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

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

(Stock Code: 1258)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS OF THE GROUP

In 2014, the Group recorded revenue of US$1,942.0 million, representing an increase of 11.4% from US$1,744.0 million in 2013.

In 2014, the Group recorded profit for the year of US$229.6 million, representing an increase of 80.3% from US$127.4 million in 2013.

In 2014, the Group recorded profit attributable to owners of the Company of US$146.8 million, representing an increase of 118.3% from US$67.3 million in 2013. Such significant increase was primarily attributable to the considerable increase in revenue and gross profit from major products and the considerable income tax credit arising from the reversal of deferred income tax liabilities as a result of 2015 new taxation system of Zambia.

In 2014, basic earnings per share attributable to owners of the Company was approximately US¢4.21, representing an increase of 118.1% from US¢1.93 in 2013.

The Board has recommended the payment of final dividend of US¢0.283 per share for the year of 2014.

FINANCIAL INFORMATION

The board of directors (the "Board") of China Nonferrous Mining Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2014, together with the comparative figures for the corresponding period in 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December	
		2014	2013
	Notes	***US$'000***	*US$'000*
REVENUE	4,5	**1,941,973**	1,744,023
Cost of sales		**(1,639,386)**	(1,469,766)
Gross profit		**302,587**	274,257
Other income and gains		**13,863**	10,333
Distribution and selling expenses		**(9,091)**	(42,578)
Administrative expenses		**(59,506)**	(51,634)
Finance costs	6	**(18,415)**	(10,635)
Gain/(loss) arising on change in fair value of derivatives		**3,863**	(300)
Other losses	7	**(63,808)**	(3,264)
Profit before tax		**169,493**	176,179
Income tax credit/(expense)	8	**60,150**	(48,819)
Profit for the year	9	**229,643**	127,360
Profit and total comprehensive income attributable to:			
Owners of the Company		**146,821**	67,257
Non-controlling interests		**82,822**	60,103
		229,643	127,360
Earnings per share	11		
— Basic *(US cents)*		**4.21**	1.93

Details of the dividends proposed for the year are disclosed in note 10.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2014	2013
	Notes	***US$'000***	*US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	**1,208,297**	1,185,068
Interest in an associate		**2,143**	2,143
Restricted bank balances		**7,980**	12,137
Other assets		**20,359**	12,870
Finance lease receivables		**7,281**	16,645
		1,246,060	1,228,863
CURRENT ASSETS			
Inventories		**313,660**	370,175
Finance lease receivables		**10,335**	10,335
Trade receivables	13	**183,483**	143,386
Prepayments and other receivables		**210,489**	148,332
Available-for-sale investments		**—**	6,397
Derivatives, at fair value		**780**	—
Restricted bank balances		**8,773**	4,573
Bank balances and cash		**502,562**	415,135
		1,230,082	1,098,333

	Notes	As at 31 December 2014 US$'000	2013 US$'000
CURRENT LIABILITIES			
Trade payables	14	**164,190**	239,445
Other payables and accrued expenses		**78,721**	101,256
Income tax payable		**16,796**	31,356
Bank and other borrowings			
— due within one year	15	**330,000**	61,000
Derivatives, at fair value		**—**	614
Bank overdrafts, unsecured		**1,417**	—
		591,124	433,671
NET CURRENT ASSETS		**638,958**	664,662
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,885,018**	1,893,525
CAPITAL AND RESERVES			
Share capital	16	**613,233**	447,901
Share premium		**—**	165,332
Retained profits		**309,358**	169,516
Equity attributable to owners of the Company		**922,591**	782,749
Non-controlling interests		**200,263**	137,441
TOTAL EQUITY		**1,122,854**	920,190
NON-CURRENT LIABILITIES			
Bank and other borrowings			
— due after one year	15	**674,955**	817,955
Deferred income		**24,629**	21,752
Provision for restoration, rehabilitation and environmental costs		**20,831**	20,043
Deferred tax liabilities		**41,749**	113,585
		762,164	973,335
		1,885,018	1,893,525

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2013	447,901	165,332	102,259	715,492	135,546	851,038
Profit and total comprehensive income for the year	—	—	67,257	67,257	60,103	127,360
Capital contribution by a non-controlling shareholder of a subsidiary	—	—	—	—	3,600	3,600
Dividend declared by subsidiaries	—	—	—	—	(61,808)	(61,808)
Balance at 31 December 2013	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 declared	—	—	(6,979)	(6,979)	—	(6,979)
Balance at 31 December 2014	613,233	—	309,358	922,591	200,263	1,122,854

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
NET CASH FROM OPERATING ACTIVITIES	**221,785**	136,156
NET CASH USED IN INVESTING ACTIVITIES	**(168,185)**	(258,803)
NET CASH FROM FINANCING ACTIVITIES	**32,462**	277,532
NET INCREASE IN CASH AND CASH EQUIVALENTS	**86,062**	154,885
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**415,135**	264,723
Effect of foreign exchange rate changes	**(52)**	(4,473)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by:		
Bank balances and cash	**502,562**	415,135
Bank overdrafts	**(1,417)**	—
	501,145	415,135

1. GENERAL INFORMATION

China Nonferrous Mining Corporation Limited (the "Company") was incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited. Its parent and ultimate holding company are China Nonferrous Mining Development Limited ("CNMD"), incorporated in the British Virgin Islands, and China Nonferrous Metal Mining (Group) Co., Ltd ("CNMC"), incorporated in the People's Republic of China (the "PRC"), respectively. The registered office of the Company is located at Room 1201, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, and its principal place of business is located at 32 Enos Chomba Road, Kitwe, Zambia.

The functional currency of companies comprising the Group is United States dollars ("US$") and the consolidated financial statements have been presented in US$.

The principal activity of the Company is investment holding. The subsidiaries of the Group are engaged in mining, ore processing, leaching, smelting and sales of copper in Zambia and Democratic Republic of the Congo (the "DRC"). The Group also produces sulfuric acid and bismuth, by-products in the smelting process of blister copper.

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

In the current year, the Group and the Company have applied, for the first time, an interpretation and certain amendments to HKFRSs that are mandatorily effective for the current year:

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

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The Group and the Company have applied the amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible asset with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new requirements include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 *Fair value Measurements*.

During the year, the Group made impairment for its mining assets and the relevant disclosures under Amendments to HKAS 36 have been made.

HK(IFRIC) — Int 21 *Levies*

The Group has applied HK(IFRIC) — Int 21 *Levies* for the first time in the current year. HK(IFRIC) — Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) — Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Other than set out above, the application of other new and amendments to HKFRSs has had no material impact on the Group's consolidated financial statements.

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[2]
Amendments to HKAS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2013-2014 Cycle[4]
Amendments to HKFRS 10 HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The directors of the Company (the "Directors") are still assessing the impacts on the application of HKFRS 9, HKFRS 15, HKAS 16 and HKAS 38 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 these standards until the Group performs a detailed review.

Other than set out above, the Directors do not anticipate that the application of other new and 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. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants as well as the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance.

4. REVENUE

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

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Blister copper *(Note)*	**1,536,767**	1,412,390
Copper cathodes	**337,654**	267,790
Sulfuric acid	**65,867**	63,843
Bismuth	**1,685**	—
	1,941,973	1,744,023

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

5. SEGMENT INFORMATION

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

The Group's operating and reportable segments in the 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.

