



中國有色礦業有限公司

China Nonferrous Mining Corporation Limited

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

Stock Code: 01258

INTERIM REPORT 2023



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CORPORATE INFORMATION

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS IN ZAMBIA

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PRINCIPAL PLACE OF BUSINESS IN THE DRC

Lubumbashi
Katanga Province
Congo (DRC)

COMPANY'S WEBSITE

www.cnmcl.net

STOCK CODE

01258

DIRECTORS

Executive Director

Mr. He Yang (*Chairman*)

Non-executive Director

Mr. Yaoyu Tan

Independent Non-executive Directors

Mr. Dingfan Qiu
Mr. Jingwei Liu
Mr. Huanfei Guan

CORPORATE INFORMATION (CONTINUED)

THE COMMITTEES OF THE BOARD

Audit Committee

Mr. Jingwei Liu (*Chairman*)
Mr. Yaoyu Tan
Mr. Huanfei Guan

Nomination Committee

Mr. Dingfan Qiu (*Chairman*)
Mr. He Yang
Mr. Jingwei Liu

Remuneration Committee

Mr. Huanfei Guan (*Chairman*)
Mr. He Yang
Mr. Dingfan Qiu

Compliance Committee

Mr. He Yang (*Chairman*)
Mr. Dingfan Qiu
Mr. Huanfei Guan

JOINT COMPANY SECRETARIES

Mr. Chaoran Zhu
Ms. Man Yi Wong

LEGAL ADVISER

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Hong Kong

CORPORATE INFORMATION (CONTINUED)

AUDITOR

Ernst & Young
Certified Public Accountants and Registered Public Interest Entity Auditor
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HONG KONG SHARE REGISTRAR

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Copper cathodes production site in Luanshya

CHAIRMAN'S STATEMENT

Chairman of the Board
He Yang



CHAIRMAN'S STATEMENT (CONTINUED)

Dear Shareholders,

2023 is a critical year for China Nonferrous Mining Corporation Limited (hereinafter referred to as the "Group" or the "Company") to implement the "14th Five-Year Plan". Under the leadership of the Board of Directors and the support of shareholders, all employees of the Company focused on high-quality development, highlighted value creation and value realisation, promoted scientific and technological innovation and reform implementation, and stabilised production, reduced costs and maintained profits. In the first half of the year, the Company achieved net profit attributable to the parent of US\$186 million and earnings per share of US¢4.97, smoothly achieving various production and operation goals.

Since the beginning of this year, multiple unfavourable factors have overlapped, and the Company has been facing many challenges in its operations. In the first half of the year, the price of non-ferrous metals fluctuated significantly, and the LME copper price decreased by 11% period-over-period. The market demand for cobalt was sluggish, and the sales of the Company's cobalt products almost came to a standstill. Copper concentrate supply was insufficient at smelting plant in Zambia due to the abnormal shutdown of the main raw material supplier. Power cuts and restrictions in DRC were frequent, which seriously constrained the release of production capacity of the enterprises in DRC. In the face of the severe external business environment, the production enterprises resisted the pressure, took the initiative to plan and responded calmly, and endeavoured to minimise the impact of the negative factors. From January to June this year, the Group cumulatively produced 189,604 tonnes of blister copper and copper anodes (including processed copper products entrusted by external enterprises), 73,224 tonnes of copper cathodes (including processed copper products entrusted by external enterprises), 745 tonnes of cobalt contained in cobaltous hydroxide, 487,670 tonnes of sulphuric acid and 6,591 tonnes of liquid sulphur dioxide, which basically achieved the work goal of "completing half the task during half the time". NFCA overcame the difficulties in upgrading the system and water treatment, resulting in a period-over-period increase in production. CCS took the initiative to adjust the pace of maintenance, optimised the slag composition and the flow rate of spray guns, and endeavoured to minimise the impact of the raw material shortage. Lualaba Copper Smelter optimised the proportion of copper concentrates, resulting in the best production of blister copper and sulphuric acid in history for the same period. A number of production enterprises have invested a lot of R&D funds to accelerate core technology research and development in the areas of resource development of groundwater abundant mines, mechanised mining of sharply inclined and narrow-vein mines, and high-efficiency leaching of complex copper oxides, etc. The resource development departments have set up more than 10 new exploration projects to expand resource reserves. In the capital market, the Company attached great importance to the maintenance of investor relations, and further strengthened the connection and communication with the secondary market and the investors. The Company continued to maintain a higher proportion of dividends to reward shareholders, and actively communicated with the regulatory authorities for guidance to strengthen the Company's compliance and governance. The Company widely communicated with seller research institutes and the social media to convey the Company's investment value to the market. We are pleased to receive the attention and recognition of the investors, which injected strong momentum into the high-quality development of the Company.

In the second half of the year, the external environment for the Company's production and operation is expected to remain complex and severe. High inflation in the world shows greater stickiness, and the aggressive interest rate hike effect of developed economies continues to emerge; the conflicts in hotspot areas are undergoing evolution; the economic growth momentum of western countries is insufficient, while the risk of global economic recession still exists. The foundation for economic recovery is not solid though China's economy has strong resilience, and it takes time to fully recover. However, due to the sluggish demand, it is expected that the copper price will fluctuate on a certain basis in the second half of the year despite that the significant decline of international copper price is remote. We recognize that in the foreseeable future, there are still many uncertainties and unpredictable factors in the Company's production and operation, and there will be many difficulties and challenges in the operation.

CHAIRMAN'S STATEMENT (CONTINUED)

In the face of the foreseeable changeless ahead, the Company will face up to and overcome difficulties and forge ahead. In the face of uncertainties brought by the external environment, the Company will maintain its strategic focus, accurately identify changes, respond to changes in a scientific manner, and actively seek reforms, so as to constantly improve its market adaptability and competitiveness. The Company will stick to the bottom-line thinking, focus on compliant operation, safe production, and green development, strictly implement the annual production guidance, ensure the supply of raw materials at smelting end, and actively seek to obtain more resources, strive to make breakthroughs in the capital operation to ensure the overall goal of stable growth throughout the year.

Finally, on behalf of the Board of Directors and all employees of the Company, I would like to express my heartfelt thanks to all the shareholders and investors who extend their care, support and help to the Group. Working together to weather all the difficulties, we will join hands with all shareholders to embrace a better future.

He Yang

Chairman of the Board

China Nonferrous Mining Corporation Limited

29 August 2023

RESULTS HIGHLIGHTS

OPERATING RESULTS

- In the first half of 2023, China Nonferrous Mining Corporation Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded revenue of US\$1,843.8 million, representing a period-over-period decrease of 16.5%.
- In the first half of 2023, the Group recorded profit attributable to owners of the Company of US\$185.7 million, representing a period-over-period decrease of 5.6%.

CHANGES IN PRODUCT OUTPUT

- In the first half of 2023, the Group produced 144,833 tonnes of blister copper and copper anodes, representing a period-over-period decrease of 12.2%.
- In the first half of 2023, the Group produced 71,648 tonnes of copper cathodes, representing a period-over-period decrease of 0.4%.
- In the first half of 2023, the Group produced 745 tonnes of cobalt contained in cobaltous hydroxide, representing a period-over-period decrease of 11.8%.
- In the first half of 2023, the Group produced 487,670 tonnes of sulfuric acid, representing a period-over-period decrease of 6.7%.
- In the first half of 2023, the Group produced 6,591 tonnes of liquid sulphur dioxide, representing a period-over-period decrease of 51.7%.
- In the first half of 2023, the Group processed and produced 46,347 tonnes of copper products as entrusted, representing a period-over-period increase of 26.6%.



Huachin Leach assisted GCM to make urgent repair on the transformer

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In the first half of 2023, the Group's operating results declined year on year, which was attributable to the period-over-period decrease in the sales volume of blister copper and copper anodes and the fluctuation in global copper price.

During the reporting period, the revenue of the Group amounted to US\$1,843.8 million, representing a decrease of 16.5% as compared with the same period last year. Profit attributable to owners of the Company amounted to US\$185.7 million, representing a decrease of 5.6% as compared with the same period last year, which was mainly attributable to the period-over-period decrease in the sales volume of blister copper and copper anodes and the fluctuation in global copper price.

BUSINESS REVIEW

The Group is a leading, fast growing and vertically integrated copper producer, which focuses on operations based in Zambia and the DRC concerning mining, ore processing, leaching, smelting and sales of copper and cobalt. The Group also produces sulfuric acid, a by-product generated during the 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 Huachin Metal Leach SA ("Huachin Leach"), CNMC Huachin Mabende Mining SA ("CNMC Huachin Mabende"), Lualaba Copper Smelter SAS ("Lualaba Copper Smelter") and Kambove Mining SAS ("Kambove Mining") located in the DRC.

From January to June 2023, the Group accumulatively produced 144,833 tonnes of blister copper and copper anodes, representing a decrease of 12.2% from the same period last year; copper cathodes of 71,648 tonnes, representing a decrease of 0.4% from the same period last year; cobalt contained in cobaltous hydroxide of 745 tonnes, representing a decrease of 11.8% from the same period last year; sulfuric acid of 487,670 tonnes, representing a decrease of 6.7% from the same period last year; and liquid sulphur dioxide of 6,591 tonnes, representing a decrease of 51.7% from the same period last year; the Group accumulatively processed copper products of 46,347 tonnes as entrusted by external enterprises, representing an increase of 26.6% from the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Production Overview

NFCA

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

In the first half of 2023, Chambishi Main Mine, Chambishi West Mine and Chambishi Southeast Mine produced 41,226 tonnes of copper anodes, representing an increase of 45.4% from the same period last year, of which Chambishi Main and West Mine produced 15,422 tonnes of copper anodes and Chambishi Southeast Mine produced 24,591 tonnes of copper anodes, which was primarily due to the shutdown and overhaul of Chambishi Main and West Mine and Chambishi Southeast Mine for a long time in the first half of 2022.

