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

ANNUAL REPORT 2023

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CORPORATE INFORMATION

REGISTERED OFFICE

Unit 1303, 13/F, Austin Tower
22–26 Austin Avenue
Tsim Sha Tsui
Kowloon, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN ZAMBIA

32 Enos Chomba Road
Kitwe, Zambia

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 Directors

Mr. Yaoyu Tan
Ms. Yani Gong (appointed on 27 December 2023)

Independent Non-Executive Directors

Mr. Dingfan Qiu
Mr. Guangfu Gao (appointed on 27 December 2023)
Mr. Huanfei Guan
Mr. Jingwei Liu (resigned on 27 December 2023)

Leaching plants at Luanshya

THE COMMITTEES OF THE BOARD

Audit Committee

Mr. Guangfu Gao *(Chairman)*
(appointed on 27 December 2023)
Mr. Yaoyu Tan
Mr. Huanfei Guan
Mr. Jingwei Liu *(Chairman)*
(resigned on 27 December 2023)

Nomination Committee

Mr. Dingfan Qiu *(Chairman)*
Mr. He Yang
Mr. Guangfu Gao (appointed on 27 December 2023)
Mr. Jingwei Liu (resigned on 27 December 2023)

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

King & Wood Mallesons
13/F Gloucester Tower, The Landmark
15 Queen's Road
Central
Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

HONG KONG SHARE REGISTRAR

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

CHAIRMAN'S STATEMENT

Chairman of the Board
He Yang

Dear shareholders and investors,

With everyone's concern, support and companionship, the Company has spent another year of hard work and pioneering. On behalf of all the employees of the Company, I would like to express my gratitude to friends from all walks of life.

In the past year, the world's century unprecedented change was accelerating, the global economic growth momentum has been insufficient, and the ever-changing external environment has brought many uncertainties to the Company's production operations and daily management. At the same time, local elections triggered social unrest in Central and Southern Africa, suppliers were out of production resulting in insufficient supply of goods, tight power and transportation capacity brought pressure on production costs, safety production situation became increasingly severe, LME copper prices fell, and the Zambian kwacha sharply depreciated and other unfavorable factors continued to disrupt the normal production of mining and smelting plants.

However, all employees of the Company, with the correct leadership of the Board of Directors and the full support of all shareholders, have overcome various adverse factors and ensured the smooth and efficient operation of the Company. In 2023, the Company achieved operating income of US$3,606 million, gross profit of US$877 million, representing a year-on-year increase of 8.7%, and net profit attributable to the parent company of US$278 million, representing a year-on-year increase of 4.2%. The annual comprehensive copper output was nearly 520,000 tonnes, of which the self-owned mines produced approximately 170,000 metal tonnes of copper, representing a year-on-year increase of 12.0%. Overall, despite the decline in the average copper price throughout the year, the Company achieved operating performance growth against the trend through multiple effective means such as increasing the output of its own mines, synergistic strengths of the integrated industrial chain, refined management, and cost reduction and efficiency improvement. Among comparable listed companies in the same industry, the Company's profit margin and profit growth are both at leading levels, which reflects the Company's strong risk resistance and profitability resilience.

In the capital market, the Company attaches great importance to positive interactions with investors, and has received more and more attention and recognition from domestic and foreign investors. The stock price has increased by nearly 28% throughout the year, the price-to-earnings ratio and the price-to-book ratio have improved significantly, and stock liquidity has continued to increase, the Company's value realization and delivery capabilities are further enhanced. At the same time, the Company continues to maintain a dividend ratio of 40%, which is at the leading level in the industry. The average dividend rate in the past three years has remained at a high level.

In addition, the President of Zambia personally visited the Company's controlling shareholder, CNMC, and the Company's offices in Beijing last year and proposed the ambitious goal of "Zambia achieving 3 million tonnes of copper mine production by 2030" and hoped that the Company would play an important role in this. The Company's multiple new projects in Zambia have been included in key development tasks and have begun to advance in an orderly manner.

Since 2024, the global geopolitical landscape has remained complex, conflicts in hotspot areas have continued, regulatory policies of major economies have competed with each other, and the world economy is still under recovery. Global copper mine production continues to be disrupted, and unfavorable factors such as geopolitics, community disputes, and natural disasters have caused the increase in copper mine supply to be less than expected. At the same time, demand for power facility construction, energy transformation and upgrading will support stable growth on the consumer side. From a full-year perspective, the copper mine supply landscape will maintain a tight balance, and the combination of commodity attributes and financial attributes may push the copper metal price center upward.

This year is a critical year for achieving the goals and tasks of the "14th Five-Year Plan". It is also a year for the Company to continue its efforts to further deepen reforms and achieve quality development. The Company strives to increase the output of its own mines stably and increase production by tapping the potential of existing mines before new projects are put into operation. Important progress has been made in upgrading resources, with 1.18 million tonnes of new copper metal resources added to the Luanshya Shaft 28 project. The resource evaluation of other projects to be developed is also in progress. The layout of production expansion projects has been accelerated, and projects such as the Phase Two of the Chambishi Southeast Mine, the Luanshya Shaft 28, the Kambove West Mine, and the Mensaisa Mine are all being steadily advanced as the Company's key projects. Focusing on improving production efficiency, under the guidance of new-quality productivity, the Company vigorously carries out digital, intelligent, and green transformation and upgrading of traditional industries to achieve cost reduction and efficiency increase. At the same time, compliance risk control management, investor relations maintenance and other work will also be continuously strengthened.

Welcoming the new year with hard work and great effort, and continue the glorious chapter by riding the wind and waves. In the next few years, with the continuous upgrading of resources, the gradual release of new production capacity, and the continuous improvement of production efficiency, the Company's development is expected to reach a new and greater level, and the overall development situation may undergo a qualitative leap.

Everyone in the Company will strives to achieve great results with steady progress, and reward all Shareholders with excellent performance capabilities and stable long-term growth potential. We are also willing to join hands with friends from all walks of life to enjoy the Company's bright future.

He Yang
Chairman of the Board
China Nonferrous Mining Corporation Limited

28 March 2024

RESULTS HIGHLIGHTS

OPERATING RESULTS

In 2023, the Group recorded revenue of US$3,606.4 million, representing a decrease of US$488.3 million from US$4,094.7 million in 2022. In 2023, the Group recorded profit attributable to owners of the Company of US$277.6 million, increased by US$11.3 million from US$266.3 million (restated) in 2022.

CHANGES IN PRODUCT OUTPUT

In 2023, the Group accumulatively produced 142,423 tonnes of copper cathodes, representing an increase of 1.2% year-on-year; 285,733 tonnes of blister copper and copper anodes, representing a decrease of 10.5% year-on-year; 1,520 tonnes of cobalt contained in cobalt hydroxides, representing a decrease of 9.1% year-on-year; 955,360 tonnes of sulphuric acid, representing a decrease of 5.4% year-on-year; 11,971 tonnes liquid sulphur dioxide, representing a decrease of 39.1% year-on-year; and the processed copper products by the Group amounted to 89,843 tonnes, representing an increase of 50.9% year-on-year.

FINANCIAL REVIEW

Results of operations

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

	For the year ended 31 December							
	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	284,784	7,796	2,220,190	61.6	325,049	8,069	2,622,744	64.1
Copper cathodes	140,454	7,649	1,074,269	29.8	146,808	7,870	1,155,328	28.2
Cobalt contained in cobalt hydroxide	1,256	11,929	14,985	0.4	1,314	34,008	44,687	1.1
Sulphuric acid	736,183	288	212,264	5.9	705,470	301	212,121	5.2
Liquid sulphur dioxide	12,160	894	10,874	0.3	19,415	1,184	22,979	0.6
Copper products processing services(2)	89,874	822	73,839	2.0	59,507	619	36,857	0.8
Total			3,606,421	100.0			4,094,716	100.0

Notes: (1) The sales volumes of blister copper and copper anodes, copper cathodes are on a contained-copper basis.

(2) The copper products 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.

Revenue

The revenue of the Group decreased by 11.9% from US$4,094.7 million in 2022 to US$3,606.4 million in 2023. In 2023, the Group's revenue generated from blister copper and copper anodes, copper cathodes and sulphuric acid accounted for 61.6%, 29.8% and 5.9%, respectively, of the total revenue.

The revenue from blister copper and copper anodes decreased by 15.3% from US$2,622.7 million in 2022 to US$2,220.2 million in 2023, mainly due to the decrease in global copper prices and the decrease in sales volume.

The revenue from copper cathodes decreased by 7.0% from US$1,155.3 million in 2022 to US$1,074.3 million in 2023, mainly due to the impact of falling global copper prices and declining sales.

The revenue from sulphuric acid increased by 0.1% from US$212.1 million in 2022 to US$212.3 million in 2023, mainly attributable to the increase in sales volume as compared with the same period in 2022.

Cost of sales

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

	For the year ended 31 December							
	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	**1,934,027**	**6,791**	**286,163**	**12.9**	2,468,591	7,595	154,153	5.9
Copper cathodes	**633,663**	**4,512**	**440,607**	**41.0**	695,964	4,741	459,364	39.8
Cobalt contained in cobalt hydroxides	**34,109**	**27,152**	**(19,124)**	**(127.6)**	19,598	14,915	25,089	56.1
Sulphuric acid	**75,772**	**103**	**136,492**	**64.3**	70,063	99	142,058	67.0
Liquid sulphur dioxide	**7,483**	**615**	**3,391**	**31.2**	5,500	283	17,479	76.1
Copper products processing services [Note]	**43,909**	**489**	**29,929**	**40.5**	27,779	467	9,078	24.6
Total	**2,728,963**		**877,458**	**24.3**	3,287,495		807,221	19.7

Note: The copper products 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.

The cost of sales of the Group decreased by 17.0% from US$3,287.5 million in 2022 to US$2,729.0 million in 2023, primarily due to the year-on-year decrease in the sales volume of copper products and the year-on-year decrease in the production cost of copper products.

The cost of sales in respect of blister copper and copper anodes decreased by 21.7% from US$2,468.6 million in 2022 to US$1,934.0 million in 2023, primarily due to the impact of the year-on-year decrease in sales volume and the year-on-year decrease in unit production costs.

The cost of sales in respect of copper cathodes decreased by 9.0% from US$696.0 million in 2022 to US$633.7 million in 2023, primarily due to the impact of the year-on-year decrease in sales volume and the year-on-year decrease in unit production costs.

The cost of sales in respect of sulphuric acid increased by 8.1% from US$70.1 million in 2022 to US$75.8 million in 2023, primarily due to the year-on-year increase in sales volume.

Gross profit and gross profit margin

The Group recorded a gross profit of US$877.5 million in 2023, representing an increase of 8.7% from US$807.2 million in 2022. The gross profit margin increased from 19.7% in 2022 to 24.3% in 2023. In particular:

The gross profit margin of blister copper and copper anodes increased from 5.9% in 2022 to 12.9% in 2023, primarily attributable to the decrease in the unit sales costs of blister copper and copper anodes.

The gross profit margin of copper cathodes increased from 39.8% in 2022 to 41.0% in 2023, mainly due to the year-on-year decrease in the unit sales cost of copper cathodes.

The gross profit margin of sulphuric acid decreased from 67.0% in 2022 to 64.3% in 2023, primarily due to the year-on-year decrease in sulphuric acid unit sales prices.

Distribution and selling expenses

The distribution and selling expenses of the Group amounted to US$10.6 million in 2023, representing a decrease of 73.4% from US$39.8 million in 2022, primarily due to the decrease in the costs of sales for the period due to the customs clearance fees constituting the performance costs of customer contracts which were charged to the costs of sales.

Administrative expenses

The administrative expenses of the Group increased by 18.9% from US$167.4 million in 2022 to US$199.1 million in 2023, primarily due to the increase of research expenses and other expenses.

Finance costs

The finance costs of the Group were US$32.8 million in 2023, decreased by 3.2% from US$33.9 million in 2022, mainly due to a decline in financing due to the repayments of bank borrowings.

Other gains and losses

Other gains and losses of the Group increased by US$70.9 million from a net loss of US$18.7 million in 2022 to a net loss of US$89.6 million in 2023, mainly due to the depreciation of Zambia's local currency, increase in exchange losses as compared with the same period last year.

Income tax

The income tax of the Group increased by US$9.8 million from US$167.4 million (restated) in 2022 to an expense of US$177.2 million in 2023, mainly due to the year-on-year increase in total profit and the tax rate of CCS increased year-on-year after the preferential treatment this year.

Profit and net profit margin attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company increased by 4.2% from US$266.3 million (restated) in 2022 to a profit of US$277.6 million in 2023. The profit margins attributable to owners of the Company (being the profit attributable to the owners of the Company as a percentage of revenue) were 6.5% (restated) in 2022 and 7.7% in 2023, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

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

	For the year ended 31 December	
	2023	2022
	(US$'000)	*(US$'000)*
Net cash from operating activities	**589,278**	782,522
Net cash used in investing activities	**(224,118)**	(75,705)
Net cash used in financing activities	**(604,661)**	(578,999)
Net (decrease)/increase in cash and cash equivalents	**(239,501)**	127,818
Cash and cash equivalents at beginning of year	**732,923**	606,746
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**(1,058)**	(1,641)
Cash and cash equivalents at end of year, represented by:		
Bank balances and cash	**492,364**	732,923

Net cash flows generated from operating activities

Cash inflows generated from operating activities are primarily attributable to the sales revenue of copper and sulphuric acid products and cash outflows are primarily attributable to the purchase of raw materials and various operating expenses. Net cash flows generated from the operating activities of the Group decreased by 24.7% from an inflow of US$782.5 million in 2022 to an inflow of US$589.3 million in 2023, primarily attributable to the year-on-year increase of inventories and decrease in the balances of trade payables.

Net cash flows used in investing activities

Cash outflows used in investing activities are mainly for the purchase and construction of property, plant and equipment for copper production. The net cash flows used in investing activities of the Group amounted to US$224.1 million in 2023, increased by US$148.4 million from an outflow of US$75.7 million in 2022, mainly due to the increase in the investments in Baluba Mine Open Pit Mine Project at Luanshya and the increase in time deposits.

Net cash flows used in financing activities

The cash inflows generated from financing activities primarily consist of new bank borrowings and other borrowings. The cash outflows from financing activities primarily consist of repayments for bank borrowings, payments of dividends and interest payments. The net cash outflows in financing activities of the Group increased by US$25.7 million from an outflow of US$579.0 million in 2022 to an outflow of US$604.7 million in 2023, primarily due to the repayments of bank borrowings in 2023.

Time deposits, bank balances and cash

The Group's time deposits, bank balances and cash (including cash, time deposits and demand deposits) decreased by US$160.5 million from US$762.9 million as at 31 December 2022 to US$602.4 million as at 31 December 2023.

Trade receivables at amortised cost/Trade receivables at FVTPL

As at 31 December 2023, the Group recorded trade receivables at amortised cost of US$50.0 million and trade receivables at FVTPL of US$367.6 million. The trade receivables at FVTPL were the trade receivables arising from the sales of copper products under provisional pricing arrangements. The aggregate trade receivables amounted to US$417.6 million, which increased by US$9.0 million from US$408.6 million as at 31 December 2022, primarily attributable to a year-on-year increase in receivables corresponding to year-end sales revenue.

Inventories

The inventories held by the Group increased by US$41.2 million from US$820.1 million as at 31 December 2022 to US$861.3 million as at 31 December 2023, which was mainly due to the increase in inventory of raw materials and spare parts as compared with the same period last year.

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

Saved as disclosed in this annual report, there were no other significant investments held, material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2023, and there was no plan approved by the Board for other material investments or acquisition of capital assets for the coming year as at the date of this annual report.

Charge on assets

As of 31 December 2023, the carrying amount of the Group's charge of assets amounted to US$9,619,000 (31 December 2022: US$10,078,000).

Capital management

The capital structure of the Group consists of net debt (which includes bank and other borrowings, net of restricted bank balances, time deposits, bank balances and cash) and equity attributable to owners of the Company (comprising share capital and retained profits). Details of capital management of the Group as at 31 December 2023 are included in note 29(e) to the audited consolidated financial statements of this annual report.

Gearing ratio

As at 31 December 2023, as the Group had a net cash position* of approximately US$427.9 million, it is therefore not considered to have any net gearing (2022: Nil).

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

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

Contingent liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities.

Bank and other borrowings

Details of bank and other borrowings as at 31 December 2023 are included in note 23 to the audited consolidated financial statements of this annual report. The loans of the Group are made in US$. All of the loans of the Group have floating interest rate.

Trade payables at amortised cost/Trade payables designated at FVTPL

As at 31 December 2023, the Group recorded trade payables at amortised cost of US$233.3 million and trade payables designated at FVTPL of US$298.6 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$531.9 million, which decreased by US$23.0 million from US$554.9 million as at 31 December 2022, primarily due to the decrease in the amounts payable for ancillary materials and spare parts.

Capital expenditure

	For the year ended 31 December	
	2023	2022
	(US$'000)	*(US$'000)*
Mining and ore processing facilities at Chambishi Southeast Mine of NFCA	**25,665**	25,552
Other mining and ore processing facilities of NFCA	**16,784**	7,210
Other facilities at Luanshya	**3,403**	2,374
Baluba Mine Open Pit Mine Project at Luanshya	**27,490**	
Mining and leaching facilities at Luanshya (Muliashi Project)	**776**	6,165
Mining facilities at Luanshya (Roan Mine)	**4,107**	5,372
Smelting facilities at CCS	**17,685**	8,854
Leaching facilities at SML	**7,098**	4,252
Leaching facilities at Huachin Leach	**5,269**	2,853
Mining rights and leaching facilities at CNMC Huachin Mabende	**1,239**	726
Smelting facilities at Lualaba Copper Smelter	**1,479**	39,410
Mining and the processing facilities at Kambove Mining	**25,854**	21,935
Other facilities	**3**	95
Total	**136,852**	124,798

The total capital expenditure of the Group amounted to US$136.9 million in 2023, increased by US$12.1 million as compared with US$124.8 million in 2022, mainly due to the increase in the investments in Baluba Mine Open Pit Mine Project at Luanshya.

Treasury policies

During the year ended 31 December 2023, the Group had in place the Financial Budget Management System, the Funds Management System, the Inventories Management System, the Fixed Assets Management System, the Financial Information Disclosure Management System, Management Measures on Approval Procedures and Permissions of Financial Income and Expenses of the Central Office and other financial policies, which aim to regulate and enhance internal control of relevant activities of the Group to ensure the safety of the Group's assets, protect investors' interests and improve operation and management level for compliance with relevant laws and regulations of Hong Kong as well as the Listing Rules.

Please also refer to note 30 to the audited consolidated financial statements contained in this annual report for the financial instruments (which include the financial risk management objectives and policies).

Principal risks and uncertainties

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

Commodity price risk

The Group's commodity price risk mainly derives from the exposure to fluctuations in the market price of copper, since copper is the major commodity purchased, produced and sold by the Group. The sharp fluctuations of copper price mainly reflect the changes in supply and demand of copper products, the market uncertainties and other factors which are out of the control of the Group, including but not limited to the overall economic situation, political unrest, armed conflicts, terrorist acts, economic condition in major copper producing countries, accessibility of other metals, domestic and overseas regulations of governments, natural disasters and weather conditions. Price fluctuations will have a material impact on the business, cash flow and revenue of the Group. To mitigate this risk, the Group has adopted the sales strategy with combination of long-term and short-term orders and combined with hedging to enhance the turnover of spot inventory, so as to strive to reduce the commodity price risks.