Segment revenue and results

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

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Segment revenue		
Revenue from external customers		
— Leaching	**337,654**	267,790
— Smelting	**1,604,319**	1,476,233
	1,941,973	1,744,023
Inter-segment sales		
— Leaching	**2,470**	1,140
— Smelting	**24,322**	16,433
	26,792	17,573
Total segment revenue		
— Leaching	**340,124**	268,930
— Smelting	**1,628,641**	1,492,666
	1,968,765	1,761,596
Elimination*	**(26,792)**	(17,573)
Revenue for the year	**1,941,973**	1,744,023

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

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Segment profit		
— Leaching	**16,733**	24,261
— Smelting	**203,819**	105,520
	220,552	129,781
Unallocated income*	**17,614**	13,102
Unallocated expenses#	**(7,002)**	(4,462)
Elimination	**(1,521)**	(11,061)
Profit for the year	**229,643**	127,360

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

\# The unallocated expenses mainly represent the administrative expenses and financial costs of the Company and China Nonferrous Mining Holdings Limited ("CNMH"), a directly wholly-owned subsidiary of the Company which directly holds the Group's shareholdings in the subsidiaries in Zambia.

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

Segment assets and liabilities

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
Segment assets		
— Leaching	**860,547**	690,100
— Smelting	**1,513,500**	1,590,574
Total segment assets	**2,374,047**	2,280,674
Unallocated assets*	**124,298**	113,740
Elimination	**(22,203)**	(67,218)
Consolidated total assets	**2,476,142**	2,327,196

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
Segment liabilities		
— Leaching	**684,600**	628,904
— Smelting	**973,760**	1,112,320
Total segment liabilities	**1,658,360**	1,741,224
Unallocated liabilities*	**174,371**	148,766
Elimination	**(479,443)**	(482,984)
Consolidated total liabilities	**1,353,288**	1,407,006

* 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 operating and reportable segments.

6. FINANCE COSTS

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Interest on bank and other borrowings:		
— wholly repayable within five years	**21,601**	9,165
— not wholly repayable within five years	**—**	6,408
Total borrowing costs	**21,601**	15,573
Unwinding of the discount	**539**	330
Less: Amounts capitalised in the cost of qualifying assets	**(3,725)**	(5,268)
	18,415	10,635
The weighted average capitalisation rate on funds borrowed, generally (per annum)	**1.9%–3.4%**	2.2%–2.3%

7. OTHER LOSSES

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Foreign exchange losses, net*	**20,287**	471
Loss on disposal of property, plant and equipment, net	**42**	533
Loss on impairment of mining assets	**40,000**	—
Others	**3,479**	2,260
	63,808	3,264

* The Group's net foreign exchange losses for the year mainly arose from the retranslation of its VAT receivables which are denominated in Zambian Kwacha ("ZMK") as a result of the depreciation of ZMK against US$ during the current year.

8. INCOME TAX (CREDIT)/EXPENSE

Income tax (credit)/expense recognised in profit or loss:

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Current tax:		
— Income Tax in Zambia	**277**	8,430
— Income Tax in DRC	**7,659**	2,664
— Income Tax in Ireland	**3,750**	17,374
	11,686	28,468
Deferred tax*	**(71,836)**	20,351
Total income tax (credit)/expense	**(60,150)**	48,819

** Including that attributable to a change in tax rate.*

Hong Kong profits tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profit. 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 2014 and 2013.

Income Tax in the Republic of Ireland ("Ireland") is calculated at 12.5% (2013: 12.5%) on the estimated assessable income.

Income Tax in the DRC is calculated at 30% (2013: 30%) on the estimated assessable income.

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

For the two years ended 31 December 2014 and 2013, the Group enjoyed the following income tax incentives:

- On 15 October 2014, Chambishi Copper Smelter Limited ("CCS", a directly 60% owned subsidiary of CNMH) was granted another ten-year income tax incentives for its investment in the production facilities expansion project (the "Production Facilities Expansion Project") and its assessable income from the Production Facilities Expansion Project is subject to zero rate income tax for the first five years commencing from 1 January 2014 (which is the first profitable year of the Production Facilities Expansion Project), 50% of income tax relief for the next three years thereafter, and 25% of income tax relief for the remaining two years. Practically, 45% of the assessable income of CCS is deemed to be generated from the Production Facilities Expansion Project as confirmed by a letter dated 15 December 2014 from Zambia Revenue Authority (the "ZRA") based on the ratio of investment amount on the Production Facilities Expansion Project to that of the total investment in the production facilities of CCS.

- On 3 April 2009, CCS was 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 first profitable year of CCS, for Income Tax purpose, is 2010. In 2014 and 2013, CCS enjoyed tax incentives of zero rate income tax.

- On 10 June 2011, Sino-Metal Leach Zambia Limited ("SML", a directly 55% owned subsidiary of CNMH) was granted ten-year income tax incentives 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 first profitable year of Sino-Metal Leach Zambia Limited, for Income Tax purpose, is 2008. The applicable tax rate for SML for the years ended 31 December 2014 and 2013 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$18,401,000 (31 December 2013: US$10,062,000) has been provided for temporary differences associated with undistributed earnings of these subsidiaries while the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised amount to US$29,473,000 (31 December 2013: US$14,526,000). 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.

According to “An Act to amend the Income Tax Act” enacted by the Parliament of Zambia on 23 December 2014, there are 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%, respectively, with effect from 1 January 2015. Accordingly, commencing from 1 January 2015, the applicable tax rate on the assessable income from leaching and smelting operations of SML and CCS, respectively, is 30% whereas the applicable tax rate on the assessable income from the mining operations of NFC Africa Mining PLC (“NFCA”, a direct 85% owned subsidiary of CNMH) and CNMC Luanshya Copper Mines PLC (“Luanshya”, a direct 80% owned subsidiary of CNMH) is 0%.

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 in Zambia and DRC to the extent total input VAT paid on purchases exceeds total output VAT payable on domestic sales.

In addition, NFCA and Luanshya are also subject to mineral royalty at 6% on the norm value of the copper concentrates and copper cathodes produced. According to “An Act to amend the Mines and Minerals Development Act, 2008” enacted by the Parliament of Zambia on 23 December 2014, there are certain amendments to the Mines and Minerals Development Act that include, inter alia, to change the rates of mineral royalty to 8% and 20% of the norm value of the base metals or precious metals produced or recoverable from open cast mining and underground mining operations, respectively, with effect from 1 January 2015. Accordingly, commencing from 1 January 2015, the mineral royalty for copper concentrates produced by NFCA and Luanshya from underground mining operations will be levied at 8% whereas the copper cathodes produced by Luanshya from open cast mining operations will be levied at 20%.