Luanshya

Luanshya operates five copper mines, namely Baluba Underground Mine, Baluba East Mine, Muliashi North Mine, Roan Ext. Mine (including Roan Ext. East Mine and Roan Ext. West Mine) and Roan Basin Mine, respectively, as well as the Muliashi Leach Plant.

The Luanshya produced 21,927 tonnes of copper cathodes in the first half of 2023, representing a decrease of 0.9% from the same period last year, basically remained stable, and produced 4,218 tonnes of copper anodes, representing a decrease of 28.0% from the same period last year, mainly due to the decrease in grade of slag raw ores and the shutdown in Baluba as a result of resource depletion.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In the first half of 2023, CCS produced 106,598 tonnes of blister copper and copper anodes, including the processed copper products of 48,651 tonnes as entrusted by external enterprises, representing a decrease of 15.9% from the same period last year, and 285,694 tonnes of sulfuric acid, representing a decrease of 20.3% from the same period last year. The main reason for the period-over-period decrease in production volume of major products: from 20 January to 3 May 2023, KML, the major copper concentrate supplier of CCS, defaulted on the supply of raw materials in the amount of 16,100 tonnes of metal due to force majeure events of flooding of the mine during the rainy season; in May 2023, the southeast mine of NFCA was under repair for one month and fail to supply mines as planned, reducing the supply of 3,900 tonnes of metal.

SML

SML mainly operates the Mwambashi Mine and the Chambishi Leach Plant.

In the first half of 2023, SML produced 3,720 tonnes of copper cathodes, representing a decrease of 0.5% from the same period last year, produced 3,207 tonnes of blister copper and copper anodes, representing a decrease of 36.0% from the same period last year, mainly due to the fact that the commissioned processing of copper concentrates purchased from external parties could not be commenced after the implementation of the policy of withholding and paying mineral royalty this year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Production Overview (Continued)

CNMC Huachin Mabende and Huachin Leach

Copper cathodes produced by CNMC Huachin Mabende in the first half of 2023 decreased by 3.7% to 18,677 tonnes as compared with the same period last year, mainly due to the increase in duration and frequency of limitation of power and blackout, which affected the operation time.

Copper cathodes produced by Huachin Leach in the first half of 2023 increased by 1.7% to 12,169 tonnes, including the processed copper products of 1,576 tonnes as entrusted by external enterprises, as compared with the same period last year, mainly due to the improvement in the quality of purchased mines. Cobalt contained in cobaltous hydroxide produced decreased by 55.7% to 81 tonnes as compared with the same period last year, mainly due to the fact that cobalt content in the ore continued to decrease, and given the current oversupply of cobaltous hydroxide in the market, in order to ensure copper production, the main source of electricity was used for copper production, resulting in a reduction in the raffinate treatment capacity; 13,487 tons of sulfuric acid produced, being a new product in the second half of 2022.

Lualaba Copper Smelter

In the first half of 2023, Lualaba Copper Smelter produced 83,006 tonnes of blister copper, including the processed copper products of 44,771 tonnes as entrusted by external enterprises, representing an increase of 10.9% from the same period last year; 188,489 tonnes of sulfuric acid, representing an increase of 14.8% from the same period last year; and 6,591 tonnes of liquid sulphur dioxide, representing a decrease of 51.7% from the same period last year. The increase in blister copper and sulfuric acid products was mainly attributable to the Lualaba Copper Smelter's enhancement of production organisation after the completion of the major overhaul in the second half of 2022, overcoming of the adverse impacts of power cuts and restrictions, and organising of raw materials through multiple channels to safeguard production; Liquid sulphur dioxide production declined significantly as a result of power supply and the continued downturn in cobalt prices and impeded cobalt product exports. Besides, the market demand for liquid sulphur dioxide, a raw material of cobalt product, has declined, with continued low customer demand and difficulties in developing new customers, resulting in lower liquid sulphur dioxide production and higher sulfuric acid production in the current period.

Kambove Mining

In the first half of 2023, Kambove Mining produced 16,731 tonnes of copper cathodes, representing a period-over-period increase of 13.7%, mainly attributable to firstly, proactively adjusting the production mode, fully utilising the buffering effect of the slurry pool, and increasing the rectifier current and varying current for copper production during the period of sufficient power supply; and secondly, optimising the time slots for copper production to actively cope with the frequent power outages and restrictions in the local area. The production of cobalt contained in cobaltous hydroxide was 664 tonnes, representing a period-over-period growth of 0.3%, and the production of cobaltous hydroxide was stable.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Production Overview (Continued)

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

	Production volume for the six months ended 30 June 2023⁽¹⁾ (Tonnes)	Production volume for the six months ended 30 June 2022 ⁽¹⁾ (Tonnes)	Period-over period increase/ (decrease) (%)
Blister copper and copper anodes	144,833	165,042	(12.2)
Copper cathodes	71,648	71,932	(0.4)
Cobalt contained in cobaltous hydroxide	745	845	(11.8)
Sulfuric acid	487,670	522,409	(6.7)
Liquid sulphur dioxide	6,591	13,655	(51.7)
Copper product processing services ⁽²⁾	46,347	36,602	26.6

Notes:

- (1) The production volumes of all the products are on a contained-copper basis, except for cobalt contained in cobaltous hydroxide, sulfuric acid and liquid sulphur dioxide.
- (2) The copper product processing services refer to the processing and production of copper products by the Group's smelters as entrusted by the external enterprises and the Group receives processing fees from these enterprises.
- (3) Among the above copper products, production volume of copper by self-owned mine are as follows:

	Production volume for the six months ended 30 June 2023 (Tonnes)	Production volume for the six months ended 30 June 2022 (Tonnes)
Blister copper and copper anodes produced by self-owned mine	46,412	32,115
Copper cathodes produced by self-owned mine	40,980	38,739
Total	87,392	70,854

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Exploration, Development and Mining Cost of the Group

Cost of exploration, development and mining activities of the Group for the six months ended 30 June 2023 is set out below:

	NFCA		Luanshya		SML		Kambove Mining		Total	
	Chambishi Main and West Mine	Chambishi Southeast Mine	Baluba Center Sulphide Mine	Roan Extended to the Southern Part of Muliashi Sulphide Mine	Roan Basin Mine	Mwambashi Mine	Samba Mine	Main Mine		MSESA Mine
<i>Unit: Million US dollars</i>										
Exploration activities										
<i>Including:</i>										
- Drilling	0.34	0.81	0.14	0.46	0.15	-	0.56	0.31	0.51	3.28
- Analysis	-	0.07	-	-	-	-	-	-	-	0.07
- Others	-	-	0.01	0.05	-	-	-	-	-	0.06
Sub-total	0.34	0.88	0.15	0.51	0.15	-	0.56	0.31	0.51	3.41
Development activities (including mine construction)										
<i>Including:</i>										
- Purchases of assets and equipment	-	-	0.09	0.04	-	-	-	-	-	0.13
- Civil work for construction of tunnels and roads	1.96	8.93	-	-	-	-	-	-	-	10.89
- Others	-	-	-	0.61	-	-	-	-	-	0.61
Sub-total	1.96	8.93	0.09	0.65	-	-	-	-	-	11.63
Mining activities (excluding ore processing)										
<i>Including:</i>										
- Staff cost	1.37	4.98	-	-	-	-	-	-	-	6.35
- Consumables	5.39	20.54	-	-	-	-	-	-	-	25.93
- Fuel, electricity, water and other services	8.02	6.70	-	-	-	0.08	-	0.27	-	15.07
- Depreciation	3.70	22.71	-	-	-	0.36	-	-	-	26.77
- Sub-contracting charges	23.30	25.71	8.07	14.16	0.61	2.09	-	9.74	-	83.68
- Transportation charges	0.22	0.37	-	-	-	-	-	-	-	0.59
- Others	0.80	1.75	-	-	-	-	-	-	-	2.55
Sub-total	42.80	82.76	8.07	14.16	0.61	2.53	-	10.01	-	160.94

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Mining Exploration, Mining Development and Ore Mining Activities

Mining Exploration

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

At NFCA, the completed drilling volume for exploration in the pit was 8,986.65 m, the completed drilling volume for exploration in the pit at Chambishi Southeast Mine was 420 m.

At Luanshya, the deep resource exploration projects were conducted in the Extended Section of Roan to Muliashi South, and the drilling of 3 drilling holes with footage of 3,179.26 m was completed; the near-surface oxidation ore exploration was conducted in the north wing of the Roan Basin SS19-SS35 line, and the drilling of 2 drilling holes with footage of 629.29 m was completed; the near-surface oxidation ore exploration was conducted in the west of Baluba SS75-SS111 line, and the drilling of 9 drilling holes with footage of 734.34 m was completed.

Kambove Mining completed 1,053.8 m of production prospecting drilling at its main mine, and the main mine completed 1,022.75 m of exploration drilling.

The drilling of 2 drilling holes with footage of 919.58 m was completed in the deep and peripheral prospecting geological exploration project of Samba Copper Mine of SML.

Mining Development

No mining development work which is required to be disclosed under the relevant requirements of the Stock Exchange has occurred during the reporting period.

