank balances and cash and equity attributable to owners of the Company (comprising capital, share premium, other reserves and retained profits).

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The Group's management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The gearing ratio of the Group at the end of the reporting period was as follows:

	Notes	2015 US$'000	2014 US$'000
Debts	(a)	**1,054,472**	1,006,372
Less: Bank deposits, restricted bank balances, bank balances and cash		**(642,231)**	(519,315)
Net debt		**412,241**	487,057
Equity	(b)	**632,815**	922,591
Net debt to equity ratio		**65.1%**	52.8%

Notes:

(a) Debt comprises bank overdrafts and non-current and current bank and other borrowings as detailed in note 25.

(b) Equity includes capital, share premium, other reserves and retained profits attributable to owners of the Company.

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2015	2014
	US$'000	*US$'000*
Financial assets		
Loans and receivables (including embedded derivatives as disclosed in note 20)	**770,000**	726,995
Derivatives	**–**	780
Financial liabilities		
Amortised costs	**1,246,513**	1,185,840
Derivatives	**182**	–

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, restricted bank balances, bank deposits, bank balances and cash, trade and other payables, finance lease receivables, bank overdrafts, bank and other borrowings and derivatives. The Company's major financial instruments include balances with subsidiaries, bank balances and cash, other receivables and payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group's significant operations are in Zambia and most of its sales and purchases were denominated in US$, the functional currency of the companies comprising the Group, while certain sales and purchases were settled in currencies (mainly Zambian Kwacha ("ZMK") and Renminbi ("RMB")) other than the functional currency of these group entities that expose the Group to foreign currency risk.

The Company's currency risk is primarily arising from the bank balances denominated in HK$. That is not considered significant as HK$ is pegged to US$ and the analyses of its foreign currency denominated assets and liabilities and sensitivity analysis thereof are not presented.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

(i) Currency risk *(Continued)*

The carrying amounts of the Group's ZMK and RMB denominated monetary assets and liabilities which expose the Group the most foreign currency risk are as follows:

	2015	2014
	US$'000	*US$'000*
ZMK denominated monetary assets	**9,692**	57,127
ZMK denominated monetary liabilities	**(13,650)**	(12,924)
RMB denominated monetary assets	**20,202**	19,990
RMB denominated monetary liabilities	**(1,521)**	–

The sensitivity analysis below has been determined based on the exposure to exchange rates of ZMK and RMB against US$. For a 5%, 10%, 15% weakening of ZMK and RMB against US$ and all other variables being held constant, there would have no impact on the Group's total equity apart from the retained profits and the effect on the Group's profit after tax are as follows:

	2015	2014
	US$'000	*US$'000*
	Increase/(Decrease)	
ZMK against US$		
Weakening		
– 5%	**73**	(2,132)
– 10%	**147**	(4,264)
– 15%	**220**	(6,396)
RMB against US$		
Weakening		
– 5%	**(803)**	(905)
– 10%	**(1,605)**	(1,809)
– 15%	**(2,408)**	(2,714)

For a 5%, 10%, 15% strengthening of ZMK and RMB against US$, there would be an equal and opposite impact on the profit after tax.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

(ii) Interest rate risk management

Apart from the fixed rate loan from a non-controlling shareholder of a subsidiary that expose the Group to fair value interest rate risk, the Group is also exposed to cash flow interest rate risk through the impact of rate changes on interest-bearing financial assets and liabilities, mainly interest-bearing restricted bank balances, bank deposits, bank balances, bank overdrafts and bank and other borrowings at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the Directors will consider hedging significant interest rate risk should the need arise.

The sensitivity analysis below has been determined based on the exposure to variable rate bank overdrafts and bank and other borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each reporting period was outstanding for the whole year. The effect on restricted bank balances, bank deposits and bank balances, however, had been ignored as most of them bore interest at minimal rate at the end of each reporting period.