9. PROFIT FOR THE YEAR

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

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**114,140**	88,676
Staff costs (including Directors' remuneration):		
Wages, salaries and benefits	**86,043**	84,210
Retirement benefit schemes contributions	**13,522**	14,957
Total staff costs	**99,565**	99,167
Less: Amounts included in construction in progress	**(1,818)**	(2,593)
	97,747	96,574
Cost of inventories recognised as an expense	**1,639,386**	1,469,766
Donations	**5**	425
Minimum lease payments in respect of		
— Land and buildings	**6,277**	6,234
— Machinery and equipment	**9**	19

10. DIVIDENDS

	For the year ended 31 December	
	2014	2013
	US$'000	*US$'000*
Dividends recognised as distribution during the year:		
2013 Final, paid – US$0.002 per share (2013: Nil)	**6,979**	—

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 December 2014 of US$0.00283 per share, amounting to US$9,874,000 (2013: US$0.002 per share in respect of the year ended 31 December 2013 amounting to US$6,979,000) has been proposed by the Directors and is subject to approval of the shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE

	For the year ended 31 December	
	2014	2013
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share *(in US$'000)*	**146,821**	67,257
Number of ordinary shares for the purpose of basic earnings per share *('000)*	**3,489,036**	3,489,036

During the year ended 31 December 2014 and 2013, there was no potential ordinary share outstanding. Accordingly, no diluted earnings per share is presented.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2014, the Group had additions to property, plant and equipment (including construction in progress) amounting to approximately US$180,100,000 (2013: US$267,773,000).

Due to the amendments to the Income Tax Act and the Mines and Minerals Development Act enacted by the Parliament of Zambia on 23 December 2014, a loss of US$40 million was recognised during the year for the impairment of mining assets of Luanshya for the open cast mining operations, involving the production of copper cathodes using leaching in Zambia. As it is not possible to estimate the recoverable amount of an individual asset of mining assets of Luanshya, the Group estimates the recoverable amount of the mining assets as a CGU to which the assets belongs.

The recoverable amount of these mining assets of Luanshya has been determined at approximately US$434 million on the basis of their value in use, which use cash flow projections of these mining assets based on financial budgets as approved by the Directors, over the life of these mining assets covering a 19-year period.

The Directors believe the major assumptions for the abovementioned cash flow projections are reasonable and achievable.

The loss on impairment of mining assets of Luanshya has been included in profit or loss in the "Other losses" line item.

13. TRADE RECEIVABLES

The following is an aged analysis of trade receivables, presented based on the date of delivery of goods which approximated to the respective dates on which revenue was recognised, net of allowance for doubtful debts:

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
Within 1 month	**70,637**	137,043
More than 1 month, but less than 3 months	**91,044**	4,221
More than 3 months, but less than 6 months	**20,786**	1,382
More than 6 months, but less than 12 months	**809**	15
Over 1 year	**207**	725
	183,483	143,386

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

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed regularly. Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. 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.

14. TRADE PAYABLES

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

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
Within 1 month	**105,415**	116,728
More than 1 month, but less than 3 months	**41,045**	107,838
More than 3 months, but less than 6 months	**7,620**	10,063
More than 6 months, but less than 12 months	**4,646**	1,891
Over 1 year	**5,464**	2,925
	164,190	239,445

15. BANK AND OTHER BORROWINGS

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
Bank borrowings		
— secured *(Note)*	**170,000**	170,000
— unsecured	**812,350**	686,350
Loan from a non-controlling shareholder of a subsidiary, unsecured	**22,605**	22,605
	1,004,955	878,955
Carrying amount repayable:		
Within one year	**330,000**	61,000
More than one year, but not exceeding two years	**255,505**	290,000
More than two year, but not exceeding five years	**419,450**	250,505
More than five years	**—**	277,450
	1,004,955	878,955
Less: Amounts shown under current liabilities	**(330,000)**	(61,000)
Non-current portion	**674,955**	817,955

Note: The bank loans as at 31 December 2014 are secured by certain restricted bank balances of US$4,165,000 (2013: US$4,157,000) and are guaranteed by CNMC.

16. SHARE CAPITAL

	Number of shares		Share capital	
	2014	2013	**2014**	2013
	('000)	*('000)*	***HK$'000***	*HK$'000*
Authorised:				
At beginning of the year	**5,000,000**	5,000,000	**5,000,000**	5,000,000
At end of the year	***Note***	5,000,000	***Note***	5,000,000
Issued and fully paid:				
At beginning of the year				
Ordinary shares of HK$1.00 each	**3,489,036**	3,489,036	**3,489,036**	3,489,036
Transfer from share premium upon abolition of par value	**—**	—	**1,286,283**	—
At end of the year				
Ordinary shares of HK$1.00 each		3,489,036		3,489,036
Ordinary shares with no par value	**3,489,036**		**4,775,319**	

	2014	2013
	US$'000	*US$'000*
Presented in the consolidated financial statements as	**613,233**	447,901

Note: Under the Companies Ordinance of Hong Kong (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.

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.

17. CONTINGENT LIABILITIES

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2014, despite the adverse impact of decreased copper price and market fluctuations, the Group's business maintained a strong growth momentum.

During the reporting period, the Group saw a further increase in its production and sales volume and achieved revenue of US$1,942.0 million, representing an increase of 11.4% over the same period in the previous year. The profit attributable to owners of the Company amounted to US$146.8 million, representing an increase of 118.3% over the same period in the previous year. Such significant increase was primarily attributable to the considerable increase in revenue and gross profit from major products and the considerable income tax credit arising from the reversal of deferred income tax liabilities as a result of 2015 new taxation system of Zambia.

Meanwhile, the CNMC Huachin Mabende Project and Luanshya Slag Copper Recovery Project of the Group commenced production during the reporting period while Phase II of the Expansion Project of CCS was put to use in its entirety and the heap leaching system of the Muliashi Project continued to expand, improving the Group's competitiveness with significantly enhanced production capacities. Other construction projects of the Group, including the Integrated Exploration and Construction Project of the Chambishi Southeast Mine and Mwambashi Mine Project were also progressing smoothly, underpinning the Group's further business growth in the future. For details of such projects, please refer to the paragraph titled "Projects Under Progress" on page 35.

BUSINESS REVIEW

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

The businesses of the Group are carried out mainly through the following companies: NFC Africa Mining PLC ("NFCA"), CNMC Luanshya Copper Mines PLC ("Luanshya"), Chambishi Copper Smelter Limited ("CCS") and Sino-Metals Leach Zambia Limited ("SML") located in Zambia, as well as through two joint subsidiaries, namely Huachin Metals Leach SA ("Huachin Leach") and CNMC Huachin Mabende Metal Leach SPRL ("CNMC Huachin Mabende") located in DRC.

In 2014, blister copper, copper cathode and sulfuric acid produced by the Group amounted to 222,224 tonnes, 56,492 tonnes and 612,598 tonnes respectively, representing increases of 10.5%, 46.0% and 13.3% respectively, over the previous year. These production growths have spurred a growth of 11.4% in revenue of the Group from US$1,744.0 million in 2013 to US$1,942.0 million in 2014.

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 report. Relevant updates were made according to our new exploration and based on the historical data used by technical consultants.

As confirmed by internal experts, resources and/or reserves had no material changes and the main changes were attributable to adjustment made upon production wastage and intensified exploration.

As at 31 December 2014, 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 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**8.58**	**2.25%**	**—**	**—**	11.74	2.31%	—	—
Indicated	**7.34**	**2.39%**	**—**	**—**	5.58	2.43%	—	—
Inferred	**6.65**	**2.34%**	**—**	**—**	8.27	2.36%	—	—

Note: 1. Geological ore of 927,000 tonnes was consumed in mining activities in 2014;

2. In 2014, no exploratory drilling holes were completed with a drilling footage at the deep section of the main ore body for development purpose. 47 pit drilling holes were completed in the year with drilling footage of 4,500.2m for productive exploration purpose.

