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 2015

FINANCIAL HIGHLIGHTS OF THE GROUP

In 2015, the Group recorded revenue of US$1,189.2 million, representing a decrease of 38.8% from US$1,942.0 million in 2014.

In 2015, the Group recorded loss for the year of US$313.5 million, representing a decrease of 236.5% from a profit of US$229.6 million in 2014.

In 2015, the Group recorded loss attributable to owners of the Company of US$279.9 million, representing a decrease of 290.6% from a profit of US$146.8 million in 2014. The change of gains into losses attributable to owners was primarily attributable to the decrease in revenue and gross profit from major products due to the decline in international copper prices, provision for impairment and re-recognition of deferred income tax liabilities arising from adjustment of Zambia income tax policy.

In 2015, basic loss per share attributable to owners of the Company was approximately US¢8.02, representing a decrease of 290.6% from basic earnings per share of US¢4.21 in 2014.

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

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 2015, together with the comparative figures for the corresponding period in 2014.

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	4, 5	**1,189,164**	1,941,973
Cost of sales		**(1,063,555)**	(1,639,386)
Gross profit		**125,609**	302,587
Other income		**13,055**	13,863
Distribution and selling expenses		**(16,470)**	(9,091)
Administrative expenses		**(48,159)**	(59,506)
Finance costs	6	**(20,029)**	(18,415)
Other gains and losses	7	**(405,567)**	(59,945)
(Loss) profit before tax		**(351,561)**	169,493
Income tax credit	8	**38,052**	60,150
(Loss) profit and total comprehensive (expenses) income for the year	9	**(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	11		
– 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	12	**906,353**	1,208,297
Mining right		**11,000**	–
Interest in an associate		**2,143**	2,143
Finance lease receivables		**1,024**	7,281
Other assets		**11,377**	20,359
Restricted bank balances		**6,482**	7,980
Deferred tax assets		**55,812**	–
		994,191	1,246,060
CURRENT ASSETS			
Inventories	13	**306,380**	313,660
Finance lease receivables		**6,661**	10,335
Trade receivables	14	**115,312**	183,483
Prepayments and other receivables		**110,974**	210,489
Derivatives, at fair value		**–**	780
Restricted bank balances		**6,146**	8,773
Bank deposits		**69,357**	–
Bank balances and cash		**560,246**	502,562
		1,175,076	1,230,082
CURRENT LIABILITIES			
Trade payables	15	**158,136**	164,190
Other payables and accrued expenses		**72,081**	78,721
Income tax payable		**17,765**	16,796
Bank and other borrowings – due within one year	16	**362,505**	330,000
Derivative, at fair value		**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	17	**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	16	**691,967**	674,955
Deferred income		**18,547**	24,629
Provision for restoration, rehabilitation and environmental costs		**20,544**	20,831
Deferred tax liabilities		**40,069**	41,749
		771,127	762,164
		1,558,598	1,885,018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Equity attributable to owners of the Company					
	Share capital	Share premium	Retained profits	Sub-total	Non-controlling interests	Total equity
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'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*
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 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 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 the amendments to HKFRSs has had no material impact on the Group's consolidated financial statements.

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to 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

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 financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results 2015 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the CO is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the CO and will deliver the financial statements for the year ended 31 December 2015 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the CO (or under their equivalent requirements found in section 141 of the predecessor CO).

4. 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

5. SEGMENT INFORMATION

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

The Group's operating and reportable segments 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 derive 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)	**19,757**	**(327,910)**	**(308,153)**
Unallocated income*			**826**
Unallocated expenses#			**(6,182)**
Loss for the year			**(313,509)**

	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. 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.

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. FINANCE COSTS

	2015	2014
	US$'000	*US$'000*
Interest on bank and other borrowings	**24,576**	21,601
Unwinding of the discount	**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%

7. 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 12)*	**(343,237)**	(40,000)
Gain arising on charge in fair value 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 which are denominated in Zambia Kwacha ("**ZMK**") to US$ amounting to US$48,801,000 during the current year (2014: US$21,671,000).

8. INCOME TAX CREDIT

Income tax credit recognised in profit or loss:

	2015 *US$'000*	2014 *US$'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		
– 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.

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 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 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.

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.

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 ZRA 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.

9. (LOSS) PROFIT FOR THE YEAR

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

	2015	2014
	US$'000	*US$'000*
Depreciation of property, plant and equipment	**120,245**	114,140
Auditor's remuneration	**1,295**	1,138
Staff costs:		
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

10. 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).

11. (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.

12. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2015, the carrying amounts of property, plant and equipment is US$906,353,000 (2014: US$1,208,297,000)

During the year ended 31 December 2015, due to declining copper price, the Group assessed the recoverable amount of each cash-generating unit ("**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, which use cash flow projection of these CGUs based on the management's best estimates and financial budgets as approved by the Directors.