If interest rates on bank overdrafts and bank and other borrowings had been 100 basis points ("BPs") change and all other variables were held constant, there would have no impact on the Group's total equity apart from retained profits and the potential effect on profit after tax is as follows:

	2015 ***US$'000***	2014 *US$'000*
Increase (decrease) in profit for the year		
– as the result of increase in interest rate	**(9,470)**	(9,419)
– as the result of decrease in interest rate	**9,470**	9,419

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

(iii) Commodity price risk

The Group's commodity price risk is mainly the exposure to fluctuations in the prevailing market price of copper which are the major commodities purchased, produced and sold by the Group. To minimise this risk, the Group enters into copper futures contracts and provisional price arrangement to manage the Group's exposure in relation to forecasted sales of copper products, forecasted purchases of copper concentrates, inventories and firm commitments to sell the Group's copper products.

Financial assets and liabilities of the Group whose fair value change in line with the fluctuations in the prevailing market price of copper mainly comprise copper futures contracts and provisional price arrangements. If all prices of copper futures had been increased by 10% and all other variables were held constant, there would have no impact on the Group's total equity apart from retained profits and the potential effect on profit after tax is as follows:

	2015	2014
	US$'000	*US$'000*
Increase in profit after tax for the year	**6,476**	38,882

There would be an equal and opposite impact on the profit after tax for the year where there had been 10% decrease in all prices of copper futures.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade and other receivables, and finance lease receivables. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on restricted bank balances and bank balances is minimal as such amounts are placed in banks with good reputation.

The Group has concentration of credit risk because 92% (2014: 91%) of the trade receivables was due from the Group's two (2014: two) largest customers.

Other than the above, the Group does not have significant concentration of credit risk.

Liquidity risk management

The Directors have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of its financial assets and liabilities.

33. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies *(Continued)*

Liquidity risk management (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The interest payments are computed using contractual rates or if variable, based on the prevailing market rate at the end of each reporting period. For derivatives settled on a net basis, the table has been drawn up based on undiscounted contractual net cash flows.

	Weighted average interest rate	On demand or less than 6 months	Over 6 months but not more than1 year	1 to 5 years	More than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
31 December 2015							
Non-derivative financial liabilities							
Trade and other payables		**192,041**	**–**	**–**	**–**	**192,041**	**192,041**
Dividend payables		**19,358**	**–**	**–**	**–**	**19,358**	**19,358**
Other borrowings							
– fixed rate	**8%**	**23,224**	**–**	**–**	**–**	**23,224**	**22,605**
– variable rate	**3.68%**	**17**	**17**	**1,129**	**–**	**1,163**	**1,077**
Bank borrowings at variable rate	**2.54%**	**229,085**	**132,909**	**732,040**	**–**	**1,094,034**	**1,030,790**
		463,725	**132,926**	**733,169**	**–**	**1,329,820**	**1,265,871**
Derivative financial liabilities							
– net settlement							
Copper future contract		182	–	–	–	182	182
31 December 2014							
Non-derivative financial liabilities							
Trade and other payables		179,468	–	–	–	179,468	179,468
Dividend payables		20,000	–	–	–	20,000	20,000
Other borrowings at fixed rate	8.0%	904	904	23,229	–	25,037	22,605
Bank overdrafts and bank							
Borrowings at variable rate	2.29%	117,252	234,206	689,005	–	1,040,463	983,767
		317,624	235,110	712,234	–	1,264,968	1,205,840

33. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	Level 1	Level 2	Level 3	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*
31 December 2015				
Copper future contract *(note)*	–	(182)	–	(182)
Embedded derivatives arising from sales under provisional pricing arrangement *(note)*	–	(4,815)	–	(4,815)
31 December 2014				
Copper future contract *(note)*	–	780	–	780
Embedded derivatives from sales under provisional pricing arrangement *(note)*	–	(13,351)	–	(13,351)

Note: Calculate using discounted cash flow. Future cash flows are estimated based on the expected redemption amount that are discounted at a rate that reflects the credit risk of the counterparty.

There were no transfers between Level 1 and 2 in the year.

Except as detailed above, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost recognised in the consolidated financial statements approximate their fair values.