Chambishi West Mine

JORC category	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	Oxide copper	Cobalt	31 December 2013 Ore (Mt)	31 December 2013 Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**3.8**	**1.98%**	**1.02%**	**—**	3.56	2.07%	1.11 %	—
Indicated	**1.42**	**1.99%**	**0.96%**	**—**	1.36	2.22%	1.08 %	—
Inferred	**0.96**	**1.99%**	**0.96%**	**—**	0.001	1.77%	0.64 %	—
Sulfide Ore								
Measured	**8.36**	**2.21%**	**—**	**—**	13.70	2.1%	—	—
Indicated	**6.55**	**2.23%**	**—**	**—**	10.63	2.08%	—	—
Inferred	**11.51**	**2.32%**	**—**	**—**	8.24	2.18%	—	—

Note: 1. Geological ore of 1,100,600 tonnes at a grade of 2.16% was consumed in mining activities in 2014;

2. In 2014, 1 surface drilling hole was completed with a drilling footage of 738.73m in Chambishi West Mine for development purpose while 23 pit drilling holes were completed in the year with drilling footage of 2,325.08m for productive exploration purpose;

3. Certain resources of the Chambishi West Mine were re-classified into the Chambishi Main Mine.

Chambishi Southeast Mine

JORC category	31 December 2014 Ore (Mt)	31 December 2014 Average grade Total copper	Oxide copper	Cobalt	31 December 2013 Ore (Mt)	31 December 2013 Average grade Total copper	Oxide copper	Cobalt
Measured	**1.95**	**1.90%**	**—**	**0.11%**	2.22	1.96%	—	0.11%
Indicated	**28.6**	**1.90%**	**—**	**0.11%**	28.00	1.88%	—	0.11%
Inferred	**117.78**	**1.88%**	**—**	**0.10%**	119.86	1.84%	—	0.10%

Note: 6 investigative drilling holes with drilling footage of 1,046.77m were completed for development purpose in 2014.

Mwambashi Mine

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**2.50**	**2.15%**	**1.09%**	**2.50**	2.50	2.15%	1.09%	2.50
Indicated	**4.88**	**1.96%**	**0.68%**	**4.88**	4.88	1.96%	0.68%	4.88
Inferred	**3.31**	**2.06%**	**0.48%**	**3.31**	3.31	2.06%	0.48%	3.31

Note: The Mwambashi Mine has two types of resources, namely high-grade and low-grade resources. Only high-grade resources are disclosed herein.

Kakoso Tailings

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**—**	**—**	**—**	**—**	—	—	—	—
Inferred	**9.08**	**0.60%**	**0.47%**	**—**	9.08	0.60%	0.47%	—

Chambishi Tailings and Ore Piles

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**—**	**—**	**—**	**—**	—	—	—	—
Indicated	**—**	**—**	**—**	**—**	—	—	—	—
Inferred	**0.46**	**0.36%**	**0.25%**	**0.00%**	0.82	0.36%	0.25%	0.00%

Note: Approximately 360,000 tonnes of pile ores were processed in 2014.

Baluba Center Mine Sulfide

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**3.9**	**2.14%**	**0.08%**	**0.16%**	6.94	2.34%	0.08%	0.16%
Indicated	**8.15**	**2.08%**	**0.08%**	**0.15%**	6.29	2.19%	0.08%	0.15%
Inferred	**3.76**	**1.50%**	**0.06%**	**0.08%**	4.28	1.52%	0.07%	0.08%

Note: Baluba Center Mine Sulfide consumed geological ore of approximately 1,407,100 tonnes with TCu grade of 2.09% in 2014.

Muliashi North Mine

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**26.84**	**1.14%**	**0.49%**	**0.02%**	32.08	1.09%	0.49%	0.02%
Indicated	**18.77**	**1.04%**	**0.42%**	**0.02%**	20.16	1.03%	0.42%	0.02%
Inferred	**21.29**	**1.00%**	**0.34%**	**0.02%**	21.29	1.00%	0.34%	0.02%

Note: Muliashi North Mine consumed geological ore of approximately 4,834,400 tonnes with TCu grade of 1.06% in 2014.

Muliashi South Oxidize

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC category	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**2.0**	**1.19%**	**1.2%**	**0.02%**	—	—	—	—
Indicated	**1.1**	**1.58%**	**0.72%**	**0.02%**	—	—	—	—
Inferred	**0.2**	**1.33%**	**0.52%**	**0.02%**	4.40	1.73%	0.34%	0.02%

Note: 31 drilling holes with drilling footage of 1,509.7m were completed in 2014.

Mashiba Mine

JORC category	**31 December 2014** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**3.17**	**1.89%**	**0.24%**	**0.02%**	3.17	1.89%	0.24%	0.02%
Indicated	**5.67**	**1.96%**	**0.22%**	**0.03%**	5.67	1.96%	0.22%	0.03%
Inferred	**4.97**	**1.67%**	**0.43%**	**0.04%**	4.97	1.67%	0.43%	0.04%

Note: No exploration or mining activities were carried out in 2014.

Baluba East Mine

JORC category	**31 December 2014** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**6.40**	**1.90%**	**1.00%**	**—**	6.40	1.90%	1.00%	—
Indicated	**27.64**	**0.77%**	**0.31%**	**—**	27.64	0.77%	0.31%	—
Inferred	**3.27**	**1.03%**	**0.37%**	**—**	3.27	1.03%	0.37%	—

Note: No exploration or mining activities were carried out in 2014.

(2) Reserves

Chambishi Main Mine

JORC category	**31 December 2014** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Proved	**3.72**	**1.47%**	**—**	**—**	4.65	1.56%	—	—
Probable	**2.64**	**1.48%**	**—**	**—**	1.87	1.51%	—	—

Note: The Chambishi Main Mine produced ore of 911,000 tonnes in 2014.

Chambishi West Mine

JORC category	**31 December 2014** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Proved	**1.43**	**1.85%**	**1.01%**	**—**	0.77	2.01%	1.14%	—
Probable	**2.74**	**1.79%**	**0.9%**	**—**	2.35	1.90%	0.96%	—
Sulfide Ore								
Proved	**4.61**	**2.08%**	**—**	**—**	5.96	1.87%	—	—
Probable	**14.31**	**2.06%**	**—**	**—**	14.75	1.95%	—	—

Note: The Chambishi West Mine produced ore of 935,000 tonnes in 2014.