Based on the impairment assessment on the CGU's as at 31 December 2015, a loss of US$343 million was recognised for the impairment of property, plant and equipment (2014: US$40 million).

The losses on impairment of property, plant and equipment have been included in profit or loss in the other gains and losses line item.

13. INVENTORIES

	2015	2014
	US$'000	*US$'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

14. TRADE RECEIVABLES

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

	2015	2014
	US$'000	*US$'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)).

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.

15. 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

16. BANK AND OTHER BORROWINGS

	Notes	2015 US$'000	2014 US$'000
Bank borrowings			
– secured		–	170,000
– unsecured		1,030,790	812,350
		1,030,790	982,350
Loan from a non-controlling shareholder of a subsidiary, unsecured		22,605	22,605
Loan from CNMC, unsecured		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)	(a)	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.

Notes:

(a) 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 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 results announcement, 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.

17. 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

	2015	2014
	US$'000	*US$'000*
Presented in the consolidated financial statements as	**613,233**	613,233

Note:

(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.

18. CONTINGENT LIABILITIES

As at 31 December 2015, the 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 cathode 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.

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: NFC Africa Mining PLC ("**NFCA**"), CNMC Luanshya Copper Mines PLC ("**Luanshya**"), Chambishi Copper Smelter Limited ("**CCS**") and Sino-metals Leach Zambia Limited ("**SML**") as well as the two joint subsidiaries of SML, namely Huachin Metals Leach SA ("**Huachin Leach**") and CNMC Huachin Mabende Mining SA ("**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 cathode 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.

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

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
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.

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)	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	**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

	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	**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 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

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	**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

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	**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

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								
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)	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore (Mt)	Average grade Total copper	Oxide copper	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)	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2014 Ore (Mt)	Average grade Total copper	Oxide copper	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**	**Average grade**			31 December 2014	Average grade		
	Ore *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	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%	–

Mashiba B Mine

JORC category	**31 December 2015**	**Average grade**			31 December 2014	Average grade		
	Ore *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	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%	–

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 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 cathode, 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.

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.

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 4,824 m^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 35.

Mining Activities

For details of mining activities, please refer to “Production Overview” on page 29.

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.

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 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 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.

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.

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.

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 cathode 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 cathode decreased by 15.6% from US$337.7 million in 2014 to US$285.1 million in 2015. The sales volume of copper cathode 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 cathode 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 cathode increased, the revenue from copper cathode 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 *(US$'000)*	**Unit cost of sales** *(US$ per tonne)*	**Gross profit** *(US$'000)*	**Gross profit margin** *(%)*	Cost of sales *(US$'000)*	Unit cost of sales *(US$ per tonne)*	Gross profit *(US$'000)*	Gross profit margin *(%)*
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 cathode 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 cathode, coupled with a decrease in the unit cost of sales of copper cathode 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 cathode 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 cathode.

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 ("**ZMK**"), 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

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. Effective tax rate in 2014 was not applicable due to the reversal of provision of approximately US$100.1 million for deferred tax liabilities as a result of the "An Act to amend the Income Tax Act" of Zambia with effect from 1 January 2015.

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

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 (including cash, time deposits and demand deposits) 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.

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.

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.

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 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.

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).

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 2015. 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 assets

As at 31 December 2015, no assets of the Group was pledged (as at 31 December 2014: secured by certain restricted bank balances of US$4,165,000).

Gearing ratio

As at 31 December 2015, the gearing ratio was 63.82% (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 18 to the audited consolidated results of this announcement of annual results.

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 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 promote the adjustment of product and organization structure, optimization 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.

OTHER INFORMATION

DIVIDEND

The Board does not recommend the payment of final dividend for the year.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company ("**AGM**") will be held on Friday, 3 June 2016. Notice of the AGM will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The share register of the Company will be closed from Tuesday, 31 May 2016 to Friday, 3 June 2016 (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, 30 May 2016.

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 2015.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS 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 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 2015, 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 2015, 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	Zambia Consolidated Copper Mines Investments Holdings Plc ("**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%
China Nonferrous Mining Hong Kong Holdings Limited	Hong Kong Sino-Africa Mining Investment Ltd	30%

* *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 2015, 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

Save as disclosed in the 2015 interim report of the Company, 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 Corporate Governance Code and Corporate Governance Report ("**CG Code**") contained in Appendix 14 of the Listing Rules.

As to the deviation from code provisions A.2.1 of the CG Code, the Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

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. Diyong Yan (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 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.

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 2015.

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
Xinghu TAO
Chairman

Hong Kong, 24 March 2016

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. Wei Fan and Mr. Kaishou Xie, as executive Directors; Mr. Diyong Yan as non-executive Director; and Mr. Chuanyao Sun, Mr. Jingwei Liu and Mr. Huanfei Guan as independent non-executive Directors.