Foreign currency exchange risk

The Group operates business in Zambia and the DRC and most of its sales and purchases in the past were denominated in US dollar, its functional currency, while certain sales and purchases were settled in currencies other than its functional currency (mainly ZMK, Congolese Franc and 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 expediting 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 balances and 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.

OVERVIEW

In 2023, the Group extensively carried out energy expansion, cost reduction, innovation and quality improvement to enhance efficiency and strived hard to expand the market and grasp internal management, achieving remarkable results in maintaining, stabilizing and increasing production capacity with stable production and operation.

During the reporting period for the financial year ended 31 December 2023, affected by fluctuations in copper and cobalt prices, as well as higher costs of production and other components, revenue of the Group has decreased by 11.9% to US$3,606.4 million over the last year, the profit attributable to owners of the Group amounted to US$277.6 million, representing an increase of 4.2% as compared with the same period last year.

BUSINESS REVIEW

The Group is a leading, fast-growing and vertically integrated copper producer focusing on mining, ore-processing, leaching, smelting and sales of copper and cobalt, based in the Zambia and the DRC. In particular, sulphuric acid and liquid sulphur dioxide are by-products generated during the blister copper smelting process.

The businesses of the Group are principally carried out through the following companies: NFCA, Luanshya, CCS and SML located in Zambia, as well as Huachin Leach, CNMC Huachin Mabende, Lualaba Copper Smelter and Kambove Mining located in the DRC.

In 2023, the Group accumulatively produced 285,733 tonnes of blister copper and copper anodes, representing a year-on-year decrease of 10.5%; sulphuric acid of 955,360 tonnes, representing a year-on-year decrease 5.4%; copper cathodes of 142,423 tonnes, representing a year-on-year increase of 1.2%; cobalt contained in cobalt hydroxide of 1,520 tonnes, representing a year-on-year decrease of 9.1%; and liquid sulphur dioxide of 11,971 tonnes, representing a year-on-year decrease of 39.1%. The processed copper products for the Group amounted to 89,843 tonnes. In 2023, revenue of the Group decreased by 11.9% to US$3,606.4 million from US$4,094.7 million in 2022 as a result of the decrease in production volume and the impact of a year-on-year decrease of international copper price.

RESOURCES AND RESERVES

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

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

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

As of 31 December 2023, the Group's mineral resources and mineral reserves reported in accordance with the JORC Code were as follows:

(1) Resources

Chambishi Main Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Measured	**9.80**	**2.28%**	**–**	**–**	9.65	2.37%	–	–
Indicated	**7.26**	**2.47%**	**–**	**–**	7.39	2.52%	–	–
Inferred	**6.67**	**2.18%**	**–**	**–**	6.68	2.20%	–	–

Note: In 2023, 114,000 tonnes of ore were extracted.

Chambishi West Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**3.64**	**2.03%**	**1.00%**	**–**	3.64	2.03%	1.00%	–
Indicated	**1.46**	**1.83%**	**0.96%**	**–**	1.46	1.83%	0.96%	–
Inferred	**1.45**	**2.32%**	**1.10%**	**–**	1.45	2.32%	1.10%	–
Sulphide ore								
Measured	**14.44**	**1.99%**	**–**	**–**	15.27	2.06%	–	–
Indicated	**4.50**	**2.15%**	**–**	**–**	5.16	2.11%	–	–
Inferred	**6.59**	**1.89%**	**–**	**–**	6.14	1.94%	–	–

Note: 1,467,000 tonnes of ore were extracted from sulphide ore in 2023.

Chambishi Southeast Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**38.72**	**2.24%**	**–**	**0.12%**	36.93	2.30%	–	0.13%
Indicated	**28.33**	**1.92%**	**–**	**0.12%**	29.27	1.92%	–	0.11%
Inferred	**57.79**	**1.74%**	**–**	**0.08%**	58.16	1.75%	–	0.08%

Note: In 2023, 2,576,000 tonnes of ore were extracted, and supplemental exploration was carried out.

Mwambashi Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**0.34**	**1.42%**	**0.87%**	**–**	0.60	1.31%	1.17%	–
Indicated	**4.53**	**1.95%**	**0.54%**	**–**	4.71	1.97%	0.54%	–
Inferred	**2.83**	**2.11%**	**0.28%**	**–**	2.92	2.11%	0.28%	–

Note: In 2023, 510,000 tonnes of ore were extracted.

Samba Mine

JORC Code	31 December 2023 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Measured	**–**	**–**	**–**	**–**	0.32	1.17%	–	–
Indicated	**9.24**	**1.65%**	**–**	**–**	9.26	1.47%	–	–
Inferred	**8.58**	**1.60%**	**–**	**–**	5.53	1.43%	–	–

Note: In 2023, supplemental exploration and deep exploration was carried out at Samba Mine, and the resource volume was updated . The deep exploration report has not been submitted.

Baluba Center Mine

JORC Code	31 December 2023 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**13.58**	**1.52%**	**0.90%**	**0.14%**	3.61	1.93%	1.11%	0.12%
Indicated	**2.35**	**1.14%**	**0.41%**	**0.08%**	5.07	1.80%	0.78%	0.11%
Inferred	**0.29**	**1.04%**	**0.37%**	**0.09%**	1.43	2.06%	1.15%	0.17%
Sulphide ore								
Measured	**1.03**	**2.22%**	**0.13%**	**0.15%**	1.03	2.22%	0.13%	0.15%
Indicated	**1.76**	**2.05%**	**0.19%**	**0.15%**	1.76	2.05%	0.19%	0.15%
Inferred	**1.07**	**2.10%**	**0.24%**	**0.15%**	1.07	2.10%	0.24%	0.15%

Note: In 2023, SRK reassessed and audited the extent and quality of historical exploration work, reclassified resource categories, adjusted the reported cut-off grade to 0.3%, and the density to 1.85t/m^3.

Muliashi North Mine

JORC Code	31 December 2023 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Measured	**1.24**	**1.38%**	**0.56%**	**0.04%**	1.35	1.33%	0.53%	0.04%
Indicated	**3.65**	**1.74%**	**0.58%**	**0.01%**	3.69	1.73%	0.58%	0.01%
Inferred	**11.92**	**1.48%**	**0.52%**	**0.02%**	11.88	1.48%	0.52%	0.02%
Sulphide ore								
Measured	**0.03**	**1.35%**	**0.11%**	**0.05%**	0.03	1.35%	0.11%	0.05%
Indicated	**6.00**	**1.46%**	**0.23%**	**0.04%**	6.00	1.46%	0.23%	0.04%
Inferred	**6.85**	**1.47%**	**0.21%**	**0.04%**	6.85	1.47%	0.21%	0.04%

Note: 320,000 tonnes of ore were extracted in 2023.

Mashiba Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**6.62**	**1.88%**	**0.42%**	**0.03%**	6.62	1.88%	0.42%	0.03%
Indicated	**3.03**	**1.92%**	**0.20%**	**0.01%**	3.03	1.92%	0.20%	0.01%
Inferred	**1.05**	**1.68%**	**0.27%**	**0.01%**	1.05	1.68%	0.27%	0.01%

Note: In 2023, SRK re-assessed and audited the extent and quality of the historical exploration work, updated the ore body model, re-classified the resource types, and re-estimated the amount of resources.

Baluba East Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**11.99**	**1.36%**	**0.52%**	**–**	10.47	1.67%	0.56%	–
Indicated	**1.70**	**1.04%**	**0.32%**	**–**	1.67	1.23%	0.20%	–
Inferred	**0.03**	**1.05%**	**0.37%**	**–**	0.79	1.08%	0.18%	–

Note: 760,000 tonnes of ore were extracted from oxide ore in 2023. In 2023, SRK adjusted the reported cut-off grade to 0.3%.

Roan Basin

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** *(Mt)*	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**5.76**	**2.40%**	**1.73%**	**0.02%**	5.90	2.44%	1.76%	0.02%
Indicated	**2.08**	**2.17%**	**1.56%**	**0.02%**	2.01	2.13%	1.53%	0.02%
Inferred	**1.13**	**2.12%**	**1.41%**	**0.02%**	1.24	2.29%	1.51%	0.02%

Note: 140,00 tonnes of ore were extracted in 2023.

Roan Ext. West

JORC Code	**31 December 2023** Ore **(Mt)**	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**1.17**	**2.57%**	**2.18%**	**–**	1.17	2.57%	2.18%	–
Indicated	**–**	**–**	**–**	**–**	–	–	–	–
Inferred	**–**	**–**	**–**	**–**	–	–	–	–

Note: No mining activities were conducted in 2023.

Roan Ext. East

JORC Code	**31 December 2023** Ore **(Mt)**	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**0.34**	**2.09%**	**1.38%**	**–**	3.65	2.57%	2.00%	–
Indicated	**1.34**	**2.10%**	**1.43%**	**–**	1.28	2.36%	2.06%	–
Inferred	**0.26**	**1.81%**	**1.12%**	**–**	0.20	1.75%	1.83%	–

Note: 2,730,000 tonnes of ore were extracted from Roan Ext. East in 2023, and the reported cut-off grade was adjusted to 0.3%.

Smelting Slag

JORC Code	**31 December 2023** Ore **(Mt)**	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**2.23**	**0.97%**	**0.32%**	**–**	4.33	0.98%	0.28%	–
Inferred	**–**	**–**	**–**	**–**	–	–	–	–

Note: 696,000 tonnes of ore were extracted in 2023

Kambove Main Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**4.82**	**2.85%**	**–**	**0.13%**	6.17	2.82%	–	0.12%
Inferred	**5.80**	**2.96%**	**–**	**0.12%**	6.08	2.95%	–	0.12%

Notes: 1,160,000 tonnes of ore were extracted in 2023, and supplemental exploration was carried out.

Kambove Main Open Pit Tailings

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**–**	**–**	**–**	**–**	–	–	–	–
Inferred	**2.28**	**0.95%**	**–**	**0.17%**	1.39	0.67%	–	0.15%

Notes: In 2023, 230,000 tonnes of tailings were consumed, and the volume of tailings has been corrected based on the remeasured terrain line.

Kambove West Open Pit Tailings

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore** ***(Mt)***	**Total copper**	**Oxide copper**	**Cobalt**	Ore *(Mt)*	Total copper	Oxide copper	Cobalt
Measured	**–**	**–**	**–**	**–**	–	–	–	–
Indicated	**–**	**–**	**–**	**–**	–	–	–	–
Inferred	**2.35**	**1.15%**	**–**	**0.22%**	2.35	1.15%	–	0.22%

(2) *Reserves*

Chambishi Main Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**6.08**	**1.75%**	**–**	**–**	5.88	1.81%	–	–
Probable	**1.60**	**1.72%**	**–**	**–**	1.67	1.69%	–	–

Note: 114,000 tonnes of ore were extracted in 2023.

Chambishi West Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Sulphide ore								
Proved	**9.59**	**1.70%**	**–**	**–**	10.74	1.75%	–	–
Probable	**1.09**	**1.81%**	**–**	**–**	1.33	1.85%	–	–

Note: 1,467,000 tonnes of ore were extracted from sulphide ore in 2023, and productive exploration was carried out.

Chambishi Southeast Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**37.34**	**1.90%**	**–**	**0.10%**	36.36	1.93%	–	0.11%
Probable	**8.04**	**1.71%**	**–**	**0.08%**	9.37	1.69%	–	0.08%

Note: 2,567,000 tonnes of ore were extracted in 2023, productive exploration was carried out.

Mwambashi Mine

JORC Code	**31 December 2023** Ore (Mt)	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Proved	**0.28**	**2.33%**	**1.08%**	**–**	0.53	2.26%	1.18%	–
Probable	**1.25**	**2.44%**	**0.96%**	**–**	1.40	2.32%	0.96%	–

Note: 510,000 tonnes of ore were extracted in 2023.

Baluba Center Mine

JORC Code	**31 December 2023** Ore (Mt)	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Oxide ore								
Proved	**7.41**	**1.71%**	**1.24%**	**–**	2.17	2.07%	1.42%	–
Probable	**0.26**	**1.57%**	**1.47%**	**–**	1.92	2.17%	1.47%	–

Note: In 2023, a cut-off grade of 0.3% was used to redefine the reserves of the Baluba Center Mine.

Muliashi North Mine

JORC Code	**31 December 2023** Ore (Mt)	**Average grade** Total copper	Oxide copper	Cobalt	31 December 2022 Ore (Mt)	Average grade Total copper	Oxide copper	Cobalt
Proved	**0.26**	**1.66%**	**0.50%**	**–**	0.21	2.18%	0.91%	–
Probable	**0.37**	**1.85%**	**0.47%**	**–**	0.73	2.01%	0.66%	–

Note: 320,000 tonnes of ore in Muliashi North Mine were extracted in 2023.

Mashiba Mine

JORC Code	**31 December 2023** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	**Cobalt**	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Proved	**2.71**	**1.93%**	**0.30%**	**–**	2.71	1.93%	0.30%	–
Probable	**1.78**	**1.83%**	**0.19%**	**–**	1.78	1.83%	0.19%	–

Baluba East Mine

JORC Code	**31 December 2023** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	**Cobalt**	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Proved	**5.70**	**1.40%**	**0.68%**	**–**	3.53	2.06%	0.89%	–
Probable	**0.21**	**1.02%**	**0.52%**	**–**	0.04	1.48%	0.48%	–

Note: In 2023, a mining design was carried out at the Baluba East Mine, 760,000 tonnes of ore was extracted, the cut-off grade of oxide ore was adjusted to 0.3%, and the ore body was redefined.

Roan Ext. East

JORC Code	**31 December 2023** Ore *(Mt)*	**Average grade** Total copper	Oxide copper	**Cobalt**	31 December 2022 Ore *(Mt)*	Average grade Total copper	Oxide copper	Cobalt
Proved	**0.58**	**1.97%**	**1.50%**	**–**	2.42	2.37%	1.99%	–
Probable	**0.90**	**1.89%**	**1.35%**	**–**	0.74	2.27%	2.01%	–

Note: 2,730,000 tonnes of ore in Roan Ext. East were extracted in 2023, and the cut-off grade of oxide ore was changed (0.3%) and the ore body was redefined.

Roan Basin

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**1.04**	**2.61%**	**1.60%**	**–**	1.21	2.73%	1.71%	–
Probable	**0.11**	**2.86%**	**2.23%**	**–**	0.09	2.80%	2.12%	–

Note: 140,000 tonnes of ore in Roan Basin were extracted in 2023, and the cut-off grade of oxide ore was changed (0.3%) and the ore body was redefined.

Smelting Slag

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**–**	**–**	**–**	**–**	–	–	–	–
Probable	**2.23**	**0.97%**	**0.32%**	**–**	4.33	0.98%	0.28%	–

Note: 690,000 tonnes of ore were extracted in 2023

Kambove Main Mine

	31 December 2023				31 December 2022			
		Average grade				Average grade		
JORC Code	**Ore (Mt)**	**Total copper**	**Oxide copper**	**Cobalt**	Ore (Mt)	Total copper	Oxide copper	Cobalt
Proved	**–**	**–**	**–**	**–**	–	–	–	–
Probable	**4.38**	**2.63%**	**–**	**0.12%**	5.75	2.59%	–	0.11%

Note: 1,160,000 tonnes of ore were extracted in 2023, and supplemental exploration was carried out.

PRODUCTION OVERVIEW

NFCA

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

In 2023, copper anodes produced by NFCA amounted to 76,539 tonnes in total, representing a year-on-year increase of 12.4%. Such increase was primarily due to (i) in 2023, CCS returned the anode copper owed in 2022, and (ii) in 2023, the output of self-produced copper concentrate increased year-on-year.

Luanshya

Luanshya operates five copper mines under production, namely Baluba East Mine, Baluba Center Mine, Muliashi North Mine, Roan Ext. East Mine and Roan Basin Mine, and also operates Muliashi Leach Plant.

In 2023, copper cathodes produced by Luanshya amounted to 43,518 tonnes, representing a year-on-year increase of 0.9%; the total amount of copper anodes produced amounted to 7,865 tonnes, representing a year-on-year decrease of 37.0%, mainly due to Baluba Underground Mine was closed by the end of 2022, resulting in a sharp decline in copper concentrate production. Currently, Baluba SP3 low-grade heap ore was used to replace the original Baluba sulfide ore as a temporary measure. However, the high oxidation rate of the ore resulted in a low recovery rate of ore dressing, and the overall supply of sulfide ore was reduced.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In 2023, CCS produced 216,430 tonnes in total of blister copper and copper anodes, including the processed copper products of 90,385 tonnes for enterprises within the Group, representing a year-on-year decrease of 14.0%; produced 595,965 tonnes of sulphuric acid, representing a year-on-year decrease of 16.4%, mainly due to KML suppliers owed the Company a total of 80,814 dry tonnes and 21,400 metal tonnes of raw materials supply from January to October 2023 due to the occurrence of force majeure and other factors, which seriously disrupting the Company's production and operation plan formulated at the beginning of the year. KML's unexpected supply cutoff caused serious difficulties in the Company's chemical process ingredients, which were mainly manifested in insufficient smelting heat, increased ferrosilicon slag type, increased slag viscosity, boiler flue sticking, increased fuel consumption and other process problems, forcing the Company to reduce load production, affecting the output of approximately 25,000 tonnes of copper products and 73,000 tonnes of sulfuric acid products.

SML

SML mainly operates Mwambashi Mine and the Chambishi Leach Plant.

In 2023, the copper cathodes produced by SML amounted to 6,784 tonnes, representing a year-on-year decrease of 9.1%, mainly due to (i) the mining depth of the Mwambashi Mine of SML has deepened, the oxidation rate of the oxidized ore and the grade were decreased, and the output of cathode copper has decreased year-on-year; (ii) in 2023, Zambia Mineral Royalty changed, and SML became the designated resource tax collection agent, resulting in a decrease in outsourced oxidized ore and a decrease in raw materials for the production of cathode copper. SML produced 5,981 tonnes of blister copper and copper anodes, representing a year-on-year decrease of 38.2%, mainly attributable to Zambia Mineral Royalty changed in 2023. SML did not carry out outsourced copper concentrate processing business in 2023, and the output of blister copper and anode copper declined year-on-year.

CNMC Huachin Mabende

In 2023, CNMC Huachin Mabende produced 36,842 tonnes of copper cathodes, representing a year-on-year decrease of 3.3%, mainly attributable to the local power supply shortage.

Huachin Leach

Huachin Leach produced 24,160 tonnes of copper cathodes in 2023, including the processed copper products of 2,121 tonnes for enterprises outside of the Group, representing a year-on-year decrease of 1.8%, mainly due to the local power supply shortage; and produced 185 tonnes of cobalt contained in cobalt hydroxide, representing a year-on-year decrease of 46.4%, mainly due to the cobalt content in the ore continues to decrease. In view of the current oversupply of cobalt hydroxide in the market, in order to ensure copper production, electricity is mainly used for copper production, resulting in a decrease in raffinate treatment capacity. Huachin Leach produced 4,741 tonnes of sulphuric acid.

Lualaba Copper Smelter

Lualaba Copper Smelter mainly operates the Lualaba Smelting Plant.