Chambishi Southeast Mine

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC		**Total**	**Oxide**			Total	Oxide	
category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**—**	**—**	**—**	**—**	—	—	—	—
Probable	**37.72**	**1.84%**	**—**	**0.08%**	38.68	1.76%	—	0.08%

Baluba Center Mine

	31 December 2014				31 December 2013			
JORC		**Average grade**				Average grade		
		Total	**Oxide**			Total	Oxide	
category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**1.87**	**1.40%**	**0.06%**	**0.04%**	3.49	1.55%	0.06%	0.11%
Probable	**4.87**	**1.27%**	**0.11%**	**0.09%**	4.94	1.46%	0.07%	0.10%

Muliashi North Mine

	31 December 2014				31 December 2013			
		Average grade				Average grade		
JORC		**Total**	**Oxide**			Total	Oxide	
category	**Ore**	**copper**	**copper**	**Cobalt**	Ore	copper	copper	Cobalt
	(Mt)				*(Mt)*			
Proved	**13.33**	**1.01%**	**0.45%**	**0.02%**	13.39	1.01%	0.45%	0.02%
Probable	**22.86**	**1.13%**	**0.49%**	**0.02%**	28.11	1.09%	0.49%	0.02%

Baluba East Mine

JORC category	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	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%

Note: No exploration or mining activities were carried out in 2014.

Mashiba Mine

JORC category	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	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%	—

Note: No exploration or mining activities were carried out in 2014.

Mashiba B Mine

JORC category	31 December 2014 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt	31 December 2013 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
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%	—

Note: No exploration activities were carried out in 2014 as the construction of its infrastructures were still in progress.

PRODUCTION OVERVIEW

NFCA

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

In 2014, copper contained in copper concentrates produced by NFCA amounted to 28,600 tonnes, representing an increase of 1.9% over the same period in the previous year. Such increase in production volume was primarily attributable to improved mining operation management which resulted in a stable increase in production.

The Chambishi Main Mine and West Mine of NFCA produced ore of 911,000 tonnes and 935,000 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 2014 amounted to 16,854 tonnes, representing an increase of 4.1% over the same period in the previous year, mainly due to the production of a total of 1,542 tonnes of copper contained in copper concentrates after the Slag Copper Recovery Project was put into operation.

The Muliashi Project produced 29,481 tonnes of copper cathode in 2014, representing an increase of 22.3% over the same period in the previous year. Among which, 21,703 tonnes was produced by the agitation leaching system, representing an increase of 0.7% over the same period in the previous year, which achieved its designed capacity; and 7,780 tonnes was produced by the heap leaching system, representing an increase of 204% over the same period in the previous year.

The Baluba Center Mine and the Muliashi North Mine produced ore of 1,410,000 tonnes and 4,830,000 tonnes, respectively, during the year.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In 2014, blister copper and sulfuric acid produced by CCS amounted to 222,224 tonnes and 602,787 tonnes, respectively, representing increases of 10.5% and 15.2%, respectively, over the same period in the previous year. The increase of production volume was mainly attributable to the Phase II of the Expansion Project of CCS gradually put into use, together with the continuous improvement of management, which further enhanced its product output and comprehensive recovery capacity.

SML

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

In 2014, copper cathodes produced by SML amounted to 27,011 tonnes in aggregate, representing an increase of 85.4% over the same period in the previous year. In particular, the CNMC Huachin Mabende Project was put into operation in March and produced an extra 13,361 tonnes of copper cathodes; while Chambishi Leach Plant produced 3,623 tonnes of copper cathodes in aggregate, representing a decrease of 9.5% over the same period in the previous year, mainly due to the low grade and insufficient quantity of purchased oxide ore; and the CNMC Huachin Leach Project produced 10,027 tonnes of copper cathodes in aggregate, representing a decrease of 5.1% over the same period in the previous year, mainly due to the unstable power supply in areas where the project was located.

Meanwhile, the copper contained in copper concentrates produced by SML Chambishi Processing Plant in 2014 amounted to 497 tonnes, representing an increase of 154.9% over the same period in the previous year, mainly attributable to the increase in the quantity of purchased ores and small quantity of sulfide ore supplied by the Mwambashi Mine Project.

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 2014 *(Tonnes)*	Production volume for 2013 *(Tonnes)*	Year-on-year growth/(decrease) *(%)*
Copper concentrate	**45,951**	44,448	3.4%
Blister copper	**222,224**	201,123	10.5%
Copper cathodes	**56,492**	38,682	46.0%
Sulfuric acid	**612,598**	540,731	13.3%
Bismuth	**180**	—	—

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

EXPLORATION, DEVELOPMENT AND MINING COST OF THE GROUP

Expenses of exploration, development, and mining activities of the Group for the year ended 31 December 2014 are set out below:

	NFCA			Luanshya		SML	
Unit: Million US dollars	Chambishi Main Mine	Chambishi West Mine	Chambishi Southeast Mine	Baluba Center Mine Sulfide	Muliashi North Mine	Mwambashi	Total
Exploration activities							
Drilling and analysis	**0.47**	**0.46**	**0.12**	**0.65**	**0.18**	**0.15**	**2.03**
Others	**0.12**	**0.10**	**0.10**	**—**	**—**	**—**	**0.32**
Sub-total	**0.59**	**0.56**	**0.22**	**0.65**	**0.18**	**0.15**	**2.35**
Development activities (including mine construction)							
Purchases of assets and equipment	**—**	**7.09**	**—**	**9.36**	**3.51**	**2.55**	**22.51**
Civil work for construction of tunnels and roads	**—**	**5.32**	**37.10**	**9.44**	**5.47**	**—**	**57.33**
Staff cost	**—**	**—**	**—**	**1.82**	**5.00**	**0.71**	**7.53**
Others	**—**	**—**	**21.02**	**—**	**8.05**	**1.27**	**30.34**
Sub-total	**—**	**12.41**	**58.12**	**20.62**	**22.03**	**4.53**	**117.71**
Mining activities (excluding ore processing)							
Staff cost	**4.05**	**3.28**	**—**	**23.75**	**0.34**	**—**	**31.42**
Consumables	**—**	**—**	**—**	**16.36**	**2.61**	**—**	**18.97**
Fuel, electricity, water and Others services	**7.76**	**6.29**	**—**	**—**	**—**	**—**	**14.05**
On-site and remote system management	**—**	**—**	**—**	**15.70**	**0.03**	**—**	**15.73**
Non-income taxes, royalties and other government expenses	**—**	**—**	**—**	**6.74**	**11.32**	**—**	**18.06**
Others	**2.51**	**2.04**	**—**	**—**	**—**	**—**	**4.55**
Sub-contracting charges	**35.30**	**28.59**	**—**	**—**	**43.44**	**6.46**	**113.79**
Depreciation	**12.82**	**10.38**	**—**	**10.23**	**6.93**	**0.81**	**41.17**
Sub-total	**62.44**	**50.58**	**—**	**72.78**	**64.67**	**7.27**	**257.74**

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 Main Mine of NFCA, 47 pit drilling holes were completed for production purposes with drilling footage of 4,500.02m. In the Chambishi West Mine, 23 pit drilling holes (75mm end hole caliber) for production purposes were completed with drilling footage of 2,325.08m while 1 surface drilling hole (75mm end hole caliber) was completed for exploration purposes with drilling footage of 738.73m. In the Chambishi Southeast Mine, 6 investigative drilling holes (75mm end hole caliber) were completed for surface exploration purposes with drilling footage of 1,046.77m.

Luanshya conducted drilling in Baluba Mine and Muliashi Open-pit Mine (North Mine) for production and exploration purposes. In particular, 217 drilling holes (46mm end hole caliber) for production purposes were completed in Baluba Mine with drilling footage of 5,556m. In Muliashi Open-pit Mine, a total of 31 pit drilling holes (75mm end hole caliber) for production and exploration purposes were completed with drilling footage of 1,510m. In addition, 33 platform trenches (1m × 1m) were completed with a total length of 1,172m and a total capacity of 1,172 m^3.