Ore Mining

For details of ore mining activities, please refer to "Production Overview" on pages 10 to 12.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Infrastructure Projects, Subcontracting Arrangements and Procurement of Equipment

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

1. Supplementary Agreement to the Mining Contract for the Muliashi South Open Pit Copper Mine (Baluba Center Mining Area)
2. Contract I for the Technical Transformation and Expansion Project at Leach Copper Smelter of Kambove Main Mine in 2023
3. Contract for Construction and Installation Project for the Teaching Building of Sino-Zambia Vocational and Technical University.
4. Construction Contract for Raise Boring Engineering Main and West Ore Body from 2023 to 2025
5. Concentrate Storage Yard Renovation Project Construction Contract

For the six months ended 30 June 2023, the aggregate value of contracts newly entered into by the Group amounted to US\$38,680,000, of which the capital commitment was US\$26,150,000. There was no subcontracting arrangement* during the six months ended 30 June 2023.

* 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 part of the project to a third party.

Projects in Progress

CCS

The progress of major projects:

Technical Transformation Project of Anode Furnace Refining System. With the enhancement in the direct recovery of smelting and the rectification in the production environment of workshop, the copper product was updated and diversified, and the efficiency and safety of casting process operation were improved. The total amounts of planned investment for this project was US\$20.2547 million, and has achieved its ignition on 31 August 2023.

The renovation project of concentrate storage yard, the renovation project of the 3# heat exchanger for the conversion of sulfuric acid in phase I, the upgrading and transformation project of the DCS control system, the new construction project of 100 square meters cryogenic oxygen generator, and the transformation project of the UPS distribution room are currently implemented according to the project plan.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Projects in Progress (Continued)

Lualaba Copper Smelter

The progress of major projects:

The transformation project for optimization and upgrading of flue gas desulphurization system is planned to invest US\$0.98 million. Through optimization and transformation, the system will be more suitable for stable production, high yield, and safe operation, and will be in the optimal level for its operating indicators.

The technical transformation project of sulfuric acid desulfurization is planned to invest US\$0.98 million. Most of the equipment and pipelines are currently installed in place.

The slag flotation project is planned to invest US\$20.00 million. At present, the engineering project is still in the preliminary design stage.

The construction project of the slag flotation system has completed the feasibility study design in the first half of 2023.

Kambove Mining

The progress of major projects:

It has actively pushed forward the preliminary work for the resource development projects of Kambove West Mine and the MSESAs ore body, so as to promote the works prior to the preparation of the feasibility studies on the pumping and drainage of Kambove West Mine, the supplemental exploration of the MSESAs, the necessary technical conditions for mining, and the metallurgical study of the ore, etc.

Total planned investment of Chai Fa 10.8MV Technology Project (柴發10.8MV技術項目) is US\$4,274,200. Total planned investment of the construction project of 1,330 fixed pumping stations is US\$3,070,900. Total planned investment of technical improvement project of cobalt sinking mixing tank is US\$644,500, and the planned completion date is 1 September 2023. Total planned investment of cobalt system compactor and flash steam, drying technology improvement project is US\$1,410,400, and the planned completion date is 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Results of Operations

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

	Six months ended 30 June							
	2023				2022			
	Sales Volume ⁽¹⁾ (Tonnes)	Average Selling Price (US\$ per tonne)	Revenue (US\$'000)	% of Total Revenue (%)	Sales Volume ⁽¹⁾ (Tonnes)	Average Selling Price (US\$ per tonne)	Revenue (US\$'000)	% of Total Revenue (%)
Blister copper and copper anodes	138,474	8,028	1,111,628	60.3	157,508	8,864	1,396,211	63.3
Copper cathodes	72,811	7,833	570,350	30.9	71,821	8,910	639,926	29.0
Sulfuric acid	362,026	317	114,764	6.3	356,761	266	94,954	4.3
Liquid sulphur dioxide	6,757	1,008	6,812	0.4	13,803	1,174	16,207	0.7
Cobalt contained in cobaltous hydroxide	188	14,324	2,693	0.1	685	59,961	41,073	1.9
Copper product processing services ⁽²⁾	46,379	809	37,531	2.0	36,602	508	18,577	0.8
Total	626,635		1,843,778	100.0	637,180		2,206,948	100.0

Notes :

- (1) The sales volumes of the products of blister copper and copper anodes, copper cathodes are on a contained-copper basis.
- (2) The copper product processing services refer to the processing and production of copper products by the Group's smelters as entrusted by the external enterprises and the Group receives processing fees from these enterprises.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Revenue

The revenue of the Group decreased by 16.5% from US\$2,206.9 million in the first half of 2022 to US\$1,843.8 million in the first half of 2023, primarily attributable to the period-over-period decrease in the sales volume of blister copper and copper anodes and the decrease in the average selling prices of copper products.

The revenue from sales of blister copper and copper anodes decreased by 20.4% from US\$1,396.2 million in the first half of 2022 to US\$1,111.6 million in the first half of 2023, primarily attributable to the period-over-period decrease in the sales volume of blister copper and copper anodes and the period-over-period decrease in average selling prices.

The revenue from sales of copper cathodes decreased by 10.9% from US\$639.9 million in the first half of 2022 to US\$570.4 million in the first half of 2023, primarily attributable to the period-over-period decrease in average selling price.

The revenue from sales of sulfuric acid increased by 20.8% from US\$ 95.0 million in the first half of 2022 to US\$114.8 million in first half of 2023, primarily attributable to the period-over-period increase in average selling price of sulfuric acid.

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

	Six months ended 30 June							
	2023				2022			
	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 and copper anodes	934,598	6,749	177,030	15.9	1,273,252	8,084	122,959	8.8
Copper cathodes	306,840	4,214	263,510	46.2	340,390	4,739	299,536	46.8
Sulfuric acid	39,057	108	75,707	66.0	32,753	92	62,201	65.5
Liquid sulphur dioxide	2,921	432	3,891	57.1	3,214	233	12,993	80.2
Cobalt contained in cobaltous hydroxide	15,333	81,559	(12,640)	(469.4)	10,277	15,003	30,796	75.0
Copper product processing services ⁽¹⁾	23,645	510	13,886	37.0	16,086	439	2,491	13.4
Total	1,322,394		521,384	28.3	1,675,972		530,976	24.1

Notes:

- (1) The copper product processing services refer to the processing and production of copper products by the Group's smelters as entrusted by the external enterprises and the Group receives processing fees from these enterprises.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Cost of sales

The cost of sales of the Group decreased by 21.1% to US\$1,322.4 million in the first half of 2023 from US\$1,676.0 million in the first half of 2022, primarily due to the period-over-period decrease in the sales volume of blister copper and copper anodes, and the fluctuation of the global copper price resulting in the decrease in raw material cost of the purchased copper concentrates and oxide ore.

The cost of sales of blister copper and copper anodes decreased by 26.6% from US\$1,273.3 million in the first half of 2022 to US\$934.6 million in the first half of 2023, primarily due to the period-over-period decrease in the sales volume of blister copper and copper anodes, and the fluctuation of the global copper price resulting in the decrease in raw material cost of the purchased copper concentrates.

The cost of sales of copper cathodes decreased by 9.9% from US\$340.4 million in the first half of 2022 to US\$306.8 million in the first half of 2023, primarily due to the decrease in raw material cost of outsourced oxide ore resulting from the fluctuation in global copper price.

The cost of sales of sulfuric acid increased by 19.2% from US\$32.8 million in the first half of 2022 to US\$39.1 million in the first half of 2023, primarily due to the period-over-period increase in unit production costs of sulfuric acid.

Gross profit and gross profit margin

Due to the above factors, the Group recorded a gross profit of US\$521.4 million in the first half of 2023, representing a decrease of 1.8% from US\$531.0 million in the same period of 2022. The gross profit margin increased from 24.1% in the first half of 2022 to 28.3% in the first half of 2023, which was mainly attributable to the decrease in raw material cost of outsourced copper concentrates and oxide ore resulting from the fluctuation in global copper price.

Distribution and selling expenses

The distribution and selling expenses of the Group increased by US\$18.4 million from US\$3.3 million in the first half of 2022 to US\$21.7 million in the first half of 2023, primarily due to the customs clearance fees differentiated from cost of sales for the current period.

Finance costs

The finance costs of the Group increased by 37.1% from US\$14.0 million in the first half of 2022 to US\$19.2 million in the first half of 2023, primarily due to the fact that the interest-bearing liabilities were at floating rates, which led to an increase in interest rates on the interest-bearing liabilities as a result of the increase in the U.S. Dollar London Interbank Offered Rate ("USD LIBOR"), which in turn led to an increase in finance costs.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Other gains and losses

In terms of other gains and losses, net, the Group recorded a loss of US\$14.2 million in the first half of 2023, increased by US\$10.9 million from the loss of US\$3.3 million in the first half of 2022, which was primarily due to the period-over-period decrease in the gain derived from changes in fair value of financial instruments.

Income tax expense

The income tax expense of the Group decreased by 14.3% from US\$137.6 million (restated) in the corresponding period of 2022 to US\$117.9 million in the first half of 2023, primarily due to the period-over-period decrease in profit before tax.

Profit attributable to owners of the Company

Due to the aforementioned factors, profit attributable to owners of the Company decreased by 5.6% from US\$196.7 million (restated) in the first half of 2022 to US\$185.7 million in the first half of 2023.

Liquidity and Capital Resources

Cash Flows

Net cash generated from operating activities

Net cash generated from the operating activities of the Group was US\$463.9 million in the first half of 2023, which increased by US\$187.0 million from US\$276.9 million in the first half of 2022, mainly attributable to the period-over-period decrease in purchase volume of copper concentrates during the reporting period.

Net cash used in investing activities

The net cash used in investing activities of the Group was US\$172.8 million in the first half of 2023, which increased by US\$158.6 million from US\$14.2 million in the first half of 2022, mainly attributable to the increase in investment in property, plant and equipment during the reporting period and the period-over-period increase in time deposits.