Lualaba Copper Smelter produced 157,025 tonnes of blister copper, including the processed copper products of 87,722 tonnes for enterprises outside of the Group, representing a year-on-year increase of 24.2%; the main reasons were: (i) in 2022, the melt-blowing air supply system, which has “stuck” the production capacity, was transformed to achieve an increase in production capacity. It currently has an annual production capacity of 160,000 tonnes of blister copper; (ii) through the“ternary slag system” test, Lualaba Copper Smelter reduced the dependence on the copper concentrate from Frontier copper mine, and has maintained continuous production and increased output even when the high iron-sulfur copper concentrates were insufficient; and (iii) through precise management, no strikes or general production process and equipment accidents occurred throughout the year. Production of 354,655 tonnes of sulphuric acid, representing a year-on-year increase of 24.9%, mainly due to adding sulfur through the smelting system, processing 26,000 tonnes of sulfur annually and increasing sulfuric acid production by about 75,000 tonnes; production of 11,971 tonnes of liquid sulphur dioxide, representing a year-on-year decrease of 39.1%, mainly due to the price drop of cobalt, the market has been sluggish, and the demand for liquid sulfur dioxide users has dropped, resulting in a drop in production.

Kambove Mining

The Kambove Main Mine produced 33,239 tonnes of copper cathodes, representing a year-on-year increase of 17.5%, which was mainly due to Kambove purchased large-scale diesel generator sets, and through technical research, realized the grid-connection operation of diesel generator sets and external power, ensuring the power supply for normal production, which has been greatly improved compared with 2022. It produced 1,335 tonnes of cobalt contained in cobalt hydroxide in 2023, remained stable compared with last year.

The table below presents the production volume of the products of the Group and the year-on-year situation for the relevant periods indicated.

	Production volume for 2023 [(1), (2), (3)] ***(Tonnes)***	**Production volume for 2022**[(1), (2), (3)] ***(Tonnes)***	Year-on-year increase/ (decrease) *(%)*
Blister copper and copper anodes	**285,733**	**319,398**	(10.5)
Copper cathodes	**142,423**	**140,684**	1.2
Cobalt contained in cobalt hydroxide	**1,520**	**1,673**	(9.1)
Sulphuric acid	**955,360**	**1,010,164**	(5.4)
Liquid sulphur dioxide	**11,971**	**19,651**	(39.1)
Copper products processing services	**89,843**	**59,538**	50.9

Notes:

(1) The production of all products is based on the copper content, except for sulphuric acid, liquid sulphur dioxide, and cobalt hydroxide.

(2) Copper product processing services refer to the processing and production of copper product made by the smelters of the Group under the entrust of enterprises outside of the Group, and the Group earns processing fees from these enterprises.

(3) Among the above copper products, the production volume of copper by self-owned mine is as follows:

	Production volume for the year ended 31 December 2023 ***(Tonnes)***	Production volume for the year ended 31 December 2022 *(Tonnes)*
Blister copper and copper anodes produced by self-owned mine	**87,696**	75,491
Copper cathodes produced by self-owned mine	**81,652**	75,695
Total	**169,348**	151,186

EXPLORATION, DEVELOPMENT AND MINING COSTS OF THE GROUP

Costs of exploration, development, and mining activities of the Group for the year ended 31 December 2023 are set out below:

	NFCA		Luanshya				SML		Kambove Mining			
Unit: Million US dollars	Chambishi West Mine	Chambishi Southeast Mine	Baluba Center Sulphide Mine	Muliashi North Mine	Roan Ext. East	Roan Basin	Mwambashi Mine	Samba Mine	Kambove Principal	Kambove West	Kambove Lavarie	Total
Exploration activities												
Including:												
Drilling and analysis	0.64	2.35	0.15	–	1.07	0.75	–	1.48	0.20	0.37	0.03	**7.04**
Others	–	0.20	–	–	–	–	–	–	–	–	–	**0.20**
Sub-total	**0.64**	**2.55**	0.15	**-**	**1.07**	**0.75**	–	**1.48**	**0.20**	**0.37**	**0.03**	**7.24**
Development activities (including mine construction)												
Including:												
Purchases of assets and equipment	1.51	4.85	–	–	–	–	–	–	–	–	–	**6.36**
Civil work for construction of tunnels and roads	3.43	18.70	–	–	–	1.61	–	–	–	–	–	**23.74**
Others	3.14	13.84	20.07	1.67	14.45	0.44						**53.61**
Sub-total	**8.08**	**37.39**	**20.07**	**1.67**	**14.45**	**2.05**	**-**	**-**	**-**	**-**	**-**	**83.71**
Mining activities (excluding ore processing)												
Including:												
Staff cost	0.20	8.02	–	–	–	–	–	–	–	–	–	**8.22**
Materials and equipment	10.81	46.28	–	–	–	–	–	–	–	–	–	**57.09**
Fuel, electricity, water and others services	6.57	9.11	–	–	–	0.12	–	–	–	–	–	**15.8**
Non-income taxes, royalties and other government expenses	0.30	2.50	–	–	–	–	–	–	–	–	–	**2.80**
Sub-contracting charges	49.65	69.29	0.49	2.51	21.41	1.09	10.38	–	24.57	–	–	**179.39**
Depreciation	6.10	24.23	–	–	–	–	–	–	–	–	–	**30.33**
Sub-total	**73.63**	**159.43**	**0.49**	**2.51**	**21.41**	**1.21**	**10.38**	–	24.57	–	**-**	**293.63**

MINING EXPLORATION, MINING DEVELOPMENT AND ORE MINING ACTIVITIES

Mining Exploration

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

At Chambishi Main Mine, Chambishi West Mine and Chambishi Southeast Mine of NFCA, 244 drilling holes in the pit and deep exploration drilling holes were completed, with 17,360.57 m drilled, of which 29 underground drilling holes were completed at Chambishi Main Mine and Chambishi West Mine in aggregate, with 3,680.26 m drilled, and 215 drilling holes in the pit were completed at Chambishi Southeast Mine in aggregate, with 13,680.31 m drilled.

Luanshya conducted mining exploration projects including the "Deep Exploration in the Extended Section of Roan to Muliashi South Project" and the "Near-surface Oxidation Ore Exploration Project in the North Wing of the Roan Basin SS24-SS35 Line" and "Near-surface Sulfur Oxide Census Project in the Baluba West SS75-SS111 Line". In particular, 5 surface drilling with a drilling footage of 5,524.33 m were completed at the Deep Exploration in the Extended Section of Roan to Muliashi South Project, 33 surface drilling with a drilling footage of 3,667.07 m were completed at the Near-surface Oxidation Ore Exploration Project in the North Wing of the Roan Basin SS24-SS35 line, 9 surface drilling with a drilling footage of 734.34 m were completed at the Near-surface Sulfur Oxide Census Project in the Baluba West SS75-SS111 Line.

SML carried out geological prospecting work in the deep and peripheral areas of Samba Copper Main Mine in Copperbelt Province. The field work of this survey was started in June 2023 and end in January 2024. 15 surface drilling with a drilling footage of 5,627.84 m were carried out at the main mine, controlled source audio magnetotelluric sounding was completed, with 941 sounding points completed, and 2 drill holes for peripheral physical and chemical anomaly verification were completed, with 398.7 m drilled. SML reassessed the resources amount and compiled an exploration report based on existing work.

Kambove Main Mining conducted the productive exploration, with a footage of 2,260 m, and completed hydrological drilling of 235 meters/2 holes, the west ore body has completed 500 m of supplemental exploration, and 1,053 meters/52 holes of PER3229/PER13230 tailings rights resource verification were completed.

Mining Development

Luanshya

Open Pit Mine Project at Baluba Center Mine

The Open Pit Mine Project at Baluba Center Mine has a designated capacity of 1.5 million tonnes of quality oxide copper mine per annum. The project is currently in the construction and stripping period, the annual stripping amount had exceeded by 237% in 2023.

Kambove Mining

The Resumed Project of Kambove West Mine

The Resumed Project of Kambove West Mine was officially approved in October 2022 and is expected to be put into production in 2028 according to the fifth shareholder supplementary agreement signed recently. As of 31 December 2023, a total of US$3.3 million of investment has been completed.

Mining Activities

For details of mining activities, please refer to “Production Overview” on pages 26 to 28.

HUMAN RESOURCES

As of 31 December 2023, the Group employed a total of 8,683 employees (as of 31 December 2022: 9,115 employees), which comprised 895 Chinese and 7,788 local employees in Zambia and the DRC. Employees’ remuneration was determined by the Group based on their performance, experience and the prevailing market practice. For the year ended 31 December 2023, the total cost of employees reflected in the consolidated statement of profit or loss and other comprehensive income amounted to approximately US$130.1 million (2022: US$120.3 million). Through professional knowledge cultivation and comprehensive skills training, the Group has effectively improved the comprehensive quality, work technical skills, safety awareness and management capabilities of its employees, providing sufficient talents for the Group’s safety management. For further information of the Group’s employee training, please refer to the “Environmental, Social and Governance Report 2023” published by the Company.

2024 OUTLOOK

In the past year, the world’s century-long changes accelerated, the global economic growth momentum was insufficient, and the complicated and volatile external environment brought a lot of uncertainties to the Company’s production and operation and day-to-day management. Meanwhile, in South Central Africa, the social unrest caused by the local election, insufficient supply of goods due to supplier’s default on production, production cost pressure caused by the tight power and transportation capacity, and the increasingly severe safety situation and other unfavorable factors continued to disturb the normal production of the mining and smelting plant. However, under the leadership of the board of directors and the strong support of the shareholders, all the employees of the Company overcame many kinds of difficulties, preserved production, stabilized costs, increased efficiency and improved quality, and completed the production and operation work of the whole year in a better way. In 2023, the presidents of Zambia and Congo visited China, showing their willingness to cooperate with Chinese enterprises, especially the visit of the President of Zambia to CNMC which opened up new space for the Company’s development in the country. In the capital market, the Company further strengthened its investor relations maintenance work; and through high-frequency and efficient communication activities, it gained the attention and recognition of more domestic and overseas investors, the share price performance was stable and improving, and the Company’s value transmission and value realization ability was significantly improved. These changes strengthened the confidence of the majority of investors, and laid a solid foundation for the Company’s quality development.

In 2024, the global geopolitical landscape remains complex, conflicts in hot spots continue, and the world economy is still in recovery. The Federal Reserve’s interest rate hike is expected to be gradually coming to an end, and it may turn into a cycle of interest rate reduction during the year, which will bring more liquidity to the economic recovery. Global copper production disturbances intensified, geopolitics, community disputes, natural disasters and other unfavorable factors, will lead to copper supply increment is less than expected; at the same time, the construction of electric power facilities, energy transformation and upgrading of demand will support the stable growth of consumption. From a full-year perspective, the copper mine supply landscape will maintain a tight balance, and the combination of commodity attributes and financial attributes may push the copper metal price center upward.

In the year ahead, the Company will face more opportunities and challenges, we will continue to focus on high-quality development, promote various reform tasks, ensure the completion of the annual production tasks, steadily push forward the construction of the expansion project, pay close attention to compliance and production safety, improve the level of environmental, social and governance (“ESG”) work, and continue to strengthen the maintenance of the capital market, enterprising, and work hard to hand over a satisfactory response to all shareholders.

DIRECTORS AND SENIOR MANAGEMENT BIOGRAPHIES

BOARD OF DIRECTORS

The Board of Directors is responsible for the management and conduct of the business. As at the Latest Practicable Date, the Board consists of six Directors, including one executive Director, two non-executive Directors and three independent non-executive Directors. The table below sets forth certain information in respect of the members of the Board of Directors:

Name	Age	Position/Title
He Yang	43	Chairman and Executive Director
Yaoyu Tan	50	Non-executive Director
Yani Gong *(appointed on 27 December 2023)*	43	Non-executive Director
Dingfan Qiu	82	Independent Non-executive Director
Guangfu Gao *(appointed on 27 December 2023)*	61	Independent Non-executive Director
Huanfei Guan	66	Independent Non-executive Director
Jingwei Liu [(Note)] *(resigned on 27 December 2023)*	56	Independent Non-executive Director

Note: For the details of Jingwei Liu's biography, please refer to the section headed "Directors and Senior Management Biographies" in 2022 annual report.

He Yang (楊赫), aged 43, has been appointed as the Chairman of the Board, an executive Director of the Company, the Chairman of the Compliance Committee, a member of the Remuneration Committee, a member of the Nomination Committee with effect from 13 October 2022. He obtained a bachelor's degree in financial management from the University of International Business and Economics in 2003 and a master's degree in finance from the Central University of Finance and Economics in 2007. Mr. Yang has been the head of the enterprise development department of China Nonferrous Metal Mining (Group) Co., Ltd.* (中國有色礦業集團有限公司) ("CNMC", a controlling shareholder of the Company) since February 2022 and the chairman of the board of directors of China Nonferrous Mining Development Limited (a wholly-owned subsidiary of CNMC) since October 2022. He successively held management positions including the deputy director and director of the business management office of the enterprise development department and the deputy head of the enterprise development department of CNMC, the director of China Nonferrous Mining Hong Kong Investment Limited (a subsidiary of the Company), the deputy general manager of 中色發展投資有限公司 (CNMC Development & Investment Co., Ltd.*) and the general manager of CNMC Ningxia Orient Group Co., Ltd.* (中色(寧夏)東方集團有限公司). Mr. Yang has over 16 years of experience in corporate management and is a senior economist.

Maintenance of underground equipment in the Main West Mine of NFCA

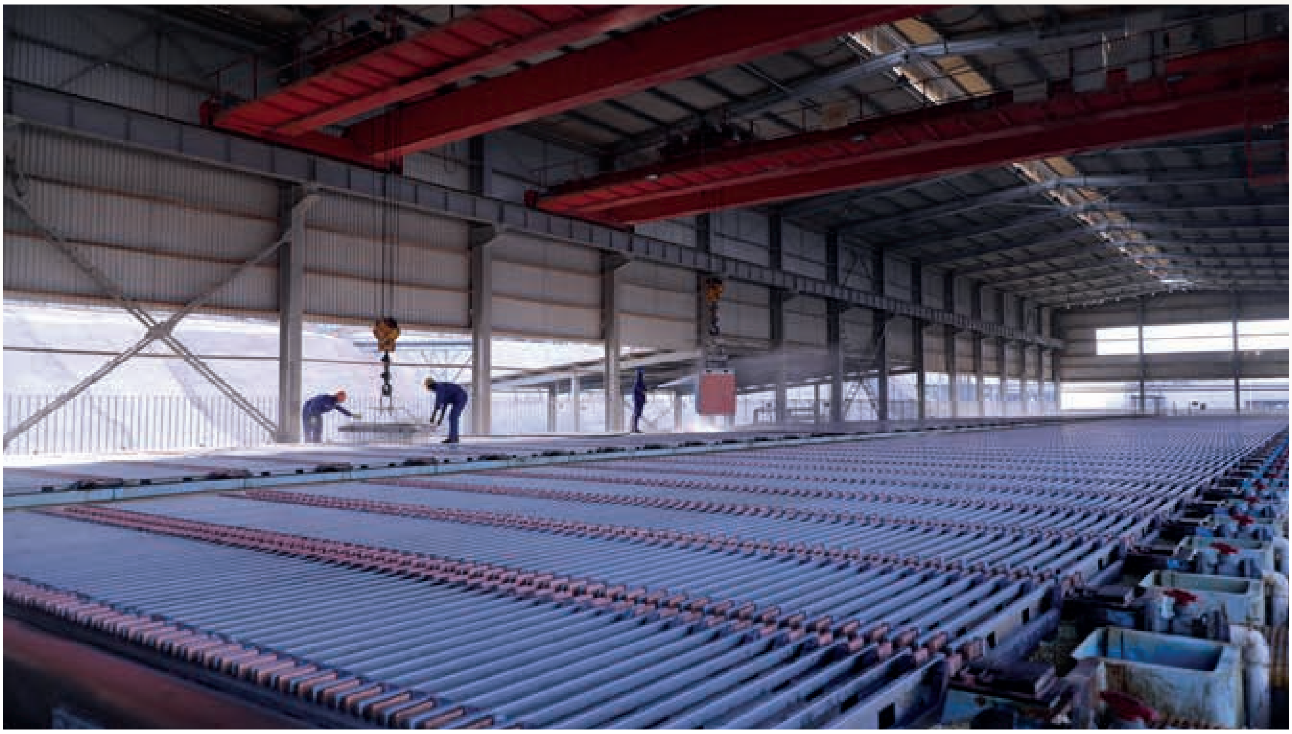
Yaoyu Tan (譚耀宇), aged 50, is a non-executive Director of the Company and was appointed to the Board on 27 May 2021. He joined CNMC in May 2019 and served as the deputy director of the Finance Department (Funds Management Center). Mr. Tan has concurrently served as the chairman of Nonferrous Metal Mining Group Finance Co., Ltd.* (有色礦業集團財務有限公司), a subsidiary of CNMC, since September 2019. Mr. Tan currently serves as the chairman of the board of CNMC Treasury Management (Hong Kong) Company Limited (中國有色集團財資管理(香港)有限公司), a subsidiary of CNMC. Mr. Tan has served as the director of the Finance Department of CNMC since June 2020. Prior to joining CNMC, Mr. Tan joined Daye Nonferrous Metals Co., Ltd., a non-wholly-owned subsidiary of China Daye Non-Ferrous (see definition below), in December 2008 and had served as the director of Finance Department until October 2009, and later served as the chief accountant of Daye Nonferrous Metals Group Holding Co., Ltd., the controlling shareholder of China Daye Non-Ferrous Metals Mining Limited (中國大冶有色金屬礦業有限公司) ("China Daye Non-Ferrous", Hong Kong listed company code: 00661). Mr. Tan had served as the executive director of China Daye Non-Ferrous since 2012, and served as the chairman of China Daye Non-Ferrous from September 2017 and resigned as the executive director and chairman of China Daye Non-Ferrous in May 2019. Mr. Tan has over 22 years of experience in the mining industry and rich practical experience in operation of listed companies. Mr. Tan graduated from the Party School of Hubei Province in 2007 majoring in economics and management and was accredited as a senior accountant by the Professional Title Reform Office of Hubei Province in December 2010.

Yani Gong (龔亞妮), aged 43, has been appointed as a non-executive Director with effect from 27 December 2023. She majored in English (Economics and Trade) at the School of Foreign Languages in Central South University from 1997 to 2001. She obtained a bachelor's degree in arts from Central South University in 2001 and a master's degree in economics (specialising in global economics) from the School of Economics at Peking University in 2008. Ms. Gong obtained a senior economist qualification in 2013. Ms. Gong joined the personnel department of a subsidiary of China Nonferrous Metal Mining (Group) Co., Ltd.* (中國有色礦業集團有限公司) ("CNMC", a controlling shareholder of the Company within the meaning of the Listing Rules) in 2001, and subsequently held various positions in human resources and corporate management in CNMC and its subsidiaries, including the deputy director of the personnel deployment division of the personnel department, the director of the personnel deployment division of the personnel department, the director of the corporate management division (personnel department), and the deputy director of the human resources department of CNMC. In 2019, Ms. Gong was appointed as the chairman of Sino-Zam Vocational College of Science and Technology (中國贊比亞職業技術學院). Ms. Gong has over 23 years of professional experience in human resources and corporate management and is also a senior economist.