SML completed 3 drilling holes (75mm end hole caliber) for Mwambashi Mine with an aggregate drilling footage of 521m.

Mining Development

For details of mining development please refer to "Projects Under Progress" on page 35.

Mining Activities

For details of mining activities please refer to "Production Overview" on page 30.

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 US$95,560,000.

SML

The Group's new infrastructure contracts engaged in the year amounted to US$16,760,000.

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

During the year, contracts which amounted to US$7,577,000 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.

PROJECTS UNDER PROGRESS

CCS

Phase II of the Expansion Project

The Group is forging ahead with the construction of Phase II of the Expansion Project of CCS, of which, the main construction was completed on 30 April 2014 and the remaining construction was completed in December 2014. The project has been equipped with a production capacity of 250,000 tonnes of blister copper and 600,000 tonnes of sulfuric acid per annum. The aggregate project investments amounted to US$211.44 million, among which, an accumulated investment of a total of US$151.68 million had been completed as at the end of 2014, representing 71.74% of the total investment.

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 2014, in terms of shaft construction: 1,197m of main shaft was completed with a capacity of 53,437m^3/10,636m^3; 467m of auxilliary shaft was completed with a capacity of 25,057m^3/5,760m^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: 634m of the north air shaft horizontal engineering was completed with a capacity of 11,048m^3/221m^3; 1,004m of the south air shaft 560ML middle section was completed with a capacity of 14,700m^3/13m^3; 1,494m of the south air shaft 680ML exploration engineering was completed with a capacity of 21,662m^3/66m^3. The aggregate project investments amounted to US$830 million, among which, a total of US$183 million of investments had been completed as of the end of December, 2014, representing 22.05% of the total investment amount. The entire project is expected to be completed in 2016.

Construction project of paste backfilling system

The aggregate investments in the construction project of paste backfilling system was US$12.01 million with a design mining capacity of 300t/d. The system will play an essential role in the sustainable and balanced operation of West Mine. By the end of 2014, the completed investments amounted to US$9,733,800, representing 81% of the total investment. Construction of the system was completed and put into use in the first half of 2014.

Luanshya

Slag copper recovery project

Processing capacity of the slag copper recovery project was designed at 500kt/a with the average grade for copper contained in the slag copper at 1.10% and the copper contained in produced copper concentrates at 3,500t/a. The project was commenced in October 2013 and was officially completed and put into operation at the end of July 2014. Expected total investment for the project was US$20,130,000. The completed investments by the end of 2014 amounted to US$13,019,100, representing 64.68% of the total investment.

CNMC Huachin Mabende

The 20,000-tonne Leaching Copper Project of Mabende

SML is undertaking a project to construct and operate a leaching plant with annual output of 20,000 tonnes of copper cathode through CNMC Huachin Mabende (the "CNMC Huachin Mabende Project"). Total investment for the project amounted to US$148 million. By the end of 2014, the completed investments amounted to US$148 million, representing 100% of the total investment. Construction of the CNMC Huachin Mabende Project commenced in April 2013 and the project produced the first batch of copper cathode in March 2014.

SML

Mwambashi Strip Mine project

The project comprises a strip mine with designed capacity of 600,000 tonnes of ores per annum and a process plant with a capacity of 2,000 tonnes. The construction was commenced in September 2013. The total investment amount is US$71,570,400. The completed investments by the end of December 2014 amounted to US$25.40 million, representing 35.49% of the total investment.

In addition, the primary design for Cobalt Converter Slag Recycling Project was completed in 2014 and entered into the construction phase upon the review of the Board on 16 January 2015. Meanwhile, the Group currently carries out development of certain new resource projects such as mining activities in the south Muliashi mine of Luanshya and Kakoso tailings to secure a continuous growth of the Company.

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							
	2014				2013			
	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	**242,397**	**6,340**	**1,536,767**	**79.1%**	199,057	7,095	1,412,390	81.0%
Copper cathodes	**56,216**	**6,006**	**337,654**	**17.4%**	38,891	6,886	267,790	15.3%
Sulfuric acid	**421,106**	**156**	**65,867**	**3.4%**	400,827	159	63,843	3.7%
Bismuth	**180**	**9,361**	**1,685**	**0.1%**	—	—	—	—
Total			**1,941,973**	**100.0%**			1,744,023	100.0%

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

Revenue

The revenue of the Group increased by 11.4% from US$1,744.0 million in 2013 to US$1,942.0 million in 2014. In 2014, the Group's revenue from blister copper, copper cathode, sulfuric acid and bismuth accounted for 79.1%, 17.4%, 3.4% and 0.1%, respectively, of the total revenue.

The revenue from blister copper increased by 8.8% from US$1,412.4 million in 2013 to US$1,536.8 million in 2014. Due to the decline in international copper prices, the average selling price of blister copper decreased by 10.6% from US$7,095 per tonne in 2013 to US$6,340 per tonne in 2014. Notwithstanding this, the Group managed to increase the production volume of blister copper through the commencement of production of the entire Phase II of the Expansion Project of CCS, reinforced management and uplifted level of the technological and economic indicators in 2014, thereby ensuring the increase of revenue from blister copper. The sales volume of blister copper of CCS in 2014 amounted to 242,397 tonnes, representing an increase of 21.8% from 2013.

The revenue from copper cathode increased by 26.1% from US$267.8 million in 2013 to US$337.7 million in 2014. The sales volume of copper cathode increased by 44.5% from 38,891 tonnes in 2013 to 56,216 tonnes in 2014, which was attributable to the significant increase in production volume of copper cathode as the CNMC Huachin Mabende Project commenced production and the production capacity of the heap leaching system of Muliashi Project improved. Although the average selling price of copper cathode, due to the decline in international copper prices, decreased by 12.8% from US$6,886 per tonne in 2013 to US$6,006 per tonne in 2014, the revenue from copper cathode still increased significantly due to the significant increase in the production volume of copper cathode.

The revenue from sulfuric acid increased by 3.2% from US$63.8 million in 2013 to US$65.9 million in 2014, primarily attributable to the increase in the production volume of blister copper in 2014 as compared with that in 2013, which in turn increased the production volume and the sales volume of sulfuric acid, a by-product generated during the production of blister copper, by 5.1% from 400,827 tonnes in 2013 to 421,106 tonnes in 2014.

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							
	2014				2013			
	Cost of sales	**Unit cost of sales**	**Gross profit**	**Gross profit margin**	Cost of sales	Unit cost of sales	Gross profit	Gross profit margin
	(US$'000)	***(US$ per tonne)***	***(US$'000)***	***(%)***	*(US$'000)*	*(US$ per tonne)*	*(US$'000)*	*(%)*
Blister copper	**1,406,205**	**5,801**	**130,562**	**8.5%**	1,270,403	6,382	141,987	10.1%
Copper cathodes	**223,110**	**3,969**	**114,544**	**33.9%**	189,601	4,875	78,189	29.2%
Sulfuric acid	**8,616**	**20**	**57,251**	**86.9%**	9,762	24	54,081	84.7%
Bismuth	**1,455**	**8,083**	**230**	**13.7%**	—	—	—	—
Total	**1,639,386**		**302,587**	**15.6%**	1,469,766		274,257	15.7%

The cost of sales of the Group increased by 11.5% from US$1,469.8 million in 2013 to US$1,639.4 million in 2014, primarily due to the increased total costs as a result of the growth in sales volume of blister copper, partially offset by the decrease in international copper prices.