Net cash used in financing activities

The net cash used in financing activities of the Group was US\$120.4 million in the first half of 2023, which increased by US\$59.1 million from US\$61.3 million in the first half of 2022, mainly attributable to the period-over-period increase in the payment of dividends to non-controlling shareholders of subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Liquidity and Capital Resources (Continued)

Bank balances and cash

The Group's bank balances and cash (including cash and demand deposits) increased by US\$169.8 million from US\$732.9 million as at 31 December 2022 to US\$902.7 million as at 30 June 2023.

Trade receivables at amortised cost/trade receivables at fair value through profit or loss ("FVTPL")

As at 30 June 2023, the Group recorded trade receivables at amortised cost of US\$65.5 million and trade receivables at FVTPL of US\$343.4 million. The trade receivables at FVTPL were the trade receivables arising from the sale of copper products under provisional pricing arrangements. The aggregate trade receivables amounted to US\$408.9 million, which increased by US\$0.3 million from US\$408.6 million as at 31 December 2022, basically remained stable.

Inventories

Inventories held by the Group decreased by US\$140.7 million from US\$820.1 million as at 31 December 2022 to US\$679.4 million as at 30 June 2023, primarily due to the decrease in inventories of raw materials.

Trade payables at amortised cost/trade payables designated at FVTPL

As at 30 June 2023, the Group recorded trade payables at amortised cost of US\$307.7 million and trade payables designated at FVTPL of US\$193.0 million. The trade payables designated at FVTPL were the trade payables arising from the purchase of copper concentrates under provisional pricing arrangements. The aggregate trade payables amounted to US\$500.7 million, which decreased by US\$54.2 million from US\$554.9 million as at 31 December 2022, primarily due to the decrease in purchase volume and unit price of unsettled copper concentrates.

Bank and other borrowings

As of 30 June 2023, the Group's balance of bank and other borrowings amounted to US\$482.9 million, among which:

- (1) Balance of bank and other borrowings due within one year amounted to US\$228.9 million;
- (2) Balance of bank and other borrowings due more than one year but not exceeding two years amounted to US\$45.0 million;
- (3) Balance of bank and other borrowings due more than two years but not exceeding five years amounted to US\$209.0 million.

As of 30 June 2023, the Group's bank and other borrowings were denominated in US dollar and had no seasonal features.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Capital expenditure

	Six months ended 30 June	
	2023 US\$'000 (Unaudited)	2022 <i>US\$'000</i> (Unaudited)
Mining and ore processing facilities at Chambishi Southeast Mine of NFCA	13,497	13,419
Other mining and ore processing facilities at NFCA	2,571	8,798
Mining and leaching facilities at Luanshya (Muliashi Project)	12,486	424
Other facilities at Luanshya	1,074	453
Smelting facilities at CCS	7,505	2,048
Leaching facilities at Chambishi Leach Plant	2,325	499
Leaching facilities at CNMC Huachin Leach Project	1,165	1,016
Leaching facilities at Mabende Project	271	308
Smelting facilities at Lualaba Copper Smelter	481	2,879
Mining and ore processing facilities at Kambove Mining	4,580	4,551
Other facilities at Luano Project	2	41
Total	45,957	34,436

The total capital expenditure of the Group increased by US\$11.6 million from US\$34.4 million in the first half of 2022 to US\$46.0 million in the first half of 2023, primarily due to the increase in the investment in Luanshya and CCS.

Financial Policies

As of 30 June 2023, the Group formulated the Financial Budget Management System, the Funds Management System, the Inventories Management System, the Fixed Assets Management System, the Financial Information Disclosure Management System, Management Measures on Approval Procedures and Permissions of Financial Income and Expenses of the Central Office and other financial policies, which aim to regulate and enhance internal control of relevant activities of the Group to ensure the safety of the Group's assets, protect investors' interests and improve operation and management level for compliance with relevant laws and regulations of Hong Kong as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

Market Risk Disclosure

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

Commodity price risk

The Group's commodity price risk mainly represents 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 and forecast its sales of copper products, and to forecast purchase of copper concentrates, inventories and the risk relating to the Group's commitment to sell its copper products.

Foreign exchange risk

The Group operates its business in Zambia and the DRC and most of its businesses in the past were settled in US dollar, its functional currency, while certain businesses were settled in currencies other than its functional currency (mainly Zambia Kwacha ("ZMK"), Congolese Franc ("CDF"), currency of the DRC and Renminbi, or RMB), which exposed the Group to foreign currency risk. To mitigate such risk, the Group engaged in foreign currency exchange hedging activities through various methods including locking the signing and settlement currency and speeding up tax rebates.

Interest rate risk

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

EMPLOYEE AND REMUNERATION POLICIES

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Save for those disclosed in this interim report, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2023. Apart from those disclosed in this interim report, there was no plan approved by the board of directors of the Company (the "Board") for other material investments or acquisition of capital assets as at the date of this interim report.

CHARGES ON ASSETS

As at 30 June 2023, the net carrying amount of the Group's property, plant and equipment secured for the self-guaranteed environmental protection funds amounted to US\$9,849,000 (as at 31 December 2022: US\$10,078,000). As at 30 June 2023, the restricted bank balances of the Group amounted to US\$7,390,000 (as at 31 December 2022: US\$5,796,000) mainly applied to the guarantee of environmental protection funds and the issuance of letters of credit.

GEARING RATIO

As at 30 June 2023, the Group had a net cash position* of approximately US\$547.1 million (as at 31 December 2022: US\$239.6 million). Therefore the Group was not considered to have any net gearing as at 30 June 2023 and 31 December 2022.

* Net cash position is defined as bank balances and cash, time deposits, and restricted bank balances less bank and other borrowings.

Net gearing ratio is defined as bank and other borrowings minus bank balances and cash, time deposits, and restricted bank balances, divided by the total equity attribute to owners of the Company.

CONTINGENT LIABILITIES

As at 30 June 2023, saved as disclosed in this interim report, there was no other material contingent liabilities (as at 31 December 2022: Nil).

NO MATERIAL CHANGES

Saved as disclosed in this interim report, for the period from 1 January 2023 to 30 June 2023, there were no material changes affecting the Company's performance that need to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at the date of this interim report, there were no significant events in relation to the Group after the reporting period.

NUMBER OF SHARES AND PARTICULARS OF SHAREHOLDERS

NUMBER OF SHARES

As at 30 June 2023, the Company had issued 3,739,036,000 ordinary shares (the “Shares”).

PARTICULARS OF SHAREHOLDERS

Substantial Shareholders and Other Persons’ Interest and Short Positions in Shares and Underlying Shares

As at 30 June 2023, so far as it is known to the Directors and the chief executive of the Company, interests or short positions which shall be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Long positions in Shares:

Substantial Shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholdings
CNMD	Registered owner	2,600,000,000	69.54%
CNMC	Interest in a controlled corporation	2,600,000,000	69.54%

Note: China Nonferrous Mining Development Limited (“CNMD”) is a wholly-owned subsidiary of China Nonferrous Metal Mining (Group) Co., Ltd.* (“CNMC”) and therefore, according to the SFO, CNMC is deemed or taken to be interested in all the Shares which are owned by CNMD.

Save as disclosed above, as at 30 June 2023, no other person had any interests or short positions in the Shares or underlying Shares of the Company which was required to be recorded in the register pursuant to section 336 of the SFO.

* Translation of English name for reference purposes only

NUMBER OF SHARES AND PARTICULARS OF SHAREHOLDERS (CONTINUED)

PARTICULARS OF SHAREHOLDERS (CONTINUED)

Substantial Shareholders and Other Persons' Interest and Short Positions in Shares and Underlying Shares (Continued)

As at 30 June 2023, each of the following entities was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Member of 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	Hong Kong Zhongfei Mining Investment Limited ("Hong Kong Zhongfei")	30%
Huachin Leach	Huachin SARL	32.5%
CNMC Huachin Mabende	Huachin SARL	35%
China Nonferrous Mining Hong Kong Holdings Limited	Hong Kong Zhongfei	30%
Kambove Mining	La Generale des Carrieres et des Mines SA ("GCM")	45%
Lualaba Copper Smelter	Yunnan & Hongkong Metal Company Limited ("YH Metal")	38%
Kingsail Limited	YH Metal	40%

Save as disclosed above, as at 30 June 2023, no other persons were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote under all circumstances at general meetings of any other member of the Group.

* Translation of English name for reference purpose only

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PRACTICES

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

During the reporting period, in order to further optimise and strengthen better corporate governance practices and procedures, the Group further optimised the internal control system and made full use of monthly compliance report to effectively monitor on significant issues including legal cases, connected transactions, internal control of risk and inside information, etc.

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

To provide further understanding of operation mode, business activities and development conditions for independent Directors, the management provided the Directors with a monthly summary of the major information about the operational development and compliance of the Company.

For the six months ended 30 June 2023, the Company had complied with the code provisions as set out in Appendix 14 to the Listing Rules.

HUMAN RESOURCES

EMPLOYEE INFORMATION

As at 30 June 2023, the Group employed a total of 8,807 employees, which comprised 886 Chinese employees and 7,921 local employees in Zambia and the DRC. The total cost of employees incurred by the Group for the six months ended 30 June 2023 was approximately US\$58.6 million (for the six months ended 30 June 2022: US\$65.5 million).

CORPORATE SOCIAL RESPONSIBILITY

The Group always adheres to its operating mission of “delivering returns to Shareholders, employees and the society through corporate development”, and seriously performs environmental and social responsibility in accordance with the industry that the enterprise belongs to as well as operational features.