Dingfan Qiu (邱定蕃), aged 82, is an independent non-executive Director of the Company. He was appointed to the Board on 30 July 2021. Mr. Qiu graduated from Nanchang University in 1962. He then joined Beijing General Research Institute of Mining & Metallurgy (北京礦冶研究總院), and successively served as a technician of the metallurgical research institute, senior engineer and professor-level senior engineer. He became the director of metallurgical energy saving research institute in 1983, and served as the vice president of the institute from 1985 to 2002 and was primarily in charge of the scientific research of the whole institute. In 1990, after passing the examination of the Government sponsored Program of Studying Abroad, he left for study at Queen's University in Canada (as a senior visiting scholar), and served as the associate tutor to graduate students. In 1991, he returned to China and continued to serve as the vice president of Beijing General Research Institute of Mining & Metallurgy. He was elected as an academician at Chinese Academy of Engineering in 1999. He is currently a professor and doctoral tutor at Beijing General Research Institute of Mining & Metallurgy. He once concurrently served as a deputy director at Department of Chemical, Metallurgy and Materials of Chinese Academy of Engineering, vice-president of the Nonferrous Metals Society of China (中國有色金屬學會), and an adjunct professor at each of Peking University, Tsinghua University and University of Science and Technology Beijing. Mr. Qiu has 60 years of experience in mining industry. Mr. Qiu once served as an independent non-executive director in Tongling Nonferrous Metals Group Holdings Co., Ltd. (銅陵有色金屬集團控股有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: SZ000630) and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (中國有色金屬建設股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: SZ000758), and resigned from them on 13 January 2016 and 12 April 2019, respectively.

Guangfu Gao (高光夫), aged 61, has been appointed as an independent non-executive Director of the Company, the Chairman of the Audit Committee and member of the Nomination Committee with effect from 27 December 2023. He is a senior accountant, graduated from Central South University of Finance and Economics with a postgraduate major in Public Finance. He had studied as a visiting scholar at the Grenoble Alpes University in France. Mr. Gao had served as the deputy chief financial officer and chief economist of State Power Investment Corporation Limited (國家電力投資集團公司), the director and deputy chief financial officer of finance department of China Power Investment Corporation (中國電力投資集團公司), the general manager of China Power Investment Finance Co., Ltd (中電投財務有限公司), the deputy director of finance and property management department of State Power Corporation of China (國家電力公司), a director of China Power International Holding Limited, a non-executive director of China Power International Development Limited (a company listed on the Stock Exchange of Hong Kong, stock code: 2380), a director of Shanghai Electric Power Co., Ltd. (上海電力股份有限公司, a company listed on Shenzhen Stock Exchange, stock code: 600021) and a director of SPIC Yuanda Environmental-Protection Co., Ltd. (國家電投遠達環保股份有限公司, a company listed on Shenzhen Stock Exchange, stock code: 600292). Mr. Gao had also served as a director of the Accounting Society of China (中國會計學會) and a director of the China Association of Chief Financial Officers (中國總會計師協會).

Huanfei Guan (關浣非), aged 66, is an independent non-executive Director of the Company, chairman of the Remuneration Committee, a member of each of the Audit Committee and the Compliance Committee, and was appointed to the Board on 28 August 2014. Mr. Guan has extensive experience in the finance and insurance industry in Hong Kong and China. He served various senior managerial positions in People's Insurance Company of China* (Jilin Branch) (中國人民保險公司吉林省分公司), Hong Kong and Macao Regional Office of China Insurance Group* (中國保險港澳管理處), Ming An Insurance Company (Hong Kong) Limited (香港民安保險有限公司) and China Pacific Insurance Co., (HK) Ltd. (中國太平洋保險 (香港)有限公司). Mr. Guan also



Electrowinning workshop building of Leaching Plant at Kambove Mining held offices at the Bank of Communications, including the deputy chairman of the risk asset management committee, deputy chairman of credit asset management committee, chairman of loan verification committee, deputy general manager of the Bank of Communications Hong Kong Branch, the director of Bank of Communications Trustee Limited (交通銀行信託有限公司), the chairman and chief executive of China BOCOM Insurance Co., Ltd. (中國交銀保險有限公司) and an executive director and general manager of BoCommLife Insurance Company Limited. Mr. Guan is also an economic and technical consultant of Jilin Provincial Government. Mr. Guan is now an independent non-executive director of Sunwah Kingsway Capital Holdings Limited (Hong Kong listed company code 0188), Huarong International Financial Holdings Limited (Hong Kong listed company code 0993), China Shandong Hi-Speed Financial Group Limited (Hong Kong listed company code 0412) and Guangdong – Hong Kong Greater Bay Area Holdings Limited (Hong Kong listed company code: 01396) (shares of those companies are listed on the Main Board of the Hong Kong Stock Exchange). He once served as the chairman emeritus of Culturecom Holdings Limited (a company listed in Hong Kong) (Hong Kong listed company code 0343). Mr. Guan was an independent non-executive director, executive director, president and senior consultant of Silver Base Group Holdings Limited (Hong Kong listed company code 0886) for the period from March 2008 to December 2012. He once served as an executive director of CCT Land Holdings Limited (currently named GBA Holdings Group) (Hong Kong listed company code 0261). On 15 May 2020, he resigned as an independent non-executive director of HongDa Financial Holding Limited (currently named China Wood International Holding Co., Limited) (Hong Kong listed company code 1822). He served as an independent non-executive director of Solis Holdings Limited (Hong Kong listed company code 2227) from 23 August 2019 to 30 September 2020. He served as an executive director and the chairman of the board of Enterprise Development Holdings Limited (Hong Kong listed company code 1808) from 2 June 2020 to 22 May 2021. He was appointed as an independent non-executive director of Shanghai Zendai Property Limited (Hong Kong listed company code 0755) on 11 January 2021. Mr. Guan obtained a doctor's degree in Economics in 2000 from Wuhan University and has been a part-time researcher of the Insurance Research Centre of Fudan University since 2004. He has also been appointed as a part-time lecturer of professional degree of Fudan University since 2013.

Underground large-scale mining equipment in NFCA

SENIOR MANAGEMENT

As at the Latest Practicable Date, the senior management of the Company includes:

Dayong Yang (楊大勇), aged 54, is the president of the Company and was appointed as and joined the senior management of the Company on 6 July 2019, who is in charge of compliance management. Mr. Yang was appointed as President of the Company on 27 December 2023. He currently serves as a director of China Nonferrous Mining Hong Kong Investment Limited (中色礦業香港投資有限公司), a subsidiary of the Company. He was appointed as the chief compliance officer and a joint company secretary ("Joint Company Secretary") of the Company on 1 April 2020 and 27 April 2020, respectively. He resigned as a Joint Company Secretary on 7 March 2022. Mr. Yang commenced his career at the former Ministry of Foreign Trade and Economic Cooperation of the PRC (currently known as the Ministry of Commerce of the PRC ("MOFCOM")) in 1992. He used to serve as the deputy division head and the division head of the Department of Outward Investment and Economic Cooperation of the MOFCOM. Mr. Yang's rich public administration experience also includes his services at the Economic and Commercial Counsellor's Office of the Embassy of the PRC in the Swiss Confederation and the Economic and Commercial Counsellor's Office of the Embassy of the PRC in the Republic of France. From September 2012 to January 2019, Mr. Yang served as the deputy director of the strategic planning department (previously known as "strategic research office") of CNMC, a controlling shareholder of the Company. Mr. Yang has graduated from Beijing Foreign Studies University with a bachelor's degree in French language. From September 2011 to August 2012, Mr. Yang attended an international public administration study programme at École Nationale d'Administration as a candidate sponsored by the French government.

Peiwen Zhang (張培文), aged 56, is a vice president of the Company who is in charge of SML. He was appointed as and joined the senior management of the Company on 24 March 2016 and currently acts as a director of SML. He resigned as a director of CNMC Huachin Mabende in June 2017. Mr. Zhang has 33 years of experience in mining industry and acted as the vice general manager of SML from 2005 to 2016. In 2004, he was appointed as the technology director of Kunming Rui Yuan Ju Corporation (昆明瑞源巨公司), the 2,000-tonne hydrometallurgical plant of Yunnan Jinsha Corporation (雲南金沙公司). From 2001 to 2004, he acted as the vice director of the scientific research institute of Yunnan Jinsha Mining Co., Ltd. From 1995 to 2000, he has successively acted as the vice director, director, the assistant to the head of and deputy head of the metallurgical research institute under the scientific research institute of former Yunnan Dongchuan Copper Mines Administration (雲南東川礦務局) and the director of 500-tonne hydrometallurgical plant. Mr. Zhang graduated from Changsha Non-ferrous College (長沙有色金屬專科學校) in 1989 with a major in non-ferrous metal metallurgy and was recognised as a metallurgical engineer in 1998.

Zhimin Chen (陳志敏), aged 47, is a vice president of the Company, and was appointed as and joined the senior management of the Company on 21 February 2022, who is in charge of the production and operation and compliance operation of CNMHK. Mr. Chen has over 25 years of experience in metal industry. He served as the office secretary of former Shizishan Copper Mine of Tongling Nonferrous and deputy secretary of youth league committee of Dongguashan Copper Mine of Tongling Nonferrous. From April 2008 to February 2022, Mr. Chen successively served as the general counsel, manager and deputy general manager of general office of NFCA and chairman of SML. Mr. Chen graduated from University of Science and Technology Beijing and obtained a master's degree of mining engineering in 2015.

Copper cathodes at Luanshya

Xiwen Sun (孫希文), aged 47, is a vice president of the Company, and was appointed as and joined the senior management of the Company on 17 May 2021, who is in charge of the development of overseas mineral resources. Mr. Sun has over 17 years of experience in nonferrous metal industry. He worked for the China Non-Ferrous Metals Resource Geological Survey Centre and Sinomine Resource Exploration Co., Ltd. From December 2012 to May 2021, he successively served as the deputy head of geological division of mineral exploration department, head of resource development division of mineral exploration department, head of resource development division of investment mineral exploration department, head of African region of international business department of China Nonferrous Group. Mr. Sun graduated from the University of Utah and obtained a master's degree of geology science in 2006.

Bo You (游波), aged 49, is the chief financial officer of our Company and was appointed as and joined the senior management of Company on 27 February 2023. She currently serves as a director of CNMHKI. Ms. You has 25 years of experience in financial management. Ms. You joined China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (中國有色金屬建設股份有限公司) (a subsidiary of CNMC) in 1996, and successively served as the chief accountant, the head, the deputy manager of its Financial Department, the manager and director of the Audit Department. She joined our Company in 2023 and has served as chief financial officer ever since. Ms. You graduated from Jiangxi University of Finance and Economics with a bachelor's degree in economics and a bachelor's degree in laws in 1996. She also obtained the title of non-practising registered accountant, tax adviser and senior accountant in 2003, 2006 and 2009, respectively.

Shougao Wang (王首高), aged 57, is a vice president of the Company and was appointed as the senior management of the Company on 21 October 2022. He is in charge of Kambove Mining SAS. Mr. Wang has over 34 years of experience in nonferrous metal industry. Prior to joining the Company, he worked in China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd. (中國有色金屬建設股份有限公司) ("China Nonferrous Metal Industry's Foreign Engineering and Construction") (a subsidiary of CNMC), and has successively served as project manager, deputy general representative and general representative of the representative office of China Nonferrous Metal Industry's Foreign Engineering and Construction in foreign countries (including Zambezia), deputy general manager and general manager of subsidiaries of China Nonferrous Metal Industry's Foreign Engineering and Construction, manager of the Quality and Environmental Protection Department of China Nonferrous Metal Industry's Foreign Engineering and Construction, and the deputy general manager of China Nonferrous Metal Industry's Foreign Engineering and Construction since 1996. Mr. Wang joined the Company in 2022 as vice president. Mr. Wang graduated from Kunming Institute of Technology with a bachelor's degree in engineering in 1989. He graduated from Renmin University of China with a master's degree in management in 2013.

Zhanyan Li (李占炎), aged 54, is a vice president of the Company and was appointed as a member of the senior management of the Company on 17 March 2023, who is in charge of NFCA. He currently acts as a general manager of NFCA. Mr. Li has over 31 years of experience in nonferrous metal industry. He joined NFCA in 2006 and served as an engineer of technology department. Mr. Li joined Luanshya in 2009 and successively served as the technology manager and assistant to general manager. He has successively served as deputy general manager and general manager of NFCA since 2016. Mr. Li joined the company in 2023 as vice president. Mr. Li obtained a bachelor's degree in mining engineering from the Department of Mining of Southern Institute of Metallurgy in 1992 and a postgraduate master's degree in mining engineering from University of Science and Technology Beijing in 2016. He obtained the title of professor-level senior engineer in 2011.

Jingjun Wang (王晶軍), aged 56, is a vice president of the Company, and was appointed as the senior management of the Company on 17 March 2023, who is in charge of Luanshya, and is currently the chairman and general manager of Luanshya. Mr. Wang has over 31 years of experience in nonferrous metals industry. He joined Luanshya in 2009 and has successively served as deputy general manager, general manager, and chairman. Mr. Wang joined the Company as vice president in 2023. Mr. Wang graduated from Southern Institute of Metallurgy in 1992 with a Bachelor of Engineering degree in safety engineering from the Department of Mining. He graduated from University of Science and Technology Beijing with a master's degree in engineering specializing in mining engineering in 2017. He obtained the title of professor-level senior engineer in 2018.

Tian Wang (王闐), aged 50, is a vice president of the Company, was appointed as the senior management of the Company on 17 March 2023, who is in charge of the CCS and is currently the chairman of CCS. Mr. Wang has over 27 years of experience in nonferrous metallurgy. Since 2019, he has served as the deputy general manager of CCS and the deputy general manager of Luanshya for the same period. In 2021, he became the chairman of the board of directors of CCS. Mr. Wang joined the Company in 2023 as vice president. Mr. Wang graduated from Central South University of Technology in 1996 with a Bachelor of Engineering degree in Metallurgy from the Department of Nonferrous Metallurgy. He graduated from Central South University in 2009 and Missouri State University in 2011 with a master's degree in engineering in metallurgical engineering and a master's degree in business administration, respectively. He obtained the title of professor-level senior engineer in 2017.

Zhiguo Meng (孟志國), aged 43, is a vice president of the Company, was appointed as the senior management of the Company on 17 March 2023, who is in charge of Lualaba Copper Smelter. He is also the chairman of the board of directors of Lualaba Copper Smelter and the chairman of Kingsail. Mr. Meng has over 15 years of corporate management experience, including over 13 years in Zambia and the DRC. Mr. Meng joined the Lualaba Copper Smelter in 2019 and has served as deputy general manager and deputy director of the DRC office. Mr. Meng joined the Company in 2023 as vice president. Mr. Meng graduated from Anshan University of Science and Technology with a bachelor's degree in finance in 2003. He graduated from the University of Tours, France in 2007 and the University of Angers, France in 2009 with a bachelor's degree in economics and a master's degree in trading of plant products and plant processing products, respectively.

Note: Xinghua Liu (劉興華) resigned as the chief financial officer of the Company on 27 February 2023. Yuan Jiang (江源) resigned as a vice president of the Company on 17 March 2023. Jinping Ma (馬金平) resigned as a vice president of the Company on 1 November 2023.

JOINT COMPANY SECRETARIES

As at the Latest Practicable Date, the Company's joint company secretaries are as follows:

Chaoran Zhu (朱超然), aged 36, has been appointed as a joint company secretary of the Company with effect from 7 March 2022. Mr. Zhu joined CNMC in August 2018 and was responsible for capital operation and equity financing and other relevant works. Mr. Zhu began his career as a department director in CNPC Greatwall Drilling Company ("CNPC Greatwall Drilling", a subsidiary of China National Petroleum Corporation) for the period from 2012 to 2016 and was responsible for the administrative and operational affairs of CNPC Greatwall Drilling. From 2016 to 2018, Mr. Zhu successively served as senior management in the securities affairs department and then the general office of CECEP Wind Power Corporation Co., Ltd. (an A share company listed on the Shanghai Stock Exchange). From August 2018 onwards, Mr. Zhu has served as the director of the secretariat of general office, the member of the preparatory group and deputy director of equity financing division of capital operation department in CNMC. Mr. Zhu obtained the bachelor degree in Economics and master degree in Public Administration from Renmin University of China and subsequently obtained the doctoral degree in Laws from China University of Political Science and Law. Mr. Zhu held both the Fund Professional Qualification Certificate issued by the Asset Management Association of China and the Qualification Certificate for Board Secretaries of Listed Companies issued by the Shanghai Stock Exchange.

Man Yi Wong (黃敏儀), aged 48, has been appointed as a joint company secretary of the Company with effect from 27 April 2018. Ms. Wong has over 10 years of experience in company secretarial services industry. From March 2015 to January 2020, she was the company secretary of Hao Wen Holdings Limited (shares of which are listed on GEM operated by the Hong Kong Stock Exchange). Ms. Wong was previously a joint company secretary of the Company for the period from June 2012 to December 2013. Ms. Wong graduated from City University of Hong Kong with a Bachelor degree of Business Administration (Honours) in Business Management in 2006 and a Master of Science degree in Professional Accounting and Corporate Governance in 2009. Ms. Wong is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board of Directors and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company. The Company had complied with all the code provisions as set out in the CG Code contained in Appendix C1 (former Appendix 14) of the Listing Rules during the year ended 31 December 2023.

During the year, the Company has applied the principles set out in the Corporate Governance Code. The Company's corporate governance structure has applied the provisions of the CG Code. In leading, managing and monitoring the Group's business and making strategic decisions, the Board requires each Director to act in good faith, be transparent, accountable, compliant with applicable laws and regulations, make decisions in the interests of the Company and its Shareholders and balance the interests of stakeholders in order to promote the healthy growth and effective performance of the Company's functions, thereby enhancing investors' value.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard as set out in the "Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 (former Appendix 10) of the Listing Rules".

The Company had made specific enquiry to all the Directors and confirmed that all of them complied with the Model Code for the year ended 31 December 2023.

BOARD OF DIRECTORS

As at 31 December 2023, the Board comprised one executive Director, namely Mr. He Yang; two non-executive Directors, namely Mr. Yaoyu Tan and Ms. Yani Gong; and three independent non-executive Directors, namely Mr. Dingfan Qiu, Mr. Guangfu Gao and Mr. Huanfei Guan. Mr. He Yang is the Chairman of the Board. The Board's composition is in compliance with the requirements under Rule 3.10(1) and Rule 3.10A of the Listing Rules that at least three independent non-executive directors; and that the number of independent non-executive directors must represent at least one-third of the Board.

Mr. Jingwei Liu resigned as an independent non-executive Director on 27 December 2023.

To the best knowledge of the Company, there was no relationship (including financial, business, family or other material/relevant relationship(s)) between board members and in particular, between the chairman and the president during the reporting period.