The cost of sales of blister copper increased by 10.7% from US$1,270.4 million in 2013 to US$1,406.2 million in 2014, primarily due to an year-on-year increase of 21.8% in the sales volume of blister copper, partially offset by a decrease of 9.1% in unit cost of sales of blister copper from US$6,382 per tonne in 2013 to US$5,801 per tonne in 2014 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 cathode increased by 17.7% from US$189.6 million in 2013 to US$223.1 million in 2014, primarily due to an increase of 44.5% in the sales volume of copper cathode, coupled with a decrease in the unit cost of sales of copper cathode from US$4,875 per tonne in 2013 to US$3,969 per tonne in 2014.

The cost of sales of sulfuric acid decreased by 11.7% from US$9.8 million in 2013 to US$8.6 million in 2014, primarily due to an increase of 5.1% in the sales volume, coupled with a decrease in the unit cost of sales from US$24 in 2013 to US$20 in 2014.

Gross profit and gross profit margin

The Group recorded a gross profit of US$302.6 million in 2014, representing an increase of 10.3% from US$274.3 million in 2013. The gross profit margin decreased by 0.1% from 15.7% in 2013 to 15.6% in 2014. 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 by 1.6% from 10.1% in 2013 to 8.5% in 2014, 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 cathode increased by 4.7% from 29.2% in 2013 to 33.9% in 2014, primarily due to the improvement of the gross profit margin of Muliashi Project, CNMC Huachin Mabende Project and Huachin Leach as a result of expanded production capacity and the increased self-sufficiency rate of materials.

The gross profit margin of sulfuric acid increased by 2.2% from 84.7% in 2013 to 86.9% in 2014, primarily due to the greater decrease in the unit production cost.

Distribution and selling expenses

The distribution and selling expenses of the Group decreased by 78.6% from US$42.6 million in 2013 to US$9.1 million in 2014, primarily due to the changes in the selling and settlement terms of blister copper which led to a decrease in distribution and selling expenses by shifting the burden of transportation costs from the sellers to the buyers.

Administrative expenses

The administrative expenses of the Group increased by 15.2% from US$51.6 million in 2013 to US$59.5 million in 2014, primarily due to the increases in, among others, salary and other expenses as a result of the expansion of operations.

Finance costs

The finance costs of the Group increased by 73.2% from US$10.6 million in 2013 to US$18.4 million in 2014, primarily due to the enlargement of financing scale and the significant decrease in interest expenses being capitalised during 2014 as compared with that of 2013.

Gain/loss arising on from change in fair value of derivatives

The gain from change in fair value of derivatives was US$3.9 million in 2014 while 2013 recorded a loss from change in fair value of derivatives of US$0.3 million. The Group entered into copper futures contracts to hedge its net exposure to the copper price fluctuations due to the timing difference between the time it expects to procure copper concentrate from external suppliers and the time it expects to sell blister copper to external customers. In 2014, the Group entered into more future contracts in light of market conditions and the copper price fluctuations were more volatile during the term of such future contracts, which led to an increase in returns from hedging risks.

Other losses

Other losses of the Group increased by US$60.5 million from US$3.3 million in 2013 to US$63.8 million in 2014, including the increase of exchange loss from US$0.5 million in 2013 to US$20.3 million in 2014 as well as an impairment of US$40.0 million in mining assets, primarily due to the delay of value-added tax refund by Zambia Tax Bureau to a subsidiary of the Group during the year which resulted in the increase of value-added tax refund as denominated in Zambian Kwacha and thus an increase of the exchange loss due to depreciation of Zambian Kwacha during the year; in addition, impairment provision was made for mining assets of the Group as a result of mainly the implementation of a new taxation system in Zambia effective from 1 January 2015. For details of the new taxation system of Zambia, please refer to the announcement of the Company dated 3 February 2015.

Income tax expense

The income tax expense of the Group decreased by US$109.0 million from US$48.8 million in 2013 to a credit of US$60.2 million in 2014. Effective tax rate was 27.7% in 2013. The decrease in income tax expense was primarily due to the reversal of provision for deferred income tax liabilities as a result of the new taxation system of Zambia with effect from 1 January 2015.

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 increased significantly by 118.3% from US$67.3 million in 2013 to US$146.8 million in 2014. 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 3.9% in 2013 and 7.6% in 2014, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

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 62.9% from US$136.2 million in 2013 to US$221.8 million in 2014, primarily attributable to the decrease in the inventories, increase in depreciation expense and increase in impairment of mining assets.

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 decreased by 35.0% from US$258.8 million in 2013 to US$168.2 million in 2014, primarily due to the fact that after the completion of investments in the Muliashi Project, Phase II of the Expansion Project of CCS, CNMC Huachin Mabende Project and the Luanshya Slag Copper Recovery Project, investments in the reporting period declined comparatively. Investment in 2014 was primarily used in the Integrating Exploration and Construction Project of the Chambishi Southeast Mine of NFCA.

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 88.3% from US$277.5 million in 2013 to US$32.5 million in 2014, primarily due to the decrease in new bank borrowings of the Company, the increase in repayments for bank borrowings and the increase in dividends paid to minority shareholders.

Bank balances and cash

The Group's bank balances and cash (including cash, time deposits and demand deposits) increased by US$87.5 million from US$415.1 million as at 31 December 2013 to US$502.6 million as at 31 December 2014.

Trade receivables

The trade receivables of the Group increased by US$40.1 million from US$143.4 million as at 31 December 2013 to US$183.5 million as at 31 December 2014, which is in line with the expansion of the Group's operations.

Inventory

The inventories held by the Group decreased by US$56.5 million from US$370.2 million as at 31 December 2013 to US$313.7 million as at 31 December 2014, primarily due to the inventories of raw materials and spare parts of the Group as at 31 December 2014 increased by US$65.5 million while finished products decreased by US$101.7 million as compared with that of 31 December 2013 to meet production plans and changes in the market.

Trade payables

Trade payables of the Group decreased by US$75.2 million from US$239.4 million as at 31 December 2013 to US$164.2 million as at 31 December 2014, mainly due to decrease in trade payables for copper concentrates as a result of the decline in copper price.

Capital expenditure

	For the year ended 31 December	
	2014	2013
	(US$'000)	*(US$'000)*
Mining and ore processing facilities at Southeast Mine of NFCA	**68,888**	60,446
Other mining and ore processing facilities of NFCA	**17,370**	18,761
Mining and ore processing facilities at Luanshya (Baluba Center Mine)	**12,287**	19,228
Mining and leaching facilities at Luanshya (Muliashi Project)	**30,791**	42,989
Smelting facilities at CCS	**28,759**	36,787
Leaching facilities at SML	**6,514**	16,538
Leaching facilities at Huachin Metals Leach SA	**1,118**	5,624
Leaching facilities at CNMC Huachin Mabende	**22,302**	67,793
Total	**188,029**	268,166

The total capital expenditure of the Group decreased by US$80.1 million from US$268.2 million in 2013 to US$188.0 million in 2014. During the reporting period, the capital expenditure of the Group was primarily used in the Muliashi Project, Phase II of the Expansion Project of CCS, CNMC Huachin Mabende Project and the Integrated Exploration and Construction Project of the Chambishi Southeast Mine.