WORKING ENVIRONMENT

The Group highly embraces the corporate governance concept of being “people oriented”, upholds a fair and normative labour policy, pays great respect to the cultural background of employees, protects employees’ interests and strictly implements labour policies in relation to social security, working hours and holidays where the enterprises are located. By regularly organizing collective negotiations to determine welfare including remuneration, transportation, housing and medical allowance, and striving to offer a market-competitive remuneration system, the Group provides employees with a healthy and harmonious working and living environment; for the employment and promotion of employees, the Group handles the business in strict compliance with employment management system. Discriminations based on race, religion, skin colour and gender are prohibited; and procedures for complaints are set up. The Group attaches great importance to enhancing quality and ability of staff. Every subsidiary has its special training institution and staff, which carries out comprehensive and multi-level subject trainings for our employees such as vocational skills training and health and safety training, and provides quality environment for their growth, thus achieving common growth of employees and enterprise.

HEALTH AND SAFETY

The Group strictly complies with relevant laws and regulations concerning safety production and labour protection where the enterprises are located, and always adheres to the safety production principle of “safety first, prevention foremost”. The safety production concept of “respect for life, prevention first” was upheld from the Group to all the subsidiaries. The standards for safety production management have been effectively improved through the implementation of an accountability mechanism of the entities responsible for safety production, specification of the scope of safety production responsibility, enhancement of safe production education and risk prevention and control, development of overall safety inspection and latent defect investigation and governance, constant improvement and optimisation of the contingency plan and reinforcement of emergency rescue team building. The Group has attached great importance to the investment and construction of safety environmental facilities as well as the equipment and the management regarding the use of labour protection equipment for staff. In every mine and factory, fully-equipped first aid team was developed, and first aid stations were also established. In the first half of 2023, the Group maintained the stable situation of safety production.

CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

ENVIRONMENTAL PROTECTION

The Group aims at establishing an environmentally friendly enterprise, actively carries out energy conservation and emission reduction and strengthens the testing and monitoring of pollutants emission to ensure clean production. The Group attaches great importance to the recycling and sustainable use of resources. The Group pays attention to using environmental-friendly equipment and advanced technology for production, endeavors to promote the establishment of an environmental management system, so as to improve the resources recycling and reuse as well as environmental protection level.

COMMUNITY PARTICIPATION AND OPERATING PRACTICE

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

In the first half of 2023, the Group continued to actively participate in local social welfare undertakings where the enterprises were located in cash and in kind. It supported social welfare undertakings including urban construction, active development of vocational education, the community environment improvement, servicing the local residents, which were highly appreciated by the local government and local residents and further established a good corporate-citizenship image as a listed company.

FUTURE PROSPECTS

In the first half of 2023, the Company's production and operation were generally stable. The subsidiaries actively responded to the unfavourable factors such as the decline in copper and cobalt prices, shortage of raw material supply, frequent suspension of power curtailment, and unsalable cobalt products, and stabilised production, reduced costs, and maintained benefits, basically achieved the expected objectives of production and operation. In the capital market, the Company actively carried out various investor interaction activities, further strengthened the maintenance of investor relations, maintained a relatively high proportion of dividend distribution policy, and gave back to shareholders. The Company's share price increased steadily, laying a good foundation for the next capital operation.

In the first half of the year, the international economic and financial situation became more complicated. Inflation in major western economies remained high and interest rate hike policies continued; intensified conflicts in hotspot areas with far-reaching effects. The economic recovery was lower than expected after the pandemic prevention and control shifted, and the risk of global economic recession increased. Affected by multiple factors, the international copper price fluctuated downward from a high level with a maximum decline of nearly 20%. However, we also noted that factors such as power grid investment, real estate recovery and new energy industry transformation have played a supporting role in copper price. Copper price fluctuated on a certain basis. In the context of no large-scale demand recession or systemic risk events around the world, there is limited room for copper price to decline, and fluctuation may become the norm of copper price operation for a period of time in the future.

In the second half of the year, under the leadership of the Board, the management will continue to stabilise production and maintain profit, attach great importance to safety and environmental protection, compliance operation and sustainable development, accelerate the implementation of various reforms, strive to make breakthroughs in capital operation, ensure the completion of annual production and operation targets, and achieve the overall goal of stable growth in 2023.



Kambove Mining conducted building activities with local community school

OTHER INFORMATION

GENERAL INFORMATION

The Company was incorporated in Hong Kong on 18 July 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited. The Company's parent and ultimate holding company are China Nonferrous Mining Development Limited, incorporated in the British Virgin Islands, and China Nonferrous Metal Mining (Group) Co., Ltd.*, which is wholly owned by State-owned Assets Supervision and Administration Commission of the State Council and is incorporated in the People's Republic of China, respectively.

The registered office of the Company is located at Unit 1303, 13/F., Austin Tower, 22–26 Austin Avenue, Tsimshatsui, Hong Kong, and its principal places of business are located at 32 Enos Chomba Road, Kitwe, Zambia and Lubumbashi, Katanga Province, Congo (DRC), respectively.

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in exploration of copper and cobalt metal, mining, ore processing, leaching, smelting, sale of copper cathodes, blister copper and copper anodes, cobaltous hydroxide, sulfuric acid and liquid sulphur dioxide, and rendering copper product processing services. The consolidated financial statements are presented in United States dollars, which is also the functional currency of the Company and the Group.

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

As at 30 June 2023, none of the Directors or chief executives had any interests and 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 (the "SFO")) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interests and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

During the reporting period, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or other body corporates.

* *Translation of English name for reference purpose only*

OTHER INFORMATION (CONTINUED)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in any business which competes or may compete directly or indirectly with the business of the Group for the six months ended 30 June 2023.

CHANGES IN THE INFORMATION OF THE DIRECTORS

Mr. Jingwei Liu, an independent non-executive director of the Company, was appointed as an independent non-executive director of Sino-Ocean Group Holding Limited (HK03377) on 26 June 2023. Save as mentioned above, there is no update on the information of the Directors as required to be disclosed pursuant to Rule 13.51B of the Listing Rules.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established with written terms of reference in compliance with the Rule 3.22 of the Listing Rules and paragraph D.3 of Part 2 as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control and risk management systems of the Group. Members of the Audit Committee are Mr. Yaoyu TAN, a non-executive Director, and Mr. Jingwei LIU and Mr. Huanfei GUAN, independent non-executive Directors. The Audit Committee has reviewed the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2023 and was of the opinion that such unaudited interim condensed consolidated financial information complied with the applicable accounting standards, the Listing Rules and legal requirements, and that disclosures had been made.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules ("Model Code"). The Company had also made specific enquiries to all Directors and confirmed that all of them complied with the Model Code throughout the six months ended 30 June 2023.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities throughout the six months ended 30 June 2023.

INDEPENDENT REVIEW REPORT



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TO THE BOARD OF DIRECTORS OF CHINA NONFERROUS MINING CORPORATION LIMITED

(Incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 35 to 64, which comprises the interim condensed consolidated statement of financial position of China Nonferrous Mining Corporation Limited (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
29 August 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited) (Restated)
Revenue from contracts with customers	3,4	1,843,778	2,206,948
Cost of sales		(1,322,394)	(1,675,972)
Gross profit		521,384	530,976
Other income		8,225	4,476
Other gains and losses	5	(14,212)	(3,332)
Distribution and selling expenses		(21,680)	(3,308)
Administrative expenses		(89,254)	(76,359)
Other expenses		(3,395)	(6,940)
Finance costs	6	(19,249)	(13,992)
Profit before tax	7	381,819	431,521
Income tax expense	8	(117,856)	(137,555)
Profit and total comprehensive income for the period		263,963	293,966
Profit and total comprehensive income attributable to:			
Owners of the Company		185,701	196,679
Non-controlling interests		78,262	97,287
		263,963	293,966
Earnings per share			
– Basic and diluted (<i>US cents per share</i>)	10	4.97	5.26
– Basic and diluted (<i>equivalent to approximately HK\$ per share</i>)		0.39	0.41

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	<i>Notes</i>	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited) (Restated)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	1,538,904	1,591,299
Right-of-use assets		2,917	5,543
Mining rights		112,120	115,062
Restricted bank balances		1,505	1,505
Deferred tax assets		11,834	10,286
Prepayments and other receivables	14	52,368	52,886
		1,719,648	1,776,581
Current Assets			
Inventories	12	679,356	820,069
Trade receivables at amortised cost	13	65,479	39,897
Trade receivables at fair value through profit or loss ("FVTPL")	13	343,435	368,669
Prepayments and other receivables	14	247,432	250,229
Financial assets at FVTPL		3,315	–
Restricted bank balances		5,885	4,291
Time deposits		120,000	30,000
Bank balances and cash		902,653	732,923
		2,367,555	2,246,078
Total Assets		4,087,203	4,022,659

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2023

		30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited) (Restated)
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	18	740,119	740,119
Retained profits		1,011,441	931,214
Equity attributable to owners of the Company		1,751,560	1,671,333
Non-controlling interests		741,513	672,251
Total Equity		2,493,073	2,343,584
Non-current Liabilities			
Deferred tax liabilities		158,290	137,568
Bank and other borrowings – due after one year	17	254,000	351,500
Lease liabilities		153	299
Deferred income		12,222	12,776
Provision for restoration, rehabilitation and environmental costs		53,963	53,119
		478,628	555,262
Current Liabilities			
Trade payables at amortised cost	15	307,668	265,172
Trade payables designated at FVTPL	15	193,012	289,691
Other payables and accrued expenses	16	243,775	224,738
Income tax payable		136,081	145,921
Bank and other borrowings – due within one year	17	228,920	177,609
Lease liabilities		4,556	7,596
Contract liabilities		1,490	1,742
Financial liabilities designated at FVTPL		–	11,344
		1,115,502	1,123,813
Total Liabilities		1,594,130	1,679,075
Total Equity and Liabilities		4,087,203	4,022,659