34. OPERATING LEASE – THE GROUP AS LESSEE

At the end of the reporting period, the Group had commitments for future minimum lease payments under a non-cancellable operating lease 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:

	2015	2014
	US$'000	*US$'000*
Within one year	**5,624**	5,889
In the second to fifth years inclusive	**2,743**	8,474
	8,367	14,363

35. CAPITAL COMMITMENTS

	2015	2014
	US$'000	*US$'000*
Capital expenditure contracted for but not provided for in respect of:		
– acquisition of property, plant and equipment	**280,548**	267,938

36. 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 consolidated financial statements, during the year, the Group had the following significant transactions with related parties:

(1) Transactions with CNMC and its subsidiaries

	Notes	**Related parties**	**2015** ***US$'000***	2014 *US$'000*
Sales of:				
– Blister copper	(a)	Fellow subsidiaries	**564,829**	899,011
– Copper cathodes	(a)	Fellow subsidiaries	**208,297**	249,698
– Other materials	(a)	Fellow subsidiary	**372**	351
Services income	(a)	Fellow subsidiary	**31**	52
Finance income earned under finance leases	(a),(b)	Fellow subsidiary	**729**	801
Purchases of:				
– Plant and equipment	(a)	Fellow subsidiaries	**(20,534)**	(32,650)
– Materials	(a)	Fellow subsidiaries	**(47,208)**	(29,460)
– Electricity	(a)	Fellow subsidiary	**(15,952)**	(16,269)
– Services	(a)	Fellow subsidiaries	**(43,320)**	(54,402)
– Freight and transportation	(a)	Fellow subsidiaries	**(1,258)**	(1,526)
Rental expenses	(a)	Fellow subsidiaries	**(6,010)**	(6,053)
	(a)	CNMC	**–**	(340)
Guarantee fees	(a)	CNMC	**(2,696)**	(2,988)

Notes:

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

(b) 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 18.

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(1) Transactions with CNMC and its subsidiaries *(Continued)*

In addition to the above, the Group also had the following transactions with CNMC and its subsidiaries:

(i) 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 25.

(ii) On 1 July 2009, a subsidiary of the Company, 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 that subsidiary 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.

(2) Transactions with an associate of the Group and non-controlling shareholders of subsidiaries and their subsidiaries

	Notes	**Related parties**	**2015** ***US$'000***	2014 *US$'000*
Sales of:				
– Blister copper	(a)	Subsidiaries of a non-controlling shareholder of a subsidiary	**201,990**	432,108
Purchases of:				
– Materials	(a)	Associate	**–**	(9,885)
	(a)	A Subsidiary of a non-controlling shareholder of a subsidiary	**(13,451)**	–
Interest expense	(b)	A non-controlling shareholder of a subsidiary	**(1,808)**	(1,803)

Notes:

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

(b) The interest expense arose from unsecured loan from a non-controlling shareholder with significant influence over a subsidiary of the Group. Further details of the loans at the end of the reporting period are set out in note 25.

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(3) Other government-related entity operated in the PRC

The Group has entered into various transactions, amongst others, including deposit placements, borrowings and other bank facilities, with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. In view of the nature of these transactions, the Directors are of the opinion that separate disclosures would not be meaningful.

(4) The details of remuneration of key management personnel, represents emoluments of the Directors, are set out in note 12.

37. 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.

38. CONTINGENT LIABILITIES

As at 31 December 2015, Group was the defendant for various claims involving alleged unfair/unlawful termination or breach of employment contracts, wrongful calculation of wages/benefits and compensation for injuries.

As at 31 December 2015, the Group has made relevant provision for the potential liabilities of US$300,000 (2014: US$300,000) which the Directors opined is adequate based on the present assessments by the Group's legal advisers.