Market risk disclosure

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

Commodity price risk

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

Foreign currency exchange risk

The Group operates 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 Zambian Kwacha, or ZMK, and Reminbi, or RMB), which exposed the Group to foreign currency risk. During the reporting period, the Group did not engage in any foreign currency hedging activities.

Interest rate risk

The Group is exposed to interest rate risk of cash flow under the impact of interest rates changes of interest-bearing financial assets and liabilities which mainly include interest-bearing restricted bank balances, bank 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.

Human resources

As of 31 December 2014, the Group employed a total of 7,004 employees (as of 31 December 2013: 6,482 employees), which comprised 515 Chinese and 6,489 Zambians and Congolese. Employees' remuneration was determined by the Group based on their performance, experience and the prevailing market practice. As of 31 December 2014, the total cost of employees reflected in the consolidated statement of profit or loss and other comprehensive income amounted to approximately US$97.7 million (in 2013: US$96.6 million).

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 results announcement, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the year ended 31 December 2014. Apart from those disclosed in this annual results announcement, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this annual results announcement.

Charge on asset

Details of charges on assets as at 31 December 2014 are included in note 15 to the audited consolidated results of this announcement of annual results.

Gearing ratio

As at 31 December 2014, the gearing ratio was 52.79% (as at 31 December 2013: 57.12%) which is calculated by the net debts (being bank and other borrowings minus bank balances and cash, and restricted bank balances) divided by the total equity attributable to owners of the Company.

Contingent liabilities

Details of contingent liabilities as at 31 December 2014 are included in note 17 to the audited consolidated results of this announcement of annual results.

2015 OUTLOOK

In 2015, economy of the United States is expected to grow at a even greater speed, which will offset the adverse effects arising from the downturn in other economies. Further monetary easing policies and the weakening currencies in Europe and Japan are intended to bolster their economic recovery. The emerging economies as a whole are still in the period of adjustments amid growth. In particular, the emerging economies in Asia will see improvements in economic growth condition and financial stability. As such, the global economy will speed up slightly. As for China, although facing relatively big downward pressure on economic growth, it will still maintain a certain level of growth amid moderate adjustments. As China further deepens its reform and advance the delivery of benefits of reform in an all-round way, it is expected to see stronger vitality and momentum in economic growth. Thus, a continued stable economy in China with moderate growth speed is anticipated. In light of the slow global economic growth, decline in oil price and slow down of demand growth, copper price will have a wide-range fluctuation. With the recovery of economy and downstream consumption, copper price is expected to receive impetus to move upside gradually. Therefore, the price of copper remains optimistic in the long run .

In 2015, 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, Chambishi West Mine and Baluba Center Mine and the Muliashi Open-pit Mine, 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 and to advance the work in meeting the quality standards and designed capacity, so as to improve the output and quality of blister copper, copper cathode and sulfuric acid, with a view to further increase the operating efficiency and profit from existing production capacity.

Meanwhile, the Group will continue to carry out the Integrated Exploration and Construction Project of the Chambishi Southeast Mine, vigorously speed up the development of new mines such as the Mwambashi Strip Mine and Muliashi South Oxidize, accelerate the implementation of the Cobalt Converter Slag Recycling Project, 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.

OTHER INFORMATION

Dividend

The Board recommends the payment of a final dividend of US¢0.283 per ordinary share in respect of the year ("Final Dividend"). The proposed Final Dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and payable in Hong Kong dollars which will be calculated at the market exchange rate on 15 May 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 21 May 2015.

Annual General Meeting

It is proposed that the annual general meeting of the Company ("AGM") will be held on Friday, 15 May 2015. Notice of the AGM will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For Annual General Meeting

The share register of the Company will be closed from Tuesday, 12 May 2015 to Friday, 15 May 2015 (both days inclusive), during which no transfer of shares will be effected. In order to be entitled to attend the forthcoming AGM of the Company, all completed share transfer forms accompanying with the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 11 May 2015.

For Final Dividend

The distribution of the Final Dividend recommended by the Board is subject to approval by shareholders at the forthcoming AGM. The Register of Members of the Company will be closed on Thursday, 21 May 2015. To be qualified to receive the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 20 May 2015.

The Final Dividend, if approved by shareholders at the AGM, will be distributed on or around 9 June 2015 to shareholders whose names appear on the register of members of the Company on Thursday, 21 May 2015.

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 for Securities Transactions by Directors of Listed Issuers ("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 2014.

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

As at 31 December 2014, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which would fall to be disclosed to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Division 7 and 8 at the Part XV of the SFO; or interest or short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests or short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

The Company or any of its subsidiaries did not have any arrangement in place at any time during the period whereby the Directors or their respective spouse or minor children can obtain benefit by acquiring the Shares of the Company or other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 31 December 2014, so far as it is known to the Director and chief executive of the Company, interests or short positions which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Division 2 and 3 at the Part XV of the SFO is as follows:

Substantial Shareholder	Capacity/Nature of interest	Long/short position	Number of shares	Approximate percentage of shareholdings
China Nonferrous Mining Development Limited[(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: China Nonferrous Mining Development Limited 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 China Nonferrous Mining Development Limited.

As at 31 December 2014, each of the following entities were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other members of the Group:

Member of the Group	**Entity with 10% or more interest (other than member of the Group)**	**Percentage of that entity's interest**
NFCA	Zambia Consolidated Copper Mines Investments Holdings Plc ("ZCCM-IH")	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Industry (Group) Co., Ltd* (雲南銅業集團有限公司)	40%
SML	Hainan Sino-Africa Mining Investment Ltd	30%
Huachin Leach	Huachin SPRL	37.5%
Kakoso Company	Shenzen Resources Limited	12%
CNMC Huachin Mabende	Huachin SPRL	40%

** For identification purpose only*

Save as disclosed above and in the paragraph headed "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares", as at 31 December 2014, no person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE

The Group has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules during the year ended 31 December 2014.

AUDIT COMMITTEE

The Company has an Audit Committee which was established with written terms of reference in compliance with Rules 3.22 of the Listing Rules and paragraph C3 of the Corporate Governance Code and Corporate Governance Report at Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control system of the Group. The Audit Committee consists of three members, being Mr. Tao Luo (non-executive Director), Mr. Jingwei Liu (independent non-executive Director) and Mr. Huanfei Guan (independent non-executive Director). The Group's financial statements for the year ended 31 December 2014 have been reviewed by the Audit Committee, who were of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2014.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.cnmcl.net). The annual report will be despatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
China Nonferrous Mining Corporation Limited
Tao LUO
Chairman

Hong Kong, 25 March 2015

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xinghu Tao, Mr. Chunlai Wang, Mr. Xingeng Luo, Mr. Xinguo Yang and Mr. Kaishou Xie, as executive Directors; Mr. Tao Luo (Chairman) as non-executive Director; and Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Huanfei GUAN as independent non-executive Directors.