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company			Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained profits US\$'000	Total US\$'000		
Six months ended 30 June 2023					
At 31 December 2022 (audited)	740,119	922,927	1,663,046	669,890	2,332,936
Effect of adoption of amendments to HKAS 12 (Note 2(c))	–	8,287	8,287	2,361	10,648
At 1 January 2023 (restated)	740,119	931,214	1,671,333	672,251	2,343,584
Profit and total comprehensive income for the period	–	185,701	185,701	78,262	263,963
Dividends declared by subsidiaries	–	–	–	(9,000)	(9,000)
Dividends declared by the Company (Note 9)	–	(105,474)	(105,474)	–	(105,474)
At 30 June 2023 (unaudited)	740,119	1,011,441	1,751,560	741,513	2,493,073

	Attributable to owners of the Company			Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Retained profits US\$'000	Total US\$'000		
Six months ended 30 June 2022					
At 31 December 2021 (audited)	740,119	802,083	1,542,202	629,682	2,171,884
Effect of adoption of amendments to HKAS 12 (Note 2(c))	–	5,711	5,711	1,927	7,638
At 1 January 2022 (restated)	740,119	807,794	1,547,913	631,609	2,179,522
Profit and total comprehensive income for the period (restated)	–	196,679	196,679	97,287	293,966
Dividends declared by subsidiaries	–	–	–	(31,998)	(31,998)
Dividends declared by the Company (Note 9)	–	(142,850)	(142,850)	–	(142,850)
At 30 June 2022 (unaudited and restated)	740,119	861,623	1,601,742	696,898	2,298,640

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 US\$'000 (Unaudited)	2022 <i>US\$'000</i> (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	463,915	276,858
NET CASH USED IN INVESTING ACTIVITIES		
Interest received	3,138	200
Purchase of property, plant and equipment	(84,352)	(13,887)
Placement of restricted bank balances	(2,021)	(502)
Increase in time deposits	(90,000)	–
Proceeds from release of restricted bank balances	427	–
	(172,808)	(14,189)
NET CASH USED IN FINANCING ACTIVITIES		
Dividends paid to non-controlling interests of the subsidiaries	(52,627)	(14,478)
Interest paid	(16,817)	(13,423)
Repayments of bank and other borrowings	(97,500)	(150,000)
New bank and other borrowings raised	50,000	120,000
Repayments of lease liabilities	(3,463)	(3,363)
	(120,407)	(61,264)
NET INCREASE IN CASH AND CASH EQUIVALENTS	170,700	201,405
CASH AND CASH EQUIVALENTS AT BEJINNING OF PERIOD	732,923	606,746
Effect of foreign exchange rate changes	(970)	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD, represented by:		
Bank balances and cash	902,653	808,151

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

The financial information relating to the year ended 31 December 2022 that is included in the interim condensed consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on the financial statements for the year ended 31 December 2022. The auditor's report was unqualified; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases and decommissioning obligations as at 1 January 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases and decommissioning obligations that occurred on or after 1 January 2022, if any.

Prior to the initial application of these amendments, the Group applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases and decommissioning obligations. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities and provision for restoration, rehabilitation and environmental costs (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets and property, plant and equipment related to decommissioning obligations as at 1 January 2022. The quantitative impact on the financial information is summarised below.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below: (continued)

(c) (continued)

Impact on the interim condensed consolidated statement of financial position:

	Note	Increase/(decrease)		
		At 30 June 2023 US\$'000	At 31 December 2022 US\$'000	At 1 January 2022 US\$'000
Assets				
Deferred tax assets	(i)	1,624	1,643	2,116
Total non-current assets		1,624	1,643	2,116
Total assets		1,624	1,643	2,116
Equity				
Retained profits		8,376	8,287	5,711
Equity attributable to owners of the Company		8,376	8,287	5,711
Non-controlling interests		2,412	2,361	1,927
Total equity		10,788	10,648	7,638
Liabilities				
Deferred tax liabilities	(i)	(9,164)	(9,005)	(5,522)
Total non-current liabilities		(9,164)	(9,005)	(5,522)
Total liabilities		(9,164)	(9,005)	(5,522)
Total Equity and Liabilities		1,624	1,643	2,116

Note (i): The deferred tax asset and the deferred tax liability arising from lease contracts and decommissioning obligations of the same subsidiary have been offset in the statement of financial position for presentation purposes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below: (continued)

(c) (continued)

Impact on the interim condensed consolidated statement of profit or loss and other comprehensive income:

	Increase/(decrease)	
	Six months ended 30 June	
	2023	2022
	US\$'000	US\$'000
Income tax expense	(140)	(608)
Profit and total comprehensive income for the period	140	608
Profit and total comprehensive income		
attributable to:		
Owners of the Company	89	506
Non-controlling interests	51	102
	140	608
Earnings per share		
– Basic and diluted (<i>US cents per share</i>)	–	0.01
– Basic and diluted (<i>equivalent to approximately HK\$ per share</i>)	–	–

The adoption of amendments to HKAS 12 did not have any impact on the interim condensed consolidated statements of cash flows for the six months ended 30 June 2023 and 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below: (continued)

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments and the mandatory temporary exception retrospectively. The Group is currently assessing its exposure to Pillar Two income taxes.

3. SEGMENT INFORMATION

Segment revenue and results

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

	Six months ended 30 June 2023		
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)	Consolidated US\$'000 (Unaudited)
Revenue from external sales	580,247	1,263,531	1,843,778
Inter-segment sales	–	26,915	26,915
Total segment revenue	580,247	1,290,446	1,870,693
Elimination			(26,915)
Revenue for the period			1,843,778
Segment profit	158,373	117,100	275,473
Unallocated income*			607
Unallocated expenses#			(12,117)
Profit for the period			263,963

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

	Six months ended 30 June 2022		
	Leaching <i>US\$'000</i> (Unaudited) (Restated)	Smelting <i>US\$'000</i> (Unaudited) (Restated)	Consolidated <i>US\$'000</i> (Unaudited) (Restated)
Revenue from external sales	680,999	1,525,949	2,206,948
Inter-segment sales	–	30,518	30,518
Total segment revenue	680,999	1,556,467	2,237,466
Elimination			(30,518)
Revenue for the period			2,206,948
Segment profit	172,840	136,760	309,600
Unallocated income*			200
Unallocated expenses#			(15,834)
Profit for the period			293,966

* The unallocated income mainly represents the interest income arising from the bank deposits and bank balances of the Company, 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 Republic of Zambia (“Zambia”), and China Nonferrous Mining Hong Kong Investment Limited (“CNMHKI”), a directly wholly-owned subsidiary of the Company which directly holds the Group’s shareholdings in the three subsidiaries in Democratic Republic of the Congo (“DRC”) (collectively referred to as the “Holding Companies”).

The unallocated expenses mainly represent the administrative expenses, interest expenses and income tax expenses of the Holding Companies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited) (Restated)
Segment assets		
– Leaching	1,300,962	1,301,623
– Smelting	2,596,750	2,626,432
Total segment assets	3,897,712	3,928,055
Unallocated assets*	193,743	97,180
Elimination	(4,252)	(2,576)
Consolidated total assets	4,087,203	4,022,659
Segment liabilities		
– Leaching	459,365	496,909
– Smelting	861,627	1,104,502
Total segment liabilities	1,320,992	1,601,411
Unallocated liabilities*	277,390	80,240
Elimination	(4,252)	(2,576)
Consolidated total liabilities	1,594,130	1,679,075

* The unallocated assets and liabilities mainly represent those of the Holding Companies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	Six months ended 30 June 2023	
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)
Sales of goods to external customers		
Copper cathodes	570,350	-
Blister copper and copper anodes	-	1,111,628
Sulfuric acid	41	114,723
Liquid sulphur dioxide	-	6,812
Cobalt contained in cobaltous hydroxide	2,693	-
	573,084	1,233,163
Copper product processing services	7,163	30,368
Total	580,247	1,263,531
Geographical markets		
Mainland China	436,361	723,305
Hong Kong	16,799	238,499
Switzerland	111,226	178,307
Singapore	2,125	17,313
Africa	13,736	102,878
Luxemburg	-	3,229
Total	580,247	1,263,531
Timing of revenue recognition		
A point in time	580,247	1,263,531

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of revenue from contracts with customers (continued)

	Six months ended 30 June 2022	
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)
Sales of goods to external customers		
Copper cathodes	639,926	–
Blister copper and copper anodes	–	1,396,211
Sulfuric acid	–	94,954
Liquid sulphur dioxide	–	16,207
Cobalt contained in cobaltous hydroxide	41,073	–
	680,999	1,507,372
Copper product processing services	–	18,577
Total	680,999	1,525,949
Geographical markets		
Mainland China	537,509	1,012,421
Hong Kong	–	104,807
Switzerland	106,291	166,026
Singapore	37,199	66,380
Africa	–	174,207
Luxemburg	–	2,108
Total	680,999	1,525,949
Timing of revenue recognition		
A point in time	680,999	1,525,949