For the year ended 31 December 2023, all the members of the Board and board committees actively attended relevant meetings. The attendances at the meetings of the Board and its committees and the general meetings held in person or through other electronic means of communication are as follows:

	For the year ended 31 December 2023						
	Board Meeting	**Audit Committee Meeting**	**Nomination Committee Meeting**	**Remuneration Committee Meeting**	**Compliance Committee Meeting**	**Chairman and INED Meeting**	**General Meeting**
Minimum number of meetings	4	2	1	1	2	1	1
Number of meetings held in 2023	4	2	1	2	2	1	2
Mr. He Yang	4/4	N/A	1/1	2/2	2/2	1/1	2/2
Mr. Yaoyu Tan	4/4	2/2	N/A	N/A	N/A	N/A	2/2
Ms. Yani Gong *(appointed on 27 December 2023)*	1/1	N/A	N/A	N/A	N/A	N/A	0/0
Mr. Dingfan Qiu	4/4	N/A	1/1	2/2	2/2	1/1	2/2
Mr. Guangfu Gao *(appointed on 27 December 2023)*	1/1	0/0	N/A	N/A	N/A	1/1	0/0
Mr. Huanfei Guan	4/4	2/2	N/A	2/2	2/2	1/1	2/2
Mr. Jingwei Liu *(resigned on 27 December 2023)*	3/3	2/2	1/1	N/A	N/A	0/0	1/2

The Board shall meet at least four times a year at approximately quarterly intervals. The Audit Committee shall meet not less than twice a year to review and discuss the interim and annual consolidated financial statements. The Compliance Committee shall meet at least two times a year to review the Company's internal control policies and corporate management. Both of the Nomination Committee and the Remuneration Committee shall meet at least once a year. In addition, the Chairman of the Board shall meet with independent non-executive Directors without the attendance of executive Directors at least once a year. The Company was in compliance with all the requirements in respect of meetings of Board committee throughout the year of 2023.

NFCA management inspected the Southeast Mine underground

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

The Board recognises the importance of having access to independent views and opinions. As at 31 December 2023 and up to the Latest Practicable Date, the Board comprises 6 members, 3 of whom are independent non-executive Directors, representing 50%. Where necessary, the board of directors and each committee seek external independent professional advice to facilitate performing its duties, and the expenses shall be borne by the Company. Through the above measures and procedures, the Company has reviewed the effectiveness of the Board's access to independent views and input during the year and considers that the above policies and measures are able to ensure the independent views and input are available to the Board.

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

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

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

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

During the year ended 31 December 2023, all the Directors complied with code provision C.1.4 and took continuous professional development trainings in order to refresh their knowledge and skills and provided relevant records to the Company.

The types of trainings in which all Directors participated during 2023 are as follows:

	Type of Trainings
Executive Director	
Mr. He Yang	A, B
Non-Executive Directors	
Mr. Yaoyu Tan	A
Ms. Yani Gong *(appointed on 27 December 2023)*	A*
Independent Non-Executive Directors	
Mr. Dingfan Qiu	A
Mr. Guangfu Gao *(appointed on 27 December 2023)*	A*
Mr. Huanfei Guan	A
Mr. Jingwei Liu *(resigned on 27 December 2023)*	A

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

A*: obtained the legal advice referred to in rule 3.09D of the Listing Rules and that he/she has confirmed he/she understood his/her obligations as a director of the Company

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE

Code provision C.2.1 of Part 2 of the Corporate Governance Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The chief executive focuses on the Company's business development and daily management and operations generally. During the year ended 31 December 2023, Mr. He Yang was the Chairman of the Board. During the Year, Mr. Jinping Ma, then Vice President of the Company, temporarily performed the duties of the President of the Company until he resigned on 1 November 2023. Mr. Dayong Yang was appointed on 27 December 2023 as the President of the Company.

APPOINTMENT AND RETIREMENT OF DIRECTORS

According to article 107 of the Articles of Association of the Company and Rule 4(2) of Appendix A1 (former Appendix 3) of the Listing Rules, Directors who were appointed by the Board to fill a casual vacancy or to increase the number of members of the Board during the year 2023 shall retire at the forthcoming annual general meeting. He is eligible for re-election and will offer himself for re-election.

In accordance with article 102 of the Articles of Association of the Company, at each annual general meeting, one-third of the Directors or, if their number is not three (3) or a multiple of three (3), the number which is nearest to and is at least one-third, shall retire from office by rotation at least once every three (3) years. A retiring Director shall be eligible for re-election. Pursuant to article 103 of the Articles of Association, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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

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

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

PRACTICES OF BOARD MEETINGS

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

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

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

BOARD COMMITTEES

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

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision D.3 of the CG Code as set out in Part 2 of Appendix C1 (former Appendix 14) of the Listing Rules. The primary role and function of the Audit Committee are to supervise the financial reporting process and internal control and risk management systems of the Group. Mr. Jingwei Liu resigned as a member of the Audit Committee on 27 December 2023. Mr. Guangfu Gao has been appointed as a replacement on the same day. As at the date of this report, the Audit Committee consists of one non-executive Director, being Mr. Yaoyu Tan, and two independent non-executive Directors as its members, being Mr. Guangfu Gao and Mr. Huanfei Guan. The chairman of the Audit Committee is Mr. Guangfu Gao, who has appropriate professional qualifications, accounting and related financial management expertise as required under rule 3.10(2) of the Listing Rules. The Group's financial statements for the year ended 31 December 2023 have been reviewed by the Audit Committee, who was of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

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

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

During this year, the work of the Audit Committee of the Company was summarized as follows:

During this year, the work of the Audit Committee of the Company includes reviewing the unaudited financial statements of the Group for the six months ended 30 June 2023, the 2023 interim result announcement and 2022 annual result announcement, the 2023 interim report and the 2022 annual report for approval by the Board; providing all Directors with views on the financial statements, the auditor's report, accounting policies and comments; reviewing the continuing connected transactions for the year ended 31 December 2023; and reviewing the risk management and internal control reports.

The Company's and the Group's audited financial statements for the year ended 31 December 2023 have also been reviewed by the Audit Committee, who was of the opinion that the financial statements complied with the applicable accounting standards, the Listing Rules and the legal requirements, and that adequate disclosures had been made.

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

Name of Directors	Number of meetings attended/held
Mr. Jingwei Liu *(resigned on 27 December 2023)*	2/2
Mr. Yaoyu Tan	2/2
Mr. Huanfei Guan	2/2
Mr. Guangfu Gao *(appointed on 27 December 2023)*	0/0

NOMINATION COMMITTEE

The Nomination Committee consists of three members. Mr. Jingwei Liu resigned as a member of the Nomination Committee on 27 December 2023. Mr. Guangfu Gao has been appointed as a replacement on the same day. As at the date of this report, the Nomination Committee consists of one executive director, being Mr. He Yang, and two independent non-executive Directors as its members, being Mr. Dingfan Qiu and Mr. Guangfu Gao. The chairman of Nomination Committee is Mr. Dingfan Qiu, an independent non-executive Director. The Company has adopted the board diversity policy since 30 August 2013. The primary role and function of the Nomination Committee include, but are not limited to, reviewing the structure, size, diversity (including but not limited to gender, age, culture and educational background), and composition of the Board of Directors, assessing the independence of independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of Directors. The Nomination Committee is authorised by the Directors to obtain advice from external counsel or other independent professional consultants if necessary. It may invite external individuals with relevant experience and professional knowledge to attend the meeting when needed. The Nomination Committee will be provided adequate resources to perform its duties.

The Nomination Committee has fulfilled the primary duties mentioned above. At the meeting held by the Nomination Committee in 2023, it reviewed the structure, size, composition and diversity of the Board to ensure that the Board has a balance of expertise, skills and experience appropriate for the business of the Company, and assessed the independence of the independent non-executive Directors. The Nomination Committee reviewed the appointment of each Director prior to that Director seeking re-election at the forthcoming annual general meeting and was pleased to recommend the re-election of eligible Directors to the Board.

For the Year, the Nomination Committee held one meeting and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. Dingfan Qiu	1/1
Mr. He Yang	0/0
Mr. Jingwei Liu *(resigned on 27 December 2023)*	1/1
Mr. Guangfu Gao *(appointed on 27 December 2023)*	0/0

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All Director candidates, including incumbents and candidates nominated by Shareholders are evaluated by the Nomination Committee based upon the Director qualifications. While Director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks, the Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that would add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and the Shareholders.

During the year, the above procedures and selection criteria were adopted for the nomination and selection of new directors.

Board Diversity Policy

The composition of the Board is reviewed on an annual basis by the Nomination Committee to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision-making and effective functioning. The Company adopted its own board diversity policy and recognises the benefits of having diversity in the composition of the Board.

The summary of the Board Diversity Policy:

General Policy

With a view to achieve a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity will be considered from a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into account factors based on its own business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation of the Policy

Although the mining industry is traditionally male-dominated, the Group plans to consider not only the basic qualifications of the candidates, but also select female employees if suitable, in order to increase the proportions of female employees and, in the long run, increase the likelihood of the Company having more female directors and senior management in the future, when recruiting senior management, as well as middle and senior staff.

The Nomination Committee will review annually on the Board's composition under diversified perspectives, including but not limited to progress on achieving any measurable objectives that set for implementing the Policy, and monitor the implementation of the Policy.

The Company expects to promote gender diversity by appointment of at least one female director before the end of 2024. This target has been met by the Company by the end of 2023. Ms. Yani Gong ("Ms. Gong") was appointed as a non-executive Director on 27 December 2023. She is the first female director of the Company. After the appointment of Ms. Gong has come into effect, the Company has satisfied the gender diversity requirement for directors under Rule 13.92 of the Listing Rules. As at 31 December 2023, the workforce (include the staff of the subsidiaries) of the Group consists of 8,265 male staff and 418 female staff (as at 31 December 2022: 8,736 male staff and 379 female staff), representing approximately 95.2% and 4.8% of the workforce (as at 31 December 2022: approximately 95.8% male staff and 4.2% female staff), respectively. The Company has appointed the first female member of senior management in February 2023.

Composition of the Diversified Board

As at the Latest Practicable Date, the Board comprises 6 Directors. The following table further illustrate the composition and diversity of the Board in terms of age and length of service with the Group, educational background and professional experience as at the date of this annual report:

	Age Group			Length of Service	
Name of Directors	**40 to 49**	**50 to 59**	**60 or above**	**less than 3 years**	**more than 3 years**
Mr. He Yang	✓			✓	
Mr. Yaoyu Tan		✓		✓	
Ms. Yani Gong	✓			✓	
Mr. Dingfan Qiu			✓	✓	
Mr. Guangfu Gao			✓	✓	
Mr. Huanfei Guan			✓		✓

	Educational Background			Professional Experience		
Name of Directors	**Economics**	**Mining**	**Accounting and Finance**	**Mining**	**Accounting and Finance**	**Management**
Mr. He Yang	✓		✓	✓		✓
Mr. Yaoyu Tan	✓		✓	✓		✓
Ms. Yani Gong	✓					✓
Mr. Dingfan Qiu		✓		✓		
Mr. Guangfu Gao			✓		✓	✓
Mr. Huanfei Guan	✓				✓	✓

REMUNERATION COMMITTEE

The Remuneration Committee consists of three members. As at the date of this report, the Remuneration Committee consists of one executive director, being Mr. He Yang, and two independent non-executive Directors as its members, being Mr. Dingfan Qiu and Mr. Huanfei Guan. The Remuneration Committee is chaired by Mr. Huanfei Guan, an independent non-executive Director. The primary role and function of the Remuneration Committee include, but are not limited to, the following: (i) making recommendations to the Board and determining on the Company's policy and structure for all remuneration of the Directors (including executive Directors) and senior management and on the establishment of a formal and transparent procedure for development policy on such remuneration; (ii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iii) evaluating the performance of executive Directors; and (iv) approving the terms of executive Directors' service contracts. The Remuneration Committee is authorised by the Directors to obtain advice from external counsel or other independent professional consultants if necessary. It may invite external individuals with relevant experience and professional knowledge to attend the meeting when needed. The Remuneration Committee is provided with adequate resources to perform its duties.

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

The Remuneration Committee of the Company has performed the primary role and function mentioned above. During the year, the work of the Remuneration Committee is summarized as reviewing and recommending to the Board the remuneration arrangements for directors and senior management of the Company in accordance with the Provisional Management Measures of Senior Management's Remuneration and recommending and proposing to the Board amendments to the relevant terms of reference of the Remuneration Committee. For the purposes of code provision E.1.2(c) of Corporate Governance Code, the mode adopted by the Company is for the Remuneration Committee to recommend to the Board the remuneration packages of individual executive directors and senior management, including non-monetary benefits, pension entitlements and compensation payments (including compensation for loss of office or termination or appointment).

For the remuneration of the Directors for the year ended 31 December 2023, please refer to note 9 to the audited consolidated financial statements of this annual report.

Please see below for the remuneration of the directors and senior management of the Group by band for the year ended 31 December 2023:

	Number of directors and senior management
HK$0 to HK$500,000	9
HK$500,001 to HK$1,000,000	4
HK$1,000,001 to HK$1,500,000	2
Over HK$1,500,000	7

For the Year, the Remuneration Committee held two meetings and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. Huanfei Guan	2/2
Mr. He Yang	2/2
Mr. Dingfan Qiu	2/2

COMPLIANCE COMMITTEE

The Compliance Committee consists of three members. Mr. He Yang has been appointed as a replacement on the same day. As at the date of this report, the Compliance Committee consists of one executive director, being Mr. He Yang, and two independent non-executive Directors as its members, being Mr. Dingfan Qiu and Mr. Huanfei Guan. Mr. He Yang is the Chairman of the Compliance Committee. The terms of reference of the Compliance Committee include the terms of code provision A.2.1 of the CG Code. The primary role and functions of the Compliance Committee include, but are not limited to, overseeing and monitoring the compliance status of the Company's business and operations based on the applicable legal and regulatory requirements as well as the Company's own internal control policies and procedures; reviewing regular and special reports submitted by the compliance principal in each subsidiary and requiring such compliance principals to prepare specific reports dealing with particular internal control or compliance issues for review; holding regular meeting to discuss, investigate and make plans for the legal and compliance matters; formulating and reviewing the Company's policies and practice on corporate government and making recommendations to the Board; and reviewing the Company's compliance with the Corporate Governance Code set out in the Listing Rules and disclosure in the Corporate Governance Report section of the Company's annual report.

The Compliance Committee has performed the primary role and function mentioned above.

For the Year, the Compliance Committee held 2 meetings and the attendance records of individual members are set out below:

Name of Directors	Number of meetings attended/held
Mr. He Yang	2/2
Mr. Dingfan Qiu	2/2
Mr. Huanfei Guan	2/2

INDEPENDENT AUDITOR

Since 26 December 2023, Ernst & Young ("EY") ceased to be the auditor of the Group and KPMG ("KPMG") was appointed as the auditor of the Group. Details of the change of auditors are set out in the Company's announcements dated 28 November 2023 and 26 December 2023 and the Company's circular dated 4 December 2023.

The Group's independent external auditor is KPMG. KPMG is responsible for presenting independent opinion on the consolidated financial statements of the Group in accordance with the results of their audit work, and reporting to the Shareholders on the same. KPMG was engaged to provide assurance service on continuing connected transactions. In 2023, EY was engaged to perform a review of the interim consolidated financial statements of the Group for the six months ended 30 June 2023.

The remuneration paid to KPMG and its affiliates in respect of audit and assurance services for the year ended 31 December 2023 amounted to US$643,000. The remuneration paid to EY and its affiliates in respect of review services for the six months ended 30 June 2023 amounted to US$273,000. For the year ended 31 December 2023, remuneration paid to EY and its affiliates for other non-audit services (i.e., provision of tax consulting services, due diligence services and risk management consulting services to subsidiaries) was US$29,183.

JOINT COMPANY SECRETARIES

Mr. Chaoran Zhu has been appointed as a replacement on 7 March 2022, after a waiver to the Company from strict compliance with the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules for a period of three years starting from the date of Mr. Zhu's appointment, has been granted by the Stock Exchange. As at the date of this report, Mr. Chaoran Zhu and Ms. Man Yi Wong are the joint company secretaries of the Company.

Ms. Wong's primary contact person at the Company is Mr. Chaoran Zhu. The joint company secretaries have taken no less than 15 hours of relevant professional training during the year. Joint company secretaries of the Company shall report to chairman of the Board and/or the President.

FINANCIAL REPORTING

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

The auditor's report for the consolidated financial statements for the year ended 31 December 2023 is set out on pages 88 to 93 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group is dedicated to maintaining and establishing quality corporate governance. Pursuant to code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 (former Appendix 14) of Listing Rules, basic standards, guidelines for evaluation as well as other requirements under relevant laws and regulations, the Group has conducted self-evaluation on the effectiveness of its internal control in respect of design and operation. As at 31 December 2023, the internal control for businesses and matters involved in self-evaluation has been established and has operated effectively. Thus the internal control objective of the Group was achieved and the internal control of the Group was sound and effective.

RISK MANAGEMENT AND INTERNAL CONTROL REPORT

I. Responsibilities

The Board of the Company is fully responsible for maintaining a sound and effective risk management and internal control system, while the management is responsible for the design and implementation of the risk management and internal control system to manage the risks. The Board further clarifies that a sound and effective risk management and internal control system is designed to identify and manage the risk of failure to achieve business objectives, and only makes reasonable, but not absolute, assurance against material misstatement or loss.

II. Risk Management and Internal Control Structure of the Company

The Board is responsible for the Company's risk management and internal control system and reviews its effectiveness periodically. The Audit Committee and the Compliance Committee assist the Board in monitoring the Company's risk tolerance level, the designs of the risk management and internal control system and their operational effectiveness.

The Company strictly complies with the requirements of the Listing Rules and relevant laws and regulations on inside information management, and strictly supervises the dealing and publishing of inside information to keep such information in confidentiality before being disclosed, and be disclosed in an accurate and timely manner.

The Audit Committee will continuously supervise and monitor the Company's risk management and internal control system, and will review with external auditors and senior management of the Company in a certain scope on a regular basis (at least once a year) the scope, adequacy and effectiveness of the Company's accounting and financial monitoring, risk management and internal control systems, as well as any relevant significant findings relating to risks or disclosure, and consider making recommendations for improvement of such controls. An annual review covers all material monitoring, including financial monitoring, operational monitoring and compliance monitoring. The matters that the Audit Committee reviews include, among others, the following:

(a) discussing the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;

(b) the scope and quality of the continuous monitoring of risk management and internal control system by senior management, as well as (where applicable) internal audit functions and works of other assurance providers;

(c) reporting on the extent and frequency of communication of monitoring results to the Board to enable the Audit Committee to assess control of the Company and the effectiveness of risk management;

(d) significant control failings or weaknesses that have been identified during the reporting period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, may have or may in the future have, a material impact on the Company's financial performance;

(e) the effectiveness of the Company's procedures on financial reporting and the compliance of the Listing Rules;

(f) discussing the risk management and internal control system with senior management in order to ensure the proper establishment and maintenance of effective systems by senior management in the performance of its duties. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal control and financial reporting functions;

(g) considering major findings from investigation on risk management and internal control matters as delegated by the Board or on its own initiative and considering management's response to these findings;

(h) reviewing the internal audit function, to ensure co-ordination between the internal and external auditors of the Company, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(i) reporting to the Board of any actions that have been noted and which, depending on their severity, should be brought to the attention of the Board in respect of any alleged fraud, noncompliance, failure of risk management and internal control system, or alleged violations and irregularities, and to review the internal investigation findings of any alleged fraud, noncompliance, failure of risk management and internal control system, or alleged violations and irregularities in financial reporting; and

(j) reporting to the shareholders in the Corporate Governance Report its annual review of the effectiveness of risk management, internal control system and internal audit functions, or whether additional internal audit functions are required and explain why this function is not available (as the case may be), in order to make sure that the Company has complied with the disclosure requirements under the code provisions on risk management and internal control in the Corporate Governance Code and Corporate Governance Report under the Listing Rules.