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2015	2014
	US$'000	*US$'000*
NON-CURRENT ASSETS		
Equipment	**22**	29
Investment in subsidiaries	**143,859**	315,859
Receivable from a subsidiary	**92,362**	76,728
Loans to subsidiaries	**257,000**	371,443
	493,243	764,059
CURRENT ASSETS		
Other receivables	**142**	19
Loans to subsidiaries	**176,075**	50,000
Due from subsidiaries	**44,128**	11,369
Bank balances and cash	**204,283**	120,902
	424,628	182,290
CURRENT LIABILITIES		
Accrued expenses	**8,831**	888
Bank and other borrowings		
– due within one year	**162,000**	55,000
	170,831	55,888
NET CURRENT ASSETS	**253,797**	126,402
TOTAL ASSETS LESS CURRENT LIABILITIES	**747,040**	890,461

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	2015	2014
	US$'000	*US$'000*
CAPITAL AND RESERVES		
Share capital	**613,233**	613,233
Share premium	**–**	–
Retained profits	**53,807**	183,228
TOTAL EQUITY	**667,040**	796,461
NON-CURRENT LIABILITIES		
Bank and other borrowings		
– due after one year	**80,000**	94,000
	747,040	890,461

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 24 March 2016 and is signed on its behalf by:

Xinghu Tao
DIRECTOR

Xingeng Luo
DIRECTOR

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Movement in reserve of the Company

	Share premium *US$'000*	Retained profits *US$'000*	Total *US$'000*
At 1 December 2014	165,332	121,207	286,539
Profit and total comprehensive income for the year	–	69,000	69,000
Transfer from share premium upon abolition of par value *(Note 27)*	(165,332)	–	(165,332)
Dividend declared	–	(6,979)	(6,979)
At 31 December 2014	–	183,228	183,228
Profit and total comprehensive income for the year	–	(119,547)	(119,547)
Dividend declared	–	(9,874)	(9,874)
At 31 December 2015	–	53,807	53,807

FIVE YEAR FINANCIAL SUMMARY

A summary of selected items of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and the Prospectus, is set out below.

RESULTS

	Year ended 31 December				
	2015	2014	2013	2012	2011
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue	**1,189,164**	1,941,973	1,744,023	1,532,315	1,283,906
Gross profit	**125,609**	302,587	274,257	282,950	188,258
(Loss) profit before tax	**(351,561)**	169,493	176,179	192,750	118,310
Net (loss) profit	**(313,509)**	229,643	127,360	168,044	103,290
(Loss) profit attributable to owners of the Company	**(279,902)**	146,821	67,257	98,544	70,014

ASSETS, LIABILITIES, NON-CONTROLLING INTERESTS AND EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	At 31 December				
	2015	2014	2013	2012	2011
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Non-current assets	**994,191**	1,246,060	1,228,863	1,061,161	925,725
Current assets	**1,175,076**	1,230,082	1,098,333	787,112	547,494
Total assets	**2,169,267**	2,476,142	2,327,196	1,848,273	1,473,219
Current liabilities	**610,669**	591,124	433,671	292,468	364,342
Net current assets	**564,407**	638,958	664,662	494,644	183,152
Non-current liabilities	**771,127**	762,164	973,335	704,767	619,527
Equity attributable to owners of the Company	**632,815**	922,591	782,749	715,492	372,304
Non-controlling interests	**154,656**	200,263	137,441	135,546	117,046

DEFINITIONS

In this annual report, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"AGM"	the annual general meeting of the Company
"Articles of Association" or "Articles"	the articles of association of the Company that were adopted on 27 April 2012
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of Directors of the Company
"BVI"	the British Virgin Islands
"CCS"	Chambishi Copper Smelter Limited (謙比希銅冶煉有限公司*), a company incorporated in Zambia on 19 July 2006 and a subsidiary of the Company
"CG Code" or "Corporate Governance Code"	code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules
"Chambishi Leach Plant"	the copper leaching plant located in the Copperbelt province in Zambia held by SML and where SML undertakes its leaching operations
"China" or "PRC"	the People's Republic of China. For the purpose of this report and for geographical reference only and except where the context requires, references to "China" and the "PRC" do not include Taiwan, the Macau Special Administrative Region and Hong Kong Special Administrative Region
"CNMC"	China Nonferrous Metal Mining (Group) Co., Ltd* (中國有色礦業集團有限公司), a state-owned enterprise incorporated under the laws of the PRC in 1997 with operating history dating back to 1983, directly administered by SASAC, and the ultimate Controlling Shareholder of the Company
"CNMC Copper Supply Framework Agreement"	the copper supply framework agreement dated 18 November 2014 entered into between the Company and CNMC
"CNMC Guarantee Fees Framework Agreement"	the framework agreement dated 18 November 2014 entered into between the Company and CNMC in relation to the reimbursement of guarantee fees paid by CNMC to third party financial institutions