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited)
Losses on disposal of property, plant and equipment, net	(158)	–
Impairment loss recognised in respect of input value added tax (“VAT”) receivables	(10,870)	(7,979)
Gains/(losses) from changes in fair value of financial assets/liabilities at FVTPL		
– financial assets/liabilities at FVTPL	(60)	31,349
– trade receivables at FVTPL	6,606	(47,666)
– trade payables designated at FVTPL	(13,816)	26,249
Foreign exchange gains/(losses), net (<i>note</i>)	4,086	(5,285)
	(14,212)	(3,332)

Note: The amount included exchange gains arising from the retranslation of input VAT receivables denominated in Zambia Kwacha (“ZMK”) to United States Dollars (“US\$”) amounting to US\$4,532,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: losses of US\$1,666,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

6. FINANCE COSTS

	Six months ended 30 June	
	2023 <i>US\$'000</i> (Unaudited)	2022 <i>US\$'000</i> (Unaudited)
Interest on bank and other borrowings	18,128	13,623
Interest on lease liabilities	277	166
Unwinding of the discount	844	203
	19,249	13,992

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following items:

	Six months ended 30 June	
	2023 <i>US\$'000</i> (Unaudited)	2022 <i>US\$'000</i> (Unaudited)
Depreciation of property, plant and equipment	99,884	108,177
Depreciation of right-of-use assets	2,626	2,482
Amortisation of mining rights	2,942	1,468
Total depreciation and amortisation	105,452	112,127
Less: capitalised in inventories	(97,228)	(101,826)
	8,224	10,301
Cost of inventories at carrying amount recognised as an expense	1,287,675	1,659,887
Write-down of/(reversal of write-down of) inventories to net realisable value	11,074	(1)
Cost of service recognised as an expense	23,645	16,086
	1,322,394	1,675,972

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

8. INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited) (Restated)
Current tax:		
Income tax in People's Republic of China ("PRC")	8	2
Income tax in Ireland	1,933	378
Income tax in DRC	31,510	45,280
Income tax in Zambia	65,231	65,977
	98,682	111,637
Deferred tax		
Current period	19,174	25,918
Total income tax expense	117,856	137,555
Effective tax rate	30.9%	31.9%

Note: Chambishi Copper Smelter Limited ("CCS"), a non-wholly-owned subsidiary of the Company located in Zambia, is eligible for the tax exemption for the first five profitable years; 50% income tax relief for the next three years thereafter; and 25% income tax relief for the next two years thereafter. During the six months ended 30 June 2023, it was the first year of the 25% income tax relief that the CCS enjoyed regarding the phase (six months ended 30 June 2022: 50% income tax relief).

Lualaba Copper Smelter SAS ("Lualaba Copper Smelter"), a non-wholly-owned subsidiary of the Company located in DRC, is eligible for the 68.29% income tax relief for the five years starting from July 2021. The calculation of income tax relief rate is based on the current production volume proportion of sulfuric acid, which also depends on the remaining investments in blister copper and sulfuric acid.

9. DIVIDENDS

During the six months ended 30 June 2023, a final dividend of US¢ 2.8209 per share in respect of the year ended 31 December 2022 (six months ended 30 June 2022: US¢ 3.8205 per share in respect of the year ended 31 December 2021) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the six months ended 30 June 2023 amounted to US\$105,474,466 (six months ended 30 June 2022: US\$142,849,870).

The directors of the Company ("Directors") do not recommend interim dividend for the current period (six months ended 30 June 2022: nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share calculation <i>(in US\$'000)</i>	185,701	196,679
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation <i>(in '000)</i>	3,739,036	3,739,036
Earnings per share		
– Basic and diluted <i>(US cents per share)</i>	4.97	5.26
– Basic and diluted <i>(equivalent to approximately HK\$ per share)</i>	0.39	0.41

During the six months ended 30 June 2023 and 2022, there was no potential ordinary share outstanding with diluted impact.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment and incurred construction costs in an aggregate amount of US\$47,647,000 (six months ended 30 June 2022: US\$28,848,000).

12. INVENTORIES

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Raw materials	384,827	514,890
Spare parts and consumables	100,623	91,314
Work in progress	105,752	159,277
Finished goods	88,154	54,588
	679,356	820,069

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

13. TRADE RECEIVABLES AT AMORTISED COST/TRADE RECEIVABLES AT FVTPL

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Trade receivables at amortised cost	67,735	42,153
Less: Allowance for credit losses	(2,256)	(2,256)
	65,479	39,897
Trade receivables at FVTPL	343,435	368,669

As at 30 June 2023 and 31 December 2022, all trade receivables at amortised cost/trade receivables at FVTPL were from contracts with customers.

The following is an ageing analysis of trade receivables at amortised cost, net of allowance for credit losses, presented based on the invoice dates:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
0 to 30 days	50,133	25,451
31 to 90 days	8,734	11,386
91 to 180 days	4,352	2,877
181 to 365 days	2,250	183
Over 1 year	10	-
	65,479	39,897

The following is an ageing analysis of trade receivables at FVTPL, presented based on the invoice dates:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
0 to 30 days	311,010	311,027
31 to 90 days	31,929	43,968
91 to 180 days	496	11,829
181 to 365 days	-	1,845
	343,435	368,669

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

13. TRADE RECEIVABLES AT AMORTISED COST/TRADE RECEIVABLES AT FVTPL (CONTINUED)

The Group sells copper products under provisional pricing arrangements where final prices are set at a specified date based on market prices. Revenues are recognised using forward prices for the expected date of final settlement. The contractual cash flows of trade receivables vary depending on the market price at the date of final settlement, and do not represent solely payments of principal and interest on the principal amount outstanding. Consequently, these trade receivables resulted from provisionally priced contracts are measured at FVTPL.

Included in the Group's trade receivables at amortised cost/trade receivables at FVTPL are balances with the following related parties:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
<hr/>		
Trade receivables at amortised cost:		
Fellow subsidiaries	3,307	3,719
A non-controlling shareholder of a subsidiary	4,509	1,832
	<hr/> 7,816 <hr/>	<hr/> 5,551 <hr/>
Trade receivables at FVTPL:		
Fellow subsidiaries	217,071	141,831
Subsidiaries of a non-controlling shareholder of a subsidiary	99,607	152,200
	<hr/> 316,678 <hr/>	<hr/> 294,031 <hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

14. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Non-current:		
Prepayments for property, plant and equipment	1,668	3,358
Deposits in connection with the restoration and rehabilitation obligations	5,149	3,429
Long-term receivables (<i>note a</i>)	29,300	29,300
Input VAT receivables, net (<i>note b</i>)	6,055	5,717
Others (<i>note c</i>)	10,196	11,082
	52,368	52,886
Current:		
Prepayments for inventories and others	19,425	23,629
Input VAT receivables, net (<i>note b</i>)	100,309	86,308
Deposits in futures margin accounts	114,644	121,362
Other receivables	27,220	33,096
Less: Allowance for credit losses	(14,166)	(14,166)
	247,432	250,229

Notes:

- a. Pursuant to a financing agreement (the "LCS Project Agreement") entered into between Lualaba Copper Smelter and Societe Nationale D'electricite (the "SND"), a state-owned power supplier in DRC, in July 2018, Lualaba Copper Smelter should provide finance to construct certain power supply network assets (the "LCS Network Assets"). SND should repay the finance amount agreed to construction cost by installments with an interest rate of 6% per annum.

The construction of LCS Network Assets was completed on 2 February 2021. The finance amount agreed to construction cost was US\$29,300,000. The finance amount together with the interest will be received from SND starting from 1 March 2021.

- b. The gross carrying amount of input VAT receivables is US\$183,661,000 (31 December 2022: US\$158,452,000). Impairment provision is estimated based on the present value of the estimated future cash flows, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the input VAT receivables for which the estimates of future cash flows have not been adjusted. An impairment provision amounting to US\$77,297,000 (31 December 2022: US\$66,427,000) in aggregate has been made on input VAT receivables.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

14. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

- c. Pursuant to a connection agreement entered into between NFC Africa Mining PLC (“NFCA”) and Copperbelt Energy (the “NFCA Connection Agreement”), NFCA construct certain power supply network assets (the “NFCA Network Assets”) to enable Copperbelt Energy to supply electricity to the Chambishi Southeast Mine Project of NFCA at Chambishi, Copperbelt Province of Zambia. According to the NFCA Connection Agreement, NFCA shall transfer the NFCA Network Assets to Copperbelt Energy on the date when Copperbelt Energy issues a Taking-Over Certificate. The Directors consider that the construction cost for the NFCA Network Assets is, in substance, premium for electricity supply that will be amortised over the estimated useful life of the NFCA Network Assets upon the commencement of electricity consumption by NFCA.

As at 30 June 2023, the balance of the construction of NFCA Network Assets was US\$9,317,000 (31 December 2022: US\$9,983,000).

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

	30 June 2023 US\$’000 (Unaudited)	31 December 2022 US\$’000 (Audited)
Fellow subsidiaries	742	3,217
A non-controlling shareholder of a subsidiary	1,667	2,686
	2,409	5,903

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

Allowance for input VAT receivables

The movement in the allowance for input VAT receivables during the six months ended 30 June 2023 was as follows:

	Six months ended 30 June	
	2023 US\$’000 (Unaudited)	2022 US\$’000 (Unaudited)
Balance at 1 January	66,427	44,876
Impairment losses recognised (Note 5)	10,870	7,979
Balance at 30 June	77,297	52,855

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

15. TRADE PAYABLES AT AMORTISED COST/TRADE PAYABLES DESIGNATED AT FVTPL

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Trade payables at amortised cost	307,668	265,172
Trade payables designated at FVTPL	193,012	289,691

The following is an ageing analysis of trade payables at amortised cost, presented based on the invoice dates:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
0 to 30 days	176,497	102,882
31 to 90 days	75,899	103,766
91 to 180 days	27,461	5,992
181 to 365 days	21,362	46,186
1 to 2 years	5,566	6,346
Over 2 years	883	–
	307,668	265,172

The following is an ageing analysis of trade payables designated at FVTPL, presented based on the invoice dates:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
0 to 30 days	148,030	219,524
31 to 90 days	43,691	66,726
91 to 180 days	16	3,441
181 to 365 days	1,275	–
	193,012	289,691

The trade payables arising from provisional pricing arrangements of purchases of copper concentrates are settled at final prices set at a specified future period after shipment by suppliers based on prevailing spot prices. These trade payables are designated at FVTPL on a contract-by-contract basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

15. TRADE PAYABLES AT AMORTISED COST/TRADE PAYABLES DESIGNATED AT FVTPL (CONTINUED)

The average credit period on purchases of certain goods is within three months and most payables are paid within the credit time frame.