The responsibilities of the Compliance Committee in risk management and internal control shall include, but are not limited to:

(a) devising mechanisms and procedures and making recommendations on improving the internal control system;

(b) improving and reviewing the effectiveness of the Company's risk management and internal control policies and making recommendations on their improvement;

(c) overseeing and monitoring the compliance of the Company's business and operations in accordance with applicable legal and regulatory requirements as well as with the risk management and internal control policies and procedures;

(d) fostering a conducive compliance and risk culture within the Company and considering key risk and compliance issues in relation to the Company's commercial activities.

Risk Management Structure of the Company

<table>
<tr><td rowspan="2">Top-down:
monitor,
identify, assess
and control
the risks at
corporate level</td><th colspan="2">Board</th><th>Audit Committee</th><th>Compliance Committee</th></tr>
<tr><td>• Fully responsible for the Company's risk management and internal control system

• Set up strategic objectives to review the effectiveness of the Company's risk management and internal control system</td><td>• Assess and define the nature and extent of the risks

• Provide guidance on the importance of risk management and promote the risk management culture</td><td>• Continuously monitor the Company's risk management and internal control system and regularly review the scope, adequacy and effectiveness of the Company's accounting and financial monitoring, and risk management and internal control system</td><td>• Assist the Board in improving and checking the effectiveness of the Company's risk management and internal control policies and make recommendations for their improvement</td></tr>
<tr><td rowspan="4">Bottom-up:
identify, assess
and control
the risks of
business units
at operations
level</td><th colspan="2">Management</th><th colspan="2">Internal audit</th></tr>
<tr><td colspan="2">• Design, implement and monitor risk management and internal control system

• Assess the risks to the Company and its control measures</td><td colspan="2">• Assist the Audit Committee in reviewing the effectiveness of the Company's risk management and internal control system</td></tr>
<tr><th colspan="4">Business units at operations level</th></tr>
<tr><td colspan="2">• Identify, evaluate and manage business risks</td><td colspan="2">• Implement risk management procedures and internal control measures within each operational and functional scope</td></tr>
</table>

III. Risk Management and Internal Control Model

The risk management and internal control model of the Company is based on the model set down by the Committee of Sponsoring Organizations of the U.S. Treadway Commission (COSO), and has five components, namely: internal environment, risk assessment, control activities, information and communication, and internal supervision. In developing our internal control model based on the internal control model set by COSO, the Company has taken into consideration its organisation structure and nature of business activities.

Internal Environment – This creates suitable conditions for the risk management and internal control of the Company. The Company formed a management style focusing on corporate governance, and built a corporate culture with good professional ethics and accountability. The Company has formulated the Code on Corporate Governance Practices and promoted it to all employees. The Internal Control Management Manual of the Company has full coverage of the organisational structure, development strategies, human resources, social responsibility, corporate culture and other internal environment aspects, aims to build risk awareness and internal control responsibility into our culture and is regarded as the foundation of the Company's internal controls system.

Risk Assessment – The Company formed a risk management system for risk identification, risk analysis, risk assessment and risk response. The Board, management and all employees work together for continuing promotion of risk management. A law and compliance department was established by the Company to regularly follow up on risk management work, to prepare a compliance report every month so as to track the risk situation of the enterprise and to integrate the risk management function into the daily management work and the scope of business operation and functions of each enterprise. Meanwhile, the Company proactively conducted identification and assessment of key risks and analyzed and coped with risks in a timely manner.

Control Activities – The Company's core businesses of mining, ore processing, smelting and sales of copper have all established mature operational processes. The Company and all the investees have formed a sound system covering every production and business activity at the business and financial level. Besides, the Company has strengthened its information automation programme to effectively set restrictions on power and implement the separation of duties. With the help of digital technology, the operating efficiency was enhanced.

Information and Communication – The Company established a sound information communication mechanism, for example, it promulgated the "Management System of Information Disclosure of China Nonferrous Mining Corporation Limited" and the "Management System of Financial Information Disclosure of China Nonferrous Mining Corporation Limited", set up a periodic reporting mechanism of monthly compliance information including statutory matters, internal control system, legal cases and related party transactions, and the Company continuously supervises and manages the financial information and compliance information of all the investees. All the investees have established a unified business finance management system to strengthen the integration and sharing of information.

Internal Supervision – The supervision procedure is organised and started by the Board, the Audit Committee and the Compliance Committee, and performed by the Legal and Compliance Department and the internal auditor. The Audit Committee and the Compliance Committee shall hold at least two meetings a year, to continuously monitor the risk management and internal control system. At management level, the Company has a complaint channel to carry out anti-fraud monitoring work, and the Legal and Compliance Department will arrange reviews on the risk management and internal control system annually.

IV. Review on the Effectiveness of the Risk Management and Internal Control System in 2023

The Company has organised an overall review on the risk management and internal control system in 2023. As at 31 December 2023, as confirmed by the management, the Board considered the risk management and internal control systems effective and adequate and did not identify any significant issues that may affect the Company's financial monitoring, operational monitoring, compliance monitoring and risk management functions.

During the course of review, the Board considered that the resources available to, qualifications and experience of staff responsible for the Company's accounting, internal audit and financial reporting, training and budget were sufficient.

V. Further Reinforcing the Company's Risk Management and Internal Control System

The Company has further reinforced its risk management and internal control system, with focus on the following:

Internal Environment – Focus on high-quality development and solidly promote the "six efficiency enhancement"

The Company continues to deepen the lean concept, and in accordance with the work requirements of "one increase, one stability and four improvements", through the implementation of the "six efficiency enhancement" special actions, it strengthens technological empowerment, effectively offsets the impact of external adverse factors, promotes management efficiency, and increases production. We will focus on high-quality development, comprehensively improve the four major efficiencies, and further consolidate the results of the three-year reform action.

Risk Assessment – Coordinate development security and strengthen risk prevention and control awareness

The Company strengthens its awareness of risk prevention and control, scientifically and rationally analyzes the Company's current business development situation, actively formulates plans to respond to various risks and challenges, makes important arrangements for compliance risk management and control, and continues to build a production and operation environment with low compliance risks. The Company has firmly established risk awareness, developed a risk prevention and control system, improved risk identification and risk resolution capabilities, and strengthened normalized management and control of major risks. For example: CNMC Luanshya Copper Mines PLC actively draws on internal and external resources to update the "Risk Control and Compliance Manual" with risk management as the guide and compliance supervision as the focus, and carried out the "Internal Control, Risk, and Compliance Management Specialized Training" in light of the actual business, so as to further enhanced its awareness and self-consciousness of risk control management and compliance management, and further improved its legal compliance review mechanism.

Control Activities – Strengthen the foundation and strive to improve the level of refined management

The Company has created full-process lean management, and each department continues to tap its potential to improve management processes in procurement and sales management, inventory management, financial management, capital management and other aspects to reduce operating costs. At the same time, the Company actively implements the value creation action requirements of benchmarking world-class enterprises, further strengthens comprehensive benchmarking with advanced enterprises in the same industry around the Company's key economic and technical indicators, continuously improves the quantifiable and operable evaluation system, and strives to achieve better results. For example: CNMC Luanshya Copper Mines PLC won the London Metal Exchange Class A cathode copper certification on 27 December 2023; Huachin Metal Leach SA and Kambove Mining SAS are also actively preparing for London Metal Exchange cathode copper certification.

Information and Communication – Promote information management and improve information management mechanism

The Company continues to promote informatization development, with the goal of reducing costs, increasing efficiency, and improving management levels, and promotes information integration and interaction between the financial department and supply, marketing, and inventory and other departments and fields to reduce communication costs and improve communication efficiency. For example, the "Digital Mine" built by NFC Africa Mining PLC has achieved synergy between horizontal businesses and connectivity between vertical platforms, and continues to promote the application of MES systems and the digital and mechanized application of mining equipment. Chambishi Copper Smelter Limited has established an information operation and maintenance management ledger, strengthened the study of the existing MES system, promoted the development and deployment of the Company's comprehensive business management platform, and improved the Company's informatization level.

Internal Supervision – Strengthen the risk management and control system, supervise and inspect the implementation

In 2023, based on regular internal control and assessment, the legal affair and compliance department organized a special evaluation of risk management and internal control systems while carrying out an in-depth all-round assessment on risk management and internal control of listed companies and capital contributors, the annual special assessment involves corporate governance, financial monitoring, business operation and compliance supervision. At the same time, the Company supervises and inspects the implementation of various work arrangements, closely links it with performance appraisal, and promotes the implementation of various key tasks. At the same time, the Company focus on the rectification of problems found in special supervision and inspections and "look back" on the rectification situation, promote real work, make real changes, and create a good atmosphere for the businesses.

VI. Future Development

Developing a risk management system that will be used by each operating unit to manage and control risks is an ongoing process. The Company will continue to enhance its risk management and control capabilities, improve its internal control structure, and strive to integrate risk management and internal control into its business processes.

VII. Risk Factors of the Company

As the basis for the risk management policy, the Company should be aware of the risk factors and risk changes it is currently exposed to. The following table sets out the nature and risk changes of some of the significant risks to the Company.

Risks	Description of risks change	Risks change in 2023
Political environment	• In 2023, there were constant conflicts between militia groups, community organizations, anti-government forces and the Congolese Armed Forces in the DRC. Presidential and national parliamentary elections at all levels will be held at the end of the year. The domestic political situation is turbulent and the security situation is severe and complex; Zambia's domestic political system is relatively mature, the political situation is relatively stable, economic growth is slowing down, and debt restructuring is on the right track.	Maintained
Operating environment	• The DRC implements a free market economy, but government departments at all levels collect taxes intensively and delay the refund of input VAT, which makes it difficult for enterprises to refund VAT, the business environment is difficult to be fundamentally improved; Zambia has stable economic development, rich natural resources, and great development potential in mining, energy and other industries. However, the Zambia Revenue Service canceled the VAT withholding and payment policy, resulting in a certain degree of exchange losses.	Increased
Product price	• Copper prices soared at the beginning of 2023, and copper prices basically remained high and fluctuated throughout the year, maintaining a good development trend.	Maintained

Risks	Description of risks change	Risks change in 2023
Provision of raw materials	• Competition in the ore body raw material supply market has become more intense. The raw material market tends to favor internal supply and reduce external supply. However, the Company actively responds to market changes by strengthening local cooperation to expand ore supply channels, giving full play to the role of minority shareholders to jointly obtain ore sources, and consolidating cooperation with old customers to ensure continued supply. We will strengthen geological exploration, and sort out and research technical data to increase resource expansion to ensure resource continuity.	Maintained
Production management	• The Company takes“six efficiency enhancement” as the main theme to continuously improve its lean management level and optimize its production organization model. At the same time, the Company resolutely curbs major accidents, reduces the occurrence of general accidents, and effectively prevents safety and environmental risks.	Maintained
Asset management	• Asset impairment is mainly affected by the price of copper. Copper prices was fluctuated at high levels in 2023, and the risk of asset impairment maintained.	Maintained
Foreign exchange management	• In 2023, the exchange rate of the Zambian kwacha against the US dollar continued to fall, and exchange rate changes had an adverse impact on production and operations.	Increased
Legal litigation	• In 2023, the Company strictly enforced the internal legal affairs rules and regulations and management processes. There still existed various types of proceedings, but the cases were under good management.	Maintained

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

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

The 6th China Excellence IR
2022–2023 Best Shareholder Relationship Award

Pursuant to F.2 of Part 2 of the CG Code as set out in Appendix C1 (former Appendix 14) of the Listing Rules, the Company shall ensure that shareholders are given sufficient notice of general meetings, and shall ensure that shareholders are familiar with the detailed procedures of voting by poll and shall arrange for questions from the shareholders to be answered at the general meeting.

Pursuant to Article 58 of the Articles of Association, any extraordinary general meeting at which the passing of a special resolution is to be considered or any annual general meeting shall be called by notice of not less than 21 clear days. All other extraordinary general meetings may be called by notice of not less than 14 clear days but if permitted by the Articles of Association, a general meeting may be called by shorter notice.

In addition, in accordance with Article 57 of the Articles of Association, an extraordinary general meeting may be convened on requisition as provided by the Companies Ordinance. According to the Companies Ordinance, the directors are required to call a general meeting if the company has received requests to do so from shareholders of the company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings. Such meeting must be held on a date not more than 28 days after the date of the notice convening the meeting. The directors also have a duty to circulate a resolution proposed as a written resolution by a shareholder (together with any statement of not more than 1,000 words on the subject of the resolution proposed by the shareholder) if the company has received such requests from the shareholders of the company representing not less than 5% of the total voting rights of all the shareholders entitled to vote on the resolution.

Shareholders may at any time send their enquiries and concerns to the Board in writing at Unit 1303, 13/F, Austin Tower, 22–26 Austin Avenue, Tsimshatsui, Kowloon, Hong Kong. Sufficient contact details are available to enable these enquiries to be properly attended to.

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

Dividend Policy

The Company adopted a policy on payment of dividends (the "Dividend Policy") in March 2019, which established an appropriate procedure on declaring and recommending the dividend payment of the Company.

The Company will declare and/or recommend the payment of dividends to the Shareholders after considering the Company's ability to pay dividends, which will depend on a number of factors, including but not limited to:

(i) the Group's actual and expected financial performance;

(ii) the Group's expected working capital requirements, capital expenditure requirements and future expansion plans;

(iii) retained profits and distributable reserves of the Company and each of the members of the Group;

(iv) the Group's liquidity position;

(v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(vi) any other factors that the Board deems relevant.

The Board has complete discretion on whether to pay a dividend, subject to Shareholders' approval, where applicable. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Board may also consider declaring interim dividends from time to time.

The Company shall review and reassess the Dividend Policy and its effectiveness on a regular basis or as required.

INVESTOR RELATIONS

There have been no changes to the Company's Articles of Association during the year ended 31 December 2023.

The Group believes that investor relations is an integral part of good corporate governance for listed companies. During the reporting period, the Group has been proactive in liaising with investors and updating them on industry conditions, company information and business development in a timely manner to create a fair, open and highly transparent disclosure platform. At present, the investor relations work of the Group is undertaken by Mr. Chaoran Zhu, the joint company secretary of the Company, with the full support of the Board and the senior management. Mr. Zhu can be reached by email: zhucr@cnmc.com.cn, telephone: +86 10 8442 6085 and fax: +86 10 8442 6376. hk1258-ir@cnmc.com.cn is an email address dedicated to the Group's investor relations. The Group actively participated in various investor relations activities during the year and provided investors with real-time information through the Company's website.

The Company places great importance to the maintenance and management of investor relations. In addition to the disclosure of annual and semi-annual reports and quarterly reports on its operations, the Company also keeps investors abreast of the Company's experience through various means, such as organizing results presentations, roadshows, and posting dynamic news on the Company's website. During the year, the Company organized a total of 95 investor communication events, including annual and interim results conferences, attended 14 broker strategy meetings, covering more than 100 brokerage firms and institutional investors, and released result reports to the public via official media such as Xinhua Finance and Shanghai Securities News. The Company was awarded the Best Shareholder Relations Award for 2022-2023 in the Sixth China IR Excellence Awards. During the year, the Company has reviewed the implementation and effectiveness of its shareholder communication policy. Based on the feedback and response from investors and shareholders of the Company, the Company believes that its shareholder communication policy is effective.

Kambove Mining held a public open day and invited local chiefs to visit the company

CONTINUOUS IMPROVEMENT OF INVESTOR RELATIONS

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

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

Through on-going information dissemination, the Group's website (www.cnmcl.net) serves as a platform to communicate with the public. The Group regularly updates the content of its website, disseminates the latest updates, so as to enable the public to obtain such information in a timely manner. In 2023, the Group has published 44 announcements and 4 articles of company news on its website. In addition, the Group also swiftly responds to different enquiries made by the Shareholders, investors, analysts and media by means of email, facsimile and telephone. The Group also published announcements, press releases and other latest updates on the development of the Group, so as to strengthen the effectiveness of information dissemination.

REPORT OF THE DIRECTORS

The Directors present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting of copper and cobalt, and sale of copper cathodes, blister copper and copper anodes, copper-cobalt alloy, cobaltous hydroxide and sulfuric acid. There has been no significant change in the Group's principal activities for the year ended 31 December 2023.

The Group's revenue and segment information for the year ended 31 December 2023 are set out in note 4 to the consolidated financial statements.

RESULTS

The Group's operating results for the year ended 31 December 2023 and the financial position of the Group as at 31 December 2023 are set out on pages 94 to 178 in the audited consolidated financial statements contained in this annual report.

DIVIDENDS

The Board proposes a payment of final dividends of US¢2.9702 per share for the year ended 31 December 2023. The proposed final dividend will be paid on Monday, 15 July 2024 after approval at the forthcoming AGM of the Company.

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results, assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Group, is set out on page 179 in this annual report.

BUSINESS REVIEW

Overview and Performance of the Year

A review of the business of the Group and an analysis of the Group's performance using financial key performance indicators are provided in the Results Highlights and the Management Discussion and Analysis sections on page 7 and pages 8 to 31, respectively, of this annual report.

Environmental Policies and Performance

The Group attaches great importance to environmental protection. Under the guidance of "environmental protection and sustainable development", the Group proactively promotes environmental management and resources utilisation and carries out environmental protection activities to build a "green enterprise making contributions to clear water and blue sky". During the reporting period, there was no material event causing litigation or corresponding punishment against the Group due to violation of laws in respect of environment.

Particulars in relation to the Group's environmental policies and performance are set out in the "Environmental, Social and Governance Report" for the Year.

Compliance with relevant Laws and Regulations

Relevant laws and regulations that have a significant impact on the Group mainly include:

(1) Mines and Minerals Development Act No. 11 of 2015 of the Laws of Zambia;

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

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

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

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

(6) Occupational Health and Safety Act No. 36 of 2010 of the Laws of Zambia;

(7) Workers Compensation Act No. 10 of 1999 of the Laws of Zambia;

(8) Acte Uniforme Relatif au Droit des Societes Commerciales et du Groupement D'Intereteconomique of the Laws of DRC;

(9) Law No. 001/2018, the Mining Code of the Laws of DRC;

(10) Decree No. 18/24, the Mining Regulation of the DRC;

(11) Law on Subcontracting in the Private Sector of the DRC (Law No. 17/001 of 8 February 2017);

(12) Regulations on the Implementation of the Law on Subcontracting in the Private Sector of the DRC (Decree No. 18/18 of 24 May 2018); and

(13) Labor Law of the DRC (Law No. 015/2002 of 16 October 2002)

The Group has established and improved the manual for internal control in relation to overall business chains and management processes with subsequent monthly and annual supervision and review to ensure compliance with the relevant laws and regulations. For the year ended 31 December 2023, the Group complied with relevant laws and regulations which had significant impact on the businesses and operations of the Group in all material aspects. During the year ended 31 December 2023, the Group was not subject to any penalty due to violation of the aforesaid laws, regulations and other public policies.

The Group has complied with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. The Group has adopted the Model Code.