DEFINITIONS (CONTINUED)

"CNMC Huachin Mabende"	CNMC Huachin Mabende Mining SA (中色華鑫馬本德礦業有限公司*) (formerly known as "CNMC Mabende SPRL" (中色馬本德濕法冶煉有限公司*), a joint venture established in the DRC on 9 November 2012 by SML and Huachin SPRL, an associate of the Group
"CNMD"	China Nonferrous Mining Development Limited (中色礦業發展有限公司), an investment holding company incorporated under the laws of the BVI on 12 July 2011, a wholly owned subsidiary of CNMC and the Controlling Shareholder of the Company
"CNMH"	China Nonferrous Mining Holdings Limited (中色礦業控股有限公司*), an investment holding company incorporated under the laws of the Republic of Ireland on 23 September 2011 and a wholly owned subsidiary of the Company
"Companies Ordinance"	the Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "we", "us" or "our"	China Nonferrous Mining Corporation Limited (中國有色礦業有限公司), a company incorporated in Hong Kong on 18 July 2011 with limited liability under the Companies Ordinance and, except where the context otherwise requires, all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it
"Compliance Committee"	the compliance committee of the Board
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto in the Listing Rules
"Controlling Shareholder"	has the meaning ascribed thereto under the Listing Rules
"Deed of Non-Competition Undertaking"	a deed of non-competition undertaking dated 14 May 2012 entered into between CNMC and the Company under which CNMC has given us certain undertakings in respect of the conduct of certain of its activities outside the PRC
"Director(s)"	director(s) of the Company
"DRC"	The Democratic Republic of the Congo

"Fifteen MCC Africa"	Fifteen MCC Africa Construction & Trade Ltd (中國十五冶非洲建築貿易公司*), a company incorporated under the laws of Zambia on 24 May 2007 and a fellow subsidiary of CNMC
"Global Offering"	the offering of the Shares of the Company for subscription by the public in Hong Kong and purchase by institutional and professional investors as described in the Prospectus
"Group", "we" or "us"	the Company and its subsidiaries or any of them, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company
"Hainan Sino-Africa Mining"	Hainan Sino-Africa Mining Investment Ltd (海南中非礦業投資有限公司), a company incorporated under the laws of the PRC in October 2004 holding 30% of SML
"HK$" or "Hong Kong dollar(s)"	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standard, as issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong" or "HK"	The Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huachin Leach"	Huachin Metals Leach SA (中色華鑫濕法冶煉有限公司*) (formerly known as Huachin Metals Leach SPRL (中色華鑫濕法冶煉有限公司*)), a company incorporated under the laws of the DRC on 17 December 2010 and a subsidiary of SML
"Huachin Minerals"	Huachin Minerals SPRL (華鑫礦產有限公司*), a company incorporated under the laws of the DRC on 27 January 2011 and an associate of the Company
"Huachin Ore Supply Framework Agreement"	the ore supply framework agreement dated 18 November 2014 entered into between the Company and Mabende Mining
"JORC"	the Australasian Joint Ore Reserves Committee
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

DEFINITIONS (CONTINUED)