Included in the Group's trade payables at amortised cost/trade payables designated at FVTPL are balances with the following related parties:

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
<hr/>		
Trade payables at amortised cost:		
Fellow subsidiaries	89,605	98,775
China Nonferrous Metal Mining (Group) Co., Ltd. ("CNMC")	154	–
A non-controlling shareholder of a subsidiary	2,818	3,436
Subsidiaries of a non-controlling shareholder of subsidiaries	44,142	29,518
	<hr/>	<hr/>
	136,719	131,729
<hr/>		
Trade payables designated at FVTPL:		
Fellow subsidiaries	3,696	25,770
Subsidiaries of a non-controlling shareholder of subsidiaries	41,879	60,817
	<hr/>	<hr/>
	45,575	86,587
<hr/>		

The above balances with related parties are unsecured, interest-free and are repayable within three months.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

16. OTHER PAYABLES AND ACCRUED EXPENSES

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Payables for property, plant and equipment	69,751	108,146
Dividend payable to shareholders of the Company	105,496	22
Dividends payable to non-controlling shareholders of subsidiaries	6,115	49,742
Other tax payables	18,706	17,748
Payroll payables	14,227	21,298
Accrued expenses	29,480	27,782
	243,775	224,738

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

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
CNMC	5,459	–
Fellow subsidiaries	40,799	386
Shareholders of the Company	105,496	22
Non-controlling shareholders of subsidiaries	6,115	56,068
	157,869	56,476

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

17. BANK AND OTHER BORROWINGS

During the six months ended 30 June 2023, the Group obtained new bank and other borrowings amounting to US\$50,000,000 in total carrying a floating interest rate of 3-month U.S. Dollar London Interbank Offered Rate ("USD LIBOR") plus 2.3% (six months ended 30 June 2022: US\$120,000,000 carrying a floating interest rate of 3-month USD LIBOR plus 2.3% to 2.5%) per annum, and repaid bank and other borrowings amounting to US\$97,500,000 (six months ended 30 June 2022: US\$150,000,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

18. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000	Share capital US\$'000
Issued and fully paid			
At 31 December 2021(audited),			
31 December 2022 (audited) and			
30 June 2023 (unaudited)	3,739,036	5,760,689	740,119

19. CAPITAL COMMITMENTS

	30 June 2023 US\$'000 (Unaudited)	31 December 2022 US\$'000 (Audited)
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the interim condensed consolidated financial information	30,214	19,707

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and financial liabilities are measured at fair values at the end of each reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1 US\$'000 (Unaudited)	Level 2 US\$'000 (Unaudited)	Level 3 US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
30 June 2023				
Financial assets at FVTPL				
– Copper future contracts (<i>note a</i>)	3,315	–	–	3,315
Trade receivables at FVTPL (<i>note b</i>)	–	343,435	–	343,435
Trade payables designated at FVTPL (<i>note b</i>)	–	(193,012)	–	(193,012)
	Level 1 US\$'000 (Audited)	Level 2 US\$'000 (Audited)	Level 3 US\$'000 (Audited)	Total US\$'000 (Audited)
31 December 2022				
Financial liabilities designated at FVTPL				
– Copper future contracts (<i>note a</i>)	(11,344)	–	–	(11,344)
Trade receivables at FVTPL (<i>note b</i>)	–	368,669	–	368,669
Trade payables designated at FVTPL (<i>note b</i>)	–	(289,691)	–	(289,691)

Notes:

- a. Calculated based on the quoted prices in an active market.
- b. Calculated based on the quoted prices in an active market of copper, gold and silver in the Group's copper products.

There were no transfers between Level 1 and 2 nor transfer to level 3 during the six months ended 30 June 2023 and 2022.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

21. RELATED PARTY TRANSACTIONS

The Company is controlled by CNMC through China Nonferrous Mining Development Limited (“CNMD”), which is a subsidiary of CNMC. The Directors considered the ultimate holding company is CNMC, a state-owned company established in the PRC of which the Company is a subsidiary.

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

(1) Transactions with CNMC and its subsidiaries

Relationships	Notes	Nature of transactions	Six months ended 30 June	
			2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited)
Fellow subsidiaries	(i) (ii)	Sales of blister copper and copper anodes	495,768	635,494
	(i) (ii)	Sales of copper cathodes	432,645	487,929
	(i)	Sales of sulfuric acid	10,408	26,348
	(i)	Sales of other materials	1,507	15,129
	(i)	Services income	295	–
	(i)	Purchases of plant and equipment	(2,264)	(3,673)
	(i) (iii)	Purchases of copper concentrates	(8,995)	(82,060)
	(i)	Purchases of materials	(52,810)	(29,744)
	(i)	Purchases of electricity	(21,042)	(20,240)
	(i)	Purchases of services	(47,516)	(51,259)
	(i)	Purchases of freight and transportation	(14,457)	(11,046)
	(i)	Interest expenses on borrowings	(3,893)	–
	(i)	Interest expenses on lease liabilities	(277)	(166)
	(i)	Expenses relating to leases	(2,708)	(2,483)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(1) Transactions with CNMC and its subsidiaries (continued)

Notes:

- (i) These transactions were conducted in accordance with terms of the relevant agreements.
- (ii) Included in the sales amount of blister copper and copper anodes are gains of US\$3,953,000 (six months ended 30 June 2022: losses of US\$20,013,000) arising from a provisional pricing arrangement.

Included in the sales amount of copper cathodes are losses of US\$4,961,000 (six months ended 30 June 2022: losses of US\$7,672,000) arising from a provisional pricing arrangement.
- (iii) Included in the purchase amount of copper concentrate are losses of US\$1,243,000 (six months ended 30 June 2022: gains of US\$1,517,000) arising from a provisional pricing arrangement.

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

- CNMC provided guarantees to banks for granting unsecured loans to the Group without charging any consideration.
- On 1 July 2009, a subsidiary of the Company, CCS entered into an agreement with Fifteen MCC Africa Construction & Trade Ltd. ("Fifteen MCC Africa"), a fellow subsidiary, (the "Fifteen MCC Africa Agreement"). According to Fifteen MCC Africa Agreement, Fifteen MCC Africa provides construction as well as equipment repair and maintenance services to CCS on an ongoing basis which were included in the purchase of services as stated in note (i). In addition, pursuant to Fifteen MCC Africa Agreement, it requires accommodation for its staff based in Zambia, and that subsidiary agreed to provide certain living quarters to Fifteen MCC Africa on a free-of-charge basis. Fifteen MCC Africa shall pay for the use of water and electricity and other expenses such as repair expense and any applicable tax in Zambia.
- On 1 July 2017, CCS entered into a rental agreement with Zambia-China Economic and Trade Cooperation Zone Development Ltd ("ZCCZ"), a fellow subsidiary, (the "ZCCZ Agreement"), pursuant to which, ZCCZ rented related properties to CCS. On 31 December 2019, the Group entered into a lease modification agreement for the use of properties with ZCCZ for 4 years. As at 30 June 2023, the related right-of-use assets and lease liabilities were US\$2,483,000 (31 December 2022: US\$4,965,000) and US\$4,191,000 (31 December 2022: US\$7,317,000), respectively.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(2) Transactions with subsidiaries of non-controlling shareholders of subsidiaries

Notes	Nature of transactions	Six months ended 30 June	
		2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited)
(i)	Sales of other materials	1,906	–
(i) (ii)	Sales of blister copper and copper anodes	339,339	452,148
(i) (ii)	Sales of copper cathodes	31,862	7,390
(i)	Purchases of materials	(16,600)	(25,826)

Notes:

- (i) These transactions were conducted in accordance with terms of the relevant agreements.
- (ii) Included in the sales amount of blister copper and copper anodes are losses of US\$2,663,000 (six months ended 30 June 2022: losses of US\$15,569,000) arising from a provisional pricing arrangement.
- Included in the sales amount of copper cathodes are gains of US\$1,342,000 (six months ended 30 June 2022: losses of US\$391,000) arising from a provisional pricing arrangement.

(3) Transactions with non-controlling shareholders of subsidiaries

Notes	Nature of transactions	Six months ended 30 June	
		2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited)
(i)	Services income	7,121	–
(i)	Purchases of services	(1,500)	(2,000)

Note:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2023

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(4) Compensation of key management personnel

The remuneration of Directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2023 US\$'000 (Unaudited)	2022 US\$'000 (Unaudited)
Short-term benefits	874	462
Post-employment benefits	74	37
	948	499

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

22. EVENTS AFTER THE REPORTING PERIOD

Until the approval date of these interim condensed consolidated financial information, there is no significant event after the reporting period that needs to be disclosed.

23. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the board of directors of the Company on 29 August 2023.



中國有色礦業有限公司

China Nonferrous Mining Corporation Limited