Key Relationships with Stakeholders

The support and trust of our stakeholders is integral to the Group's growth and success. Our stakeholders include shareholders and creditors, employees and employee organisations, governments and regulatory authorities, the public communities, charities and non-government organisations (NGOs) and clients as well as suppliers. We place emphasis on communications with our stakeholders and have established an open and transparent communication channel for each category of stakeholders to understand their expectations and requests. Please refer to the "Environmental, Social and Governance Report" set out in this annual report for more information.

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

Key Risks and Uncertainties

A description of principal risks and uncertainties that the Group may be facing is provided on pages 14 to 15 in the "Management Discussion and Analysis" and "Corporate Governance Report" sections of this annual report.

Prospects

Please refer to the Chairman's Statement on pages 4 to 6 and page 31 in the "Management Discussion and Analysis" section of this annual report.

Subsequent Event After the End of Financial Year

Save as disclosed below in this annual report, there were no other significant events in relation the Group after the reporting period.

On 9 April 2024, the Company, China Nonferrous Mining Development Limited (the "Seller") and China International Capital Corporation Hong Kong Securities Limited (the "Placing Agent") entered into a placing and subscription agreement (the "Placing and Subscription Agreement"), pursuant to which, (a) the Seller has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent of the Seller and to procure purchasers to purchase on a best effort basis, an aggregate of up to 163,000,000 existing Shares at the price of HK$6.0 per share (the "Placing Price"); and (b) the Seller has agreed to subscribe for, and the Company has agreed to issue to the Seller, an aggregate of up to 163,000,000 new Shares at the subscription price (being the same as the Placing Price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The Board intends to apply the net proceeds from the subscription mainly for (i) project construction works to increase the production capacity of copper concentrate of mines which is located in Luanshya, Kambove and Chambishi, etc; (ii) acquisition of potential mineral resources; and (iii) replenish and supplement the general working capital of the Group. The Directors are of the view that the placing and the subscription will benefit the Group's long term development and broaden the shareholder base and capital base of the Group to facilitate future growth and development of its business, as well as to increase the liquidity of the Shares. The Directors (including the independent non-executive Directors) are also of the view that the placing and the subscription is in the interests of the Company and the Shareholders as a whole and the terms of the Placing and Subscription Agreement, which were arrived at after arm's length negotiations between the Company, the Seller and the Placing Agent, are fair and reasonable so far as the Shareholders are concerned. Completion of the placing and the subscription took place on 11 April 2024 and 15 April 2024, respectively.

Further details about the Placing and the Subscription Agreement can be found in the announcements made by the Company dated 9 April 2024 and 15 April 2024.

BANK AND OTHER BORROWINGS

Details of bank borrowings of the Group as at 31 December 2023 are set out in note 23 to the consolidated financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2023 amounted to US$1,530,000. In addition, the Group subsidised schools and community hospitals, provided financial aid for the construction and maintenance of public sports facilities such as football fields and swimming pools, and participated in programmes to fight against malaria, AIDS and cholera, thereby earnestly fulfilling its social responsibility.

CNMC Huachin Mabende Social Responsibility Letter Signing and Launching Ceremony

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2023 are set out in note 12 to the consolidated financial statements.

As at 31 December 2023, the Group did not own any properties for investment purposes or held for development and/or sale where one or more percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) exceed 5%.

RESERVES

Details of change in the reserves of the Group during the year ended 31 December 2023 are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company had distributable reserves amounting to US$158,401,000.

SHARE CAPITAL

There was no change in the share capital of the Company during the year ended 31 December 2023.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2023.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2023, sales to the Group's five largest customers accounted for 88.8% of the Group's total sales, and sales to its largest customer, being the Retained Group, accounted for 55.5% of the Group's total sales. The second largest customer was the group comprising a non-controlling shareholder of subsidiaries and its subsidiaries.

During the year ended 31 December 2023, purchases from the Group's five largest suppliers in aggregate accounted for approximately 52.6% of the total purchases, and purchases from the largest supplier accounted for approximately 18.5% of the total purchases.

Save as disclosed above, none of the Directors, their associates or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any interest in the Group's five largest customers and suppliers during the year ended 31 December 2023.

SIGNIFICANT CONTRACT

Save as disclosed in "Connected Transactions", no other significant contract was entered into between the Company or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries during the year ended 31 December 2023.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2023.

DIRECTORS

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

Executive Director
Mr. He Yang

Non-Executive Directors
Mr. Yaoyu Tan
Ms. Yani Gong (appointed on 27 December 2023)

Independent Non-Executive Directors
Mr. Dingfan Qiu
Mr. Guangfu Gao (appointed on 27 December 2023)
Mr. Huanfei Guan
Mr. Jingwei Liu (resigned on 27 December 2023)

Mr. Jingwei Liu resigned as an independent non-executive Director on 27 December 2023 due to other career pursuit which requires more of his attention. Ms. Yani Gong ("Ms. Gong") and Mr. Guangfu Gao ("Mr. Gao") were appointed as a non-executive director and an independent non-executive director of the Company, respectively, on 27 December 2023. Pursuant to article 107 of the Articles of Association, the directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed as the maximum number of directors. A director so appointed shall retire at the next following general meeting and shall then be eligible for re-election. Pursuant to Rule 4(2) of the Core Shareholder Protection Standard of Appendix A1 (former Appendix 3) of Main Board Listing Rules, any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment, and shall then be eligible for re-election. Accordingly, Ms. Gong and Mr. Gao shall retire at the forthcoming annual general meeting. They are eligible for re-election and will offer themselves for re-election.

In accordance with article 102 of the Articles of Association, at each annual general meeting, one-third of the directors or, if their number is not three (3) or a multiple of three (3), the number which is nearest to and is at least one-third, shall retire from office by rotation at least once every three (3) years. A retiring director shall be eligible for re-election. Pursuant to article 103 of the Articles of Association, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Pursuant to Code B.2.2 of Part 2 of the Corporate Governance Code of Appendix C1 (former Appendix 14) of Main Board Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, Mr. Dingfan Qiu and Mr. Huanfei Guan shall retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

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

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31 December 2023 or during the period from 1 January 2024 to 28 March 2024 are set out below and those marked with an asterisk(*) are directors as at 28 March 2024:

Xiaoduan Liu*
Bo You*
Xinghua Liu
Zhanyan Li*
Ms. Irene Lombe Chibesakunda*
Tian Wang*
Jingen Han*
Xi Yi*
Junxuan Zhang*
Rongman Huang*
Mufingwe Ng'ambi*
Hailiang Cui*
Shengjun Shao*
Yuan Jiang*
Siuhong Ng*
Zhiguo Meng*
Yunjun Li*
Simon Tshibangu Ngoy*
Peng Hu*
Kabanji Nkulu Cedrick*
Yibin Liu*

Dayong Yang*
Jiapeng Cui*
Jingjun Wang*
Bo Xiao*
Mr. Situmbeko Mubano*
Helin Xu*
Zhenkun Xiong*
Weimin Xu*
Ligang Yang*
Chunguang Pang*
Cosmas Mwananshiku*
Guang Han*
Jianming Zhu*
Wenjan Xu*
Hassan Moukachar*
Wei Yang*
Xingeng Lui
Gaetan Tshibangu Luabeya
Yuliang Yan*
Chong Li*

Jinping Ma
Xiwen Sun*
Ran Zhu*
Mrs. Tamara S Ngoma*
Yani Gong*
Wenjun Wu*
Peiwen Zhang*
Jian Guo
Bing Zhang*
Mingming Cheng*
Lixian Yu*
Zhimin Chen*
Chengyi Fang*
Siukam Ng*
Shaocheng Li*
Muchang Xu
Shougao Wang*
Clotilde Wamana Kalongo*
Fawu Shi
Qiongzhi Pu*

Note: The list is in no particular order.

DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management are set out on pages 32 to 40 in this annual report.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

No Directors and their connected entities had an interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year ended 31 December 2023.

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

DIRECTOR'S PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director or other office of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year ended 31 December 2023, and such coverage remained in full force as at the date of this report.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors of the Company had engaged in any business or had any interest in business which competes or may is likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2023.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The Company or any of its subsidiaries did not have any arrangement in place at any time during the reporting period whereby the Directors or their respective spouse or children under the age of 18 years can obtain benefit by acquiring shares of the Company or other body corporate.

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

As at 31 December 2023, none of the Directors or chief executive had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV the SFO) which would fall to be disclosed to the Company or the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 under the Part XV of the SFO; or interests or short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests or short positions which fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

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

The Directors' remuneration is determined by the Remuneration Committee with reference to the time, effort and expertise contributed by each Director to the affairs of the Company. The Group adopts relevant remuneration management rules such as the "Provisional Management Rules for Senior Management's Remuneration" and the "Staff Remuneration Management Rules" to continuously enhance the core competitiveness of the Group for healthy development.

Please refer to notes 9, 10 and 33 to the consolidated financial statements for details of the emoluments of the Directors, senior management and the five highest paid individuals of the Company.

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

As at 31 December 2023, so far as it is known to the Director and chief executive of the Company, interests or short positions which would fall to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to the provisions of Division 2 and 3 under the Part XV of the SFO is as follows:

Substantial shareholder	Capacity/Nature of interest	Long/short position	Number of shares	Approximate percentage of shareholdings
CNMD (Note)	Registered owner	Long position	2,600,000,000	69.54%
CNMC	Interest in a controlled corporation	Long position	2,600,000,000	69.54%

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

Save as disclosed above, as at 31 December 2023, no person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

As at 31 December 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 the general meeting of any other members of the Group:

Member of the Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
NFCA	ZCCM-IH	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Group	40%
SML	Hong Kong Zhongfei	30%
Huachin Leach	Huachin SARL	32.5%
CNMC Huachin Mabende	Huachin SARL	33.25%
CNMHK	Hong Kong Zhongfei	30%
Kambove Mining	La Generale Des Carrieres Et Des Mines SA	45%
Lualaba Copper Smelter	YH Metal	38%
Kingsail	YH Metal	40%

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group are set out in note 32 to the consolidated financial statements.

SHARE SCHEME

The Group has not adopted any share scheme.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, there was no equity-linked agreement entered into by the Company during the year ended 31 December 2023.

REMUNERATION POLICIES

Based on the overall development strategy, the Group actively improves the scientific remuneration management system to attract outstanding talents, retain key talents and mobilize human resources. The Directors' remuneration is determined by the Remuneration Committee with reference to the time, effort and expertise contributed by each Director to the affairs of the Company. The Group adopts relevant remuneration management rules such as the "Provisional Management Rules for Senior Management's Remuneration" and the "Staff Remuneration Management Rules" to continuously enhance the core competitiveness of the Group for healthy development.

CONNECTED TRANSACTIONS

Non-exempted Continuing Connected Transactions

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

1. CNMC Copper Supply Framework Agreement

On 18 April 2017, the Company entered into the CNMC Copper Supply Framework Agreement ("2017 CNMC Copper Supply Framework Agreement") with CNMC for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Retained Group, subject to the approval of the Independent Shareholders. The Independent Shareholders approved the 2017 CNMC Copper Supply Framework Agreement and the proposed annual caps at the EGM held on 31 May 2017. Details of the 2017 CNMC Copper Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 18 April 2017 and 15 May 2017 respectively.

On 23 April 2018, the Company revised the annual caps under the 2017 CNMC Copper Supply Framework Agreement and obtained the approval of the Independent Shareholders at the AGM held on 28 June 2018. Details of the revision were disclosed in the announcement and circular of the Company dated 23 April 2018 and 13 June 2018 respectively.

On 30 October 2020, the Company entered into the CNMC Copper Supply Framework Agreement ("2020 CNMC Copper Supply Framework Agreement") with CNMC for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Retained Group, subject to the approval of the Independent Shareholders.

The consideration for sale of the copper products was determined with reference to the prevailing market price of the copper products at the time of each specific agreement was entered into pursuant to the 2020 CNMC Copper Supply Framework Agreement.

The Independent Shareholders approved the 2020 CNMC Copper Supply Framework Agreement and the proposed annual caps at the EGM held on 16 December 2020. Details of the 2020 CNMC Copper Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 30 October 2020 and 20 November 2020 respectively.

On 9 September 2021, the Company revised the annual caps under the 2020 CNMC Copper Supply Framework Agreement and obtained the approval of the Independent Shareholders at the EGM held on 21 October 2021. Details of the revision were disclosed in the announcement and circular of the Company dated 9 September 2021 and 30 September 2021 respectively.

During the year ended 31 December 2023, the revenue and gains from the sale of copper products (including loss on change in fair value) to the Retained Group amounted to US$1,834,383,000, which was below the annual cap amount of US$3,622,290,000.

CNMC indirectly owns an aggregate of 69.54% of the issued share capital of the Company through CNMD, CNMC is therefore a controlling shareholder of the Company, and a connected person of the Company under Chapter 14A of the Listing Rules.

2. Yunnan Copper Supply Framework Agreement

On 18 April 2017, the Company entered into the Yunnan Copper Supply Framework Agreement ("2017 Yunnan Copper Supply Framework Agreement") with Yunnan Copper Group, for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Yunnan Copper Group and its subsidiaries. Details of the 2017 Yunnan Copper Supply Framework Agreement were disclosed in the announcement of the Company dated 18 April 2017.

On 23 April 2018, the Company revised the annual caps under the 2017 Yunnan Copper Supply Framework Agreement. Details of the revision were disclosed in the announcement of the Company dated 23 April 2018.

On 30 October 2020, the Company entered into the Yunnan Copper Supply Framework Agreement ("2020 Yunnan Copper Supply Framework Agreement") with Yunnan Copper Group, for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, copper products including blister copper and copper cathode to the Yunnan Copper Group and its subsidiaries.

The consideration for sale of the copper products was determined with reference to the market price of the existing copper products at the time of each specific agreement was entered into pursuant to the 2020 Yunnan Copper Supply Framework Agreement.

Details of the 2020 Yunnan Copper Supply Framework Agreement were disclosed in the announcement of the Company dated 30 October 2020.

On 9 September 2021, the Company revised the annual caps under the 2020 Yunnan Copper Supply Framework Agreement. Details of the revision were disclosed in the announcement of the Company dated 9 September 2021.

During the year ended 31 December 2023, the revenue and gains from the sale of copper products (including loss on change in fair value) to Yunnan Copper Group and its subsidiaries amounted to US$712,194,000, which was below the annual cap amount of US$1,932,000,000.

Yunnan Copper Group and its subsidiary Yunnan & Hongkong Metal Company Limited（雲港金屬有限公司）are respectively the substantial shareholders of CCS and LCS, holding 40% and 38% of the issued share capital of CCS and LCS, respectively. Yunnan Copper Group and its subsidiaries constitute connected persons of the Company under the Listing Rules.

3. Mabende Ore Supply Framework Agreement

On 18 April 2017, the Company entered into the Huachin Ore Supply Framework Agreement ("2017 Huachin Ore Supply Framework Agreement") with Mabende Mining, for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which the Company agreed to buy, or procure its subsidiaries to buy, copper ores mined by Mabende Mining. Details of the 2017 Huachin Ore Supply Framework Agreement were disclosed in the announcement of the Company dated 18 April 2017.

On 23 April 2018, the Company revised the annual caps under the 2017 Huachin Ore Supply Framework Agreement. Details of the revision were disclosed in the announcement of the Company dated 23 April 2018.

On 30 October 2020, the Company entered into the Mabende Ore Supply Framework Agreement ("2020 Mabende Ore Supply Framework Agreement") with Mabende Mining, for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which Mabende Mining has principally agreed to sell all of the ores mined by Mabende Mining, except that with the Company's consent, Mabende Mining may sell ores in excess of the Group's demand to third parties.

The prices of ores were subject to annual negotiation with reference to the prevailing market price of the ores at the time of each specific agreement was entered into pursuant to the 2020 Mabende Ore Supply Framework Agreement.

With the increase in production capacity of the Group, demand for ores increased accordingly. The Company entered into the 2020 Mabende Ore Supply Framework Agreement to ensure a steady supply of ores for the operation of CNMC Huachin Mabende in the DRC, so that the business and commercial objectives of the Group can be achieved.

In respect of transactions, the nature of which is similar to that of the transactions under the 2017 Huachin Ore Supply Framework Agreement. Details of the 2020 Mabende Ore Supply Framework Agreement were disclosed in the announcement of the Company dated 30 October 2020.

On 28 October 2021 and 12 November 2021, the Company revised the annual caps under the 2020 Mabende Ore Supply Framework Agreement. Details of the revision were disclosed in the announcements of the Company dated 28 October 2021 and 12 November 2021.

During the year ended 31 December 2023, the Group purchased ores amounting to US$99,944,000 from Mabende Mining, which is below the annual cap amount of US$189,000,000.

As Mr. Siu Kam Ng is a director of Huachin Leach and CNMC Huachin Mabende, each a subsidiary of the Company, and indirectly owns 32.5% and 33.25% equity interests in Huachin Leach and CNMC Huachin Mabende, respectively, Mr. Siu Kam Ng is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Mr. Siu Kam Ng owns the entire interest in Huachin SARL, and Huachin SARL holds 70% equity interests in Mabende Mining, therefore, Mabende Mining is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

4. Mutual Supply Framework Agreement

On 18 April 2017, the Company entered into the Mutual Supply Framework Agreement ("2017 Mutual Supply Framework Agreement") with CNMC for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which both parties agreed to provide, or procure their respective subsidiaries to provide certain raw materials, products and services to each other, and CNMC agreed to provide, or procure its subsidiaries to provide transportation and logistics services to the Group, subject to the approval of the Independent Shareholders. The Independent Shareholders approved the 2017 Mutual Supply Framework Agreement and the proposed annual caps at the AGM held on 31 May 2017. Details of the 2017 Mutual Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 18 April 2017 and 15 May 2017 respectively.

On 23 April 2018, the Company revised the annual caps under the 2017 Mutual Supply Framework Agreement and obtained the approval of the Independent Shareholders at the AGM held on 28 June 2018. Details of the revision were disclosed in the announcement and circular of the Company dated 23 April 2018 and 13 June 2018 respectively.

On 27 April 2020, the Company revised the annual caps for the year ended 31 December 2020 under the 2017 Mutual Supply Framework Agreement and obtained the approval of the Independent Shareholders at the AGM held on 29 June 2020. Details of the revision were disclosed in the announcement and circular of the Company dated 27 April 2020 and 26 May 2020 respectively.

On 30 October 2020, the Company entered into the Mutual Supply Framework Agreement ("2020 Mutual Supply Framework Agreement") with CNMC for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which both parties agreed to provide, or procure their respective subsidiaries to provide certain raw materials, products and services to each other, and CNMC agreed to provide, or procure its subsidiaries to provide transportation and logistics services to the Group, subject to the approval of the Independent Shareholders.

For the sales and purchase of "raw materials and product supplies", the price was determined according to the market price of the raw materials and products being delivered. For the provision of "social and support services", the price was determined either by reference to the price set by similar service providers in the market, or the price agreed between one party and an Independent Third Party for similar services. If such market price was unavailable, the amount payable would have been determined with reference to actual costs plus applicable taxes. For the provision of "technical services", if there were PRC government prescribed prices, the amount payable would have been determined with reference to the published PRC government prescribed prices which were updated by the relevant PRC central or provincial government departments from time to time.

For the provision of "transportation and logistics services", it was determined either by reference to the price charged by similar service providers in the local market, or the price agreed between a party and Independent Third Party for similar services.