"Kakoso Company"	Kakoso Metals Leach Limited, a company incorporated under the laws of Zambia on 18 August 2010, and a subsidiary of SML
"LIBOR"	London Interbank Offer Rate
"Listing"	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange on 29 June 2012
"Listing Date"	the date the Shares were listed on the Main Board of the Hong Kong Stock Exchange, being 29 June 2012
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Luanshya"	CNMC Luanshya Copper Mines PLC (中色盧安夏銅業有限公司*), formerly Luanshya Copper Mines PLC, a company incorporated in Zambia on 10 July 2003 and a subsidiary of the Company
"Mabende Mining"	Mabende Mining SPRL (馬本德礦業有限公司), a company incorporated under the laws of the Democratic Republic of Congo
"Mabende Project"	the project undertaken by SML through CNMC Huachin Mabende to construct and operate a leaching plant in the DRC
"Main Board"	the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
"MPongwe"	CNMC MPongwe Mining Company Ltd (中色鵬威礦業有限公司*), a company incorporated in Zambia on 3 May 2010, and a subsidiary of CNMC
"Muliashi Project"	an integrated project involving the mining and leaching of copper oxide ores undertaken by Luanshya, including the Muliashi North Mine, the Muliashi Leach Plant and the planned Baluba East Mine
"Mutual Supply Framework Agreement"	the mutual supply framework agreement dated 18 November 2014 (as supplemented by a supplemental agreement dated 4 December 2014) entered into between the Company and CNMC
"NFCA"	NFC Africa Mining PLC (中色非洲礦業有限公司*), a company incorporated in Zambia on 5 March 1998, and a subsidiary of the Company

"Nomination Committee"	the nomination committee of the Board
"Non-Competition Undertaking"	the non-competition undertaking set out in the Deed of Non-Competition Undertaking
"PRC government" or "State"	the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)
"Properties Leasing Framework Agreement"	the properties leasing framework agreement dated 18 November 2014 entered into between the Company and CNMC
"Prospectus"	the prospectus dated 20 June 2012 issued by the Company in connection with the Global Offering and the Listing
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency of the PRC
"Retained Group"	CNMC and its subsidiaries (excluding the Group)
"SFO"	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with nominal value of HK$1.00 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares of the Company
"SML"	Sino-Metals Leach Zambia Limited (贊比亞謙比希濕法冶煉有限公司*), a company incorporated under the laws of Zambia on 3 December 2004 and a subsidiary of the Company
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 2 of the Companies Ordinance
"Substantial Shareholder"	has the meaning ascribed thereto in the Listing Rules
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US¢" or "US cent(s)"	United States cents, the lawful currency for the time being of the United States

"US$" or "US dollar(s)"	United States dollars, the lawful currency for the time being of the United States
"VAT"	value-added tax; all amounts are exclusive of VAT in this report except indicated otherwise
"Year"	year ended 31 December 2015
"Yunnan Copper"	Yunnan Copper Industry Co., Ltd* (雲南銅業股份有限公司), a company incorporated under the laws of the PRC on 15 May 1998 and a subsidiary of Yunnan Copper Group
"Yunnan Copper Group"	Yunnan Copper Industry (Group) Co., Ltd* (雲南銅業集團有限公司), a company incorporated under the laws of the PRC in April 1996 holding 40% of the issued share capital of CCS
"Yunnan Copper Supply Framework Agreement"	the copper supply framework agreement dated 18 November 2014 entered into between the Company and Yunnan Copper Group
"Zambia"	The Republic of Zambia
"ZCCM"	Zambia Consolidated Copper Mines Limited, a company incorporated in Zambia in 1982 and succeeded by ZCCM-IH
"ZCCM-IH"	Zambia Consolidated Copper Mines Investments Holdings Plc, the successor company to ZCCM, majority owned by the Government of Zambia
"ZCCZ"	Zambia-China Economic & Trade Cooperation Zone Development Ltd (贊比亞中國經濟貿易合作區發展有限公司*), a company incorporated in Zambia on 16 January 2007 and a subsidiary of CNMC
"ZMK"	Zambian Kwacha, the lawful currency for the time being of Zambia

* *Translation of English or Chinese terms for reference purposes only.*

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