The Independent Shareholders approved the 2020 Mutual Supply Framework Agreement and the proposed annual caps at the EGM held on 16 December 2020. Details of the 2020 Mutual Supply Framework Agreement were disclosed in the announcement and circular of the Company dated 30 October 2020 and 20 November 2020 respectively.

On 9 September 2021, the Company revised the annual caps under the 2020 Mutual Supply Framework Agreement and obtained the approval of the Independent Shareholders at the EGM held on 21 October 2021. Details of the revision were disclosed in the announcement and circular of the Company dated 9 September 2021 and 30 September 2021 respectively.

During the year ended 31 December 2023, the amount paid by the Group for the provision of raw materials, products and services provided by the Retained Group amounted to US$430,465,000, and the revenue from the provision of raw materials, products and services to the Retained Group amounted to US$31,768,000, both of which were below the annual caps of US$643,797,000 and US$292,346,000, respectively.

5. Huachin Copper Supply Framework Agreement

On 13 October 2020, the Company and Huachin entered into the Huachin Copper Supply Framework Agreement ("2020 Huachin Copper Supply Framework Agreement"), pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, Copper Products to Huachin Group. The term of the 2020 Huachin Copper Supply Framework Agreement commences on 13 October 2020, and remains valid until 31 December 2020. Details of the 2020 Huachin Copper Supply Framework Agreement were disclosed in the announcement of the Company dated 13 October 2020.

On 30 October 2020, the Company and Huachin entered into the Huachin Copper Supply Framework Agreement ("2020 Huachin Copper Supply Framework Agreement"), for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, Copper Products to Huachin Group.

The consideration of the copper products to be sold under the 2020 Huachin Copper Supply Framework Agreement was determined with reference to the prevailing market price of the Copper Products at the time of each specific agreement was entered into pursuant to the 2020 Huachin Copper Supply Framework Agreement.

Details of the 2020 Huachin Copper Supply Framework Agreement were disclosed in the announcement of the Company dated 30 October 2020.

On 9 September 2021, the Company revised the annual caps under the 2020 Huachin Copper Supply Framework Agreement. Details of the revision were disclosed in the announcement of the Company dated 9 September 2021.

During the year ended 31 December 2023, the revenue and gains from the sale of copper products (including loss on change in fair value) to Huachin International Trading Limited amounted to US$45,828,000, which is below the annual cap amount of US$153,000,000.

Huachin is wholly-owned by Mr. Ho Lun Ng, who is the son of Mr. Siu Kam Ng. Mr. Ho Lun Ng is thus an associate of Mr. Siu Kam Ng. As Mr. Siu Kam Ng is a director of Huachin Leach and CNMC Huachin Mabende, each a subsidiary of the Company, and indirectly owns 32.5% and 33.25% equity interests in Huachin Leach and CNMC Huachin Mabende, respectively, Mr. Siu Kam Ng is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Therefore, Huachin, being an associate of Mr. Siu Kam Ng, is also a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

6. Properties Leasing Framework Agreement

On 18 April 2017, the Company entered into the Properties Leasing Framework Agreement ("2017 Properties Leasing Framework Agreement") with CNMC for a term of three years from 1 January 2018 to 31 December 2020, pursuant to which CNMC has agreed to lease the Leased Properties consisting of properties in Zambia, the DRC and the PRC to the Group for general business and ancillary purposes. Details of the 2017 Properties Leasing Framework Agreement were disclosed in the announcement of the Company dated 18 April 2017.

On 30 October 2020, the Company entered into the Properties Leasing Framework Agreement ("2020 Properties Leasing Framework Agreement") with CNMC for a term of three years from 1 January 2021 to 31 December 2023, pursuant to which CNMC has agreed to lease the Leased Properties to the Group for general business and ancillary purposes.

The rental was determined by the parties based on the rental of comparable properties at the proximity, taking into account the actual circumstances of the location of the Leased Premises. CNMC agreed to pay properties taxes, fees and other statutory charges relating to the Leased Properties. The Directors considered the 2020 Properties Leasing Framework Agreement was consistent with the business and commercial objectives of the Company as the operation of the Group would not be disturbed by relocation and the Group would be provided with an overall business and operational convenience.

Details of the 2020 Properties Leasing Framework Agreement were disclosed in the announcement of the Company dated 30 October 2020.

During the year ended 31 December 2023, the total property rentals paid amounted to US$5,449,000, which is below the annual cap amount of US$9,530,000.

CNMC indirectly owns an aggregate of 69.54% of the issued share capital of the Company through CNMD, CNMC is therefore a controlling shareholder of the Company, and a connected person of the Company under Chapter 14A of the Listing Rules.

7. Huachin Leach Ore Processing Agreement

On 29 April 2022, Huachin Leach entered into the Huachin Leach Ore Processing Agreement ("Huachin Leach Ore Processing Agreement") with in respect of ore processing for a term from 29 April 2022 to 28 April 2023. Pursuant to the Huachin Leach Ore Processing Agreement, Huachin Leach shall provide ore processing service to GCM with the ores provided by GCM that are mined from the Kamatanda and Kamfundwa areas of the DRC, and GCM shall pay processing fees to Huachin Leach accordingly.

The ore processing fee under the Huachin Leach Ore Processing Agreement was determined with reference to the acid soluble copper content of the ores provided by GCM and the amount of sulphuric acid required for processing.

Details of the Huachin Leach Ore Processing Agreement were disclosed in the announcement of the Company on 29 April 2022.

On 2 October 2023, the Company revised the annual caps under the Huachin Leach Ore Processing Agreement. Details of the revision were disclosed in the announcement of the Company date 2 October 2023.

During the year ended 31 December 2023, GCM has paid US$11,585,000 Huachin Leach as processing fees. Pursuant to the Huachin Leach Ore Processing Agreement, the annual cap for the transactions contemplated under the Huachin Leach Ore Processing Agreement for the period from 29 April 2022 to 28 April 2023 was US$75,600,000 and for the period from 2 October 2023 to 1 October 2024 was US$25,200,000.

Huachin Leach is a subsidiary of the Company. GCM holds 45% shares in Kambove Mining, a subsidiary of the Company, and is therefore a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

8. **Huachin Cobalt Products Supply Framework Agreement**

On 4 November 2022, the Company and Huachin entered into the Huachin Cobalt Products Supply Framework Agreement ("Huachin Cobalt Products Supply Framework Agreement") for a term from 4 November 2022 to 31 December 2023, in respect of the supply of cobalt products, pursuant to which the Company agreed to sell, or procure its subsidiaries to sell, cobalt products to Huachin Group.

The consideration of the cobalt products to be supplied under the Huachin Cobalt Products Supply Framework Agreement was determined with reference to the prevailing market price of the cobalt products at the time of each specific agreement was entered into pursuant to the Huachin Cobalt Products Supply Framework Agreement.

Details of the Huachin Cobalt Products Supply Framework Agreement were disclosed in the announcement of the Company on 4 November 2022.

During the year ended 31 December 2023, the Company did not sell nor procure its subsidiaries to sell any cobalt products to Huachin Group. The annual cap for the same period was US$23,400,000.

Huachin is wholly-owned by Mr. Ho Lun Ng, who is the son of Mr. Siu Kam Ng. Mr. Ho Lun Ng is thus an associate of Mr. Siu Kam Ng, Mr. Siu Kam Ng is a director of Huachin Leach and CNMC Huachin Mabende, each a subsidiary of the Company, and indirectly owns 32.5% and 33.25% equity interests in Huachin Leach and CNMC Huachin Mabende, respectively. Therefore, Mr. Siu Kam Ng is a connected person of the Company at the subsidiary level under the Listing Rules. Therefore, Huachin, being an associate of Mr. Siu Kam Ng, is also a connected person of the Company at the subsidiary level under the Listing Rules. Accordingly, the transactions contemplated under the Huachin Cobalt Products Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

9. **Financial Services Agreement**

On 22 December 2023, the Company entered into the Financial Services Agreement with CNMC Finance ("Financial Services Agreement"), pursuant to which CNMC Finance shall provide Deposit Services and Miscellaneous Financial Services to the Group's representative entities in mainland China for a term from 25 December 2023 to 24 December 2026.

The interest rate of the deposits for the Deposit Services provided by CNMC Finance was never lower than the interest rate for the same type of deposit announced by the People's Bank of China, or provided by major PRC commercial banks and/or other financial institutions for the same period, and was not lower than the interest rate for the same type of deposit CNMC Finance provided to CNMC Group for the same period. The fees charged by CNMC Finance for the provision of Miscellaneous Financial Services was based on the principles of fairness and reasonableness, complied with the fee standards stipulated by the People's Bank of China or the National Administration of Financial Regulation of the PRC for such type of services, and was not higher than the fees charged by major domestic commercial banks in the PRC for the same type of financial services for the same period and at the same amount under the same conditions, or the fees charged by CNMC Finance for the same type of financial services, whichever was lower.

CNMC indirectly owns an aggregate of 69.54% of the issued share capital of the Company through CNMD, CNMC Finance, being a subsidiary of CNMC, is therefore a connected person of the Company under Chapter 14A of the Listing Rules.

During the period from 25 December 2023 to 31 December 2023, the average daily deposit/the maximum daily deposit balance (including accrued interests) saved in CNMC Finance amounted to RMB69,604,000, and the expense for Miscellaneous Financial Services amounted to RMB Nil, which are below the annual cap amount of RMB250,000,000 and RMB10,000,000 respectively.

10. Continuing Connected Transactions under Rule 14A.60 of the Listing Rules

As at 30 March 2022, the Group and GCM have signed a series of agreements on mining rights, mine development and related assistance services (collectively, the "Transaction Agreements"), including:

(1) CNMC Huachin Mabende Mining Rights Agreement, commenced from 29 June 2019 to 29 June 2044, pursuant to which CNMC Huachin Mabende Mining SA ("CNMC Huachin Mabende") agreed to pay a royalty fee calculated on the basis of 2.5% of the annual turnover from the development of the Kipushi Mine, located in Haut-Katanga Province of the DRC, to GCM, and GCM in return shall license the related rights of the mining permit to CNMC Huachin Mabende.

(2) CNMC Huachin Leach Mining Rights Agreement, commenced from 18 July 2018 to 18 July 2043, pursuant to which GCM shall license the related rights of the mining permit in the Kambove Mine, located in Haut-Katanga Province of the DRC, to CNMC Huachin Leach. CNMC Huachin Leach agreed to pay a royalty fee calculated on the basis of 2.5% of the annual turnover from the development of this mine to GCM.

(3) Kambove Joint Venture Agreement and its Supplemental Agreements, commenced from 25 August 2016 and for the duration of Kambove Mining, pursuant to which GCM shall transfer the relevant mining rights and rights certificates of Kambove Mine to Kambove Mining, in consideration for the ore consumption in the Kambove Mine, Kambove Mining agreed to pay GCM a royalty fee calculated on the basis of 2.5% of the total turnover of Kambove Mining in each financial year.

(4) Kambove Mining Service Agreement, commenced from 12 December 2019 and for the duration of Kambove Mining, pursuant to the Kambove Mining Service Agreement, GCM shall provide general assistance and consulting services to Kambove Mining for its daily operating activities in Kambove Mine. Kambove Mining shall annually pay the following fees to GCM: (i) a fixed annual fee of US$2,000,000; and (ii) a supplementary annual fee of US$1,000,000. The supplementary annual fee will be only applicable to the period when the average price of copper per tonne is above US$6,200 at the London Metal Exchange.

As a local enterprise in DRC, GCM has unique professional advantages in local exploration, mining, subcontracting, procurement, human resources and other businesses in the DRC. The aforementioned Transaction Agreements concluded by the Group and GCM enabled GCM to exert its professional strengths and empowered the Group to consolidate and promote the further business development in the DRC. The Group were of the view that entering into the Transaction Agreements was commensurate with the operating and commercial objectives of the Group and in the overall interest of the Group. During the year ended 31 December 2023, the amount of annual fees that Kambove Mining has paid to GCM for provision of general assistance and consulting services required for Kambove Mining to carry out daily operating activities was US$3,000,000.

Details of the Transaction Agreements were disclosed in the announcement of the Company on 30 March 2022.

At 30 March 2022, GCM was a substantial shareholder of Kambove Mining. The related applicable percentage ratios of Kambove Mining as defined under Rule 14A.09 of the Listing Rules didn't exceed 5% for the financial year ended 31 December 2020 and didn't exceed 10% for each of the three consecutive financial years ended 31 December 2020. Therefore, Kambove Mining was an insignificant subsidiary of the Company under Rule 14A.09(1) of the Listing Rules, pursuant to which, GCM was not a connected person of the Company under Chapter 14A of the Listing Rules. Based on the annual results announcement for the financial year ended 31 December 2021 published by the Company on 30 March 2023, the related applicable percentage ratios of Kambove Mining as defined under Rule 14A.09 of the Listing Rules exceeded 5% for the financial year ended 31 December 2021, pursuant to which, Kambove Mining was no longer an insignificant subsidiary of the Company under Rule 14A.09(1) of the Listing Rules, and therefore, GCM has become a connected person of the Company at the subsidiary level under the Listing Rules. Considering GCM has become a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules, the continuing transactions proposed under the Transaction Agreements will constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Details of related party transactions of the Company for the year ended 31 December 2023 are set out in note 33 to the consolidated financial statements. Save for the related party transactions as set out in respect of remuneration of key management personnel, all the related party transactions set out in note 33 constitute connected transactions under Chapter 14A of the Listing Rules. The Company confirms that all such related party transactions complied with the applicable requirements under Chapter 14A of the Listing Rules.

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

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

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

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

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

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

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

d. with respect to the aggregate amount of each of the continuing connected transactions set out in the letter, nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have exceeded the annual cap in respect of each of the Disclosed Continuing Connected Transactions.

The auditor's letter has been provided to the Board of the Company.

NON-COMPETITION UNDERTAKING

As disclosed in the Prospectus, the independent non-executive Directors will review, on an annual basis, the compliance by CNMC and its associates with the Non-Competition Undertaking under the Deed of Non-Competition Undertaking, including whether to pursue any business opportunities which may be referred or offered to the Company by the Retained Group. The Company has received an annual confirmation from CNMC in respect of its compliance with the Non-Competition Undertaking. The independent non-executive Directors of the Company have reviewed the status of compliance of the Non-Competition Undertaking for the year ended 31 December 2023 and confirmed that all the undertakings under the Deed of Non-Competition Undertaking have been complied with by CNMC.

COMPLIANCE WITH PROVISIONS OF THE CORPORATE GOVERNANCE CODE

The Company had complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix C1 (former Appendix 14) of the Listing Rules during the year ended 31 December 2023.

SUFFICIENCY OF PUBLIC FLOATING

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained at least 25% of public float as at the Latest Practicable Date.

AUDIT COMMITTEE

The Company has an audit committee which was established with written terms of reference in compliance with Rule 3.22 of the Listing Rules and paragraph D.3 of Part 2 of the CG Code of Appendix C1 (former 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. As at the date of this report, the Audit Committee consists of three members, being Mr. Guangfu Gao (independent non-executive Director) , Mr. Yaoyu Tan (non-executive Director) and Mr. Huanfei Guan (independent non-executive Director). The chairman of the Audit Committee is Mr. Guangfu Gao. The Group's financial statements for the year ended 31 December 2023 have been reviewed by the Audit Committee, who was of the opinion that such statements complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures had been made.

Approved on behalf of the Board of Directors
He Yang
Chairman

28 March 2024

INDEPENDENT AUDITOR'S REPORT

To the shareholders of China Nonferrous Mining Corporation Limited
(Incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of China Nonferrous Mining Corporation Limited (the "Company") and its subsidiaries (the "Group") set out on pages 94 to 178, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER (continued)

Key audit matter	How our audit addressed the key audit matter

Impairment assessment on property, plant and equipment and mining rights

Refer to Notes 12 and 14 to the consolidated financial statements and the accounting policies in Note 2(i)(ii).

As at 31 December 2023, the Group's property, plant and equipment and mining rights had a total carrying value of USD1,617,602,000.

In accordance with the prevailing accounting standards, management performs assessment at the end of the reporting period to determine whether there is any indication that these assets may be impaired. When indications of impairment exist, an impairment assessment should be performed accordingly. An asset is impaired when its recoverable amount, or the recoverable amount of the cash generating unit (CGU) to which it belongs, is less than its carrying amount. Or conversely, an impairment loss recognised in prior periods for an asset, other than goodwill, shall be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

When assessing the recoverable amounts based on value in use, management is required to make a number of judgemental assumptions in their calculations, particularly relating to the discount rates, the underlying cash flows forecasts based on sales growth rates, future copper price, future capital expenditure, future operating costs. Any changes in management's judgement may impact the results of the impairment assessment.

Our procedures to assess management's impairment assessment of property, plant and equipment and mining rights included:

- obtaining an understanding of and assessing the design, implementation of key internal controls relating to impairment assessment, understanding of the Group's procedures to identify impairment indicators of these assets and evaluating management's identification of impairment indicators, if any, based on the internal sources and external sources of information;

- assessing the appropriateness of the valuation methodology used with reference to the requirements of the prevailing accounting standards;

KEY AUDIT MATTER (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on property, plant and equipment and mining rights (continued) *Refer to Notes 12 and 14 to the consolidated financial statements and the accounting policies in Note 2(i)(ii). (continued)* As set out in Note 12 to the consolidated financial statements, management concluded no further impairment provisions or reversals of impairment provisions previously made for property, plant and equipment and mining rights for the year ended 31 December 2023. We identified impairment assessment on property, plant and equipment and mining rights as a key audit matter because of the significant judgement made by management in determining the recoverable amounts of the assets and considering the possibility of management bias in the selection of assumptions adopted.	• evaluating whether the significant judgements and estimates, such as sales growth rates, future copper price, future capital expenditure, future operating costs and discount rates used in management's calculation of value-in-use are reasonable based on our knowledge of the business and industry; • engaging our internal valuation specialists to assist us in evaluating whether the discount rates applied in the value-in-use calculations were within the range adopted by other companies in the same industry; • evaluating the historical accuracy of management's forecasts by comparing cash flow forecasts made in previous period to the actual results in the current year on a sample basis; • evaluating the sensitivity analysis on key assumptions performed by management and considering the resulting impact on the impairment assessment for the year and whether there were any indicators of management bias; and • assessing the reasonableness of the disclosures in the consolidated financial statements in respect of management's impairment assessment with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chu Man Wai.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	**2023** ***US$'000***	2022 *US$'000* (Restated)
Revenue	4	**3,606,421**	4,094,716
Cost of sales		**(2,728,963)**	(3,287,495)
Gross profit		**877,458**	807,221
Other income	5	**21,736**	11,912
Other gains and losses	6	**(89,629)**	(18,697)
Distribution and selling expenses		**(10,569)**	(39,763)
Administrative expenses		**(199,118)**	(167,445)
Other expenses		**(8,462)**	(6,802)
Profit from operations		**591,416**	586,426
Finance costs	7(a)	**(32,796)**	(33,920)
Profit before taxation	7	**558,620**	552,506
Income tax	8	**(177,177)**	(167,367)
Profit and total comprehensive income for the year		**381,443**	385,139
Profit and total comprehensive income attributable to:			
Owners of the Company		**277,645**	266,270
Non-controlling interests		**103,798**	118,869
		381,443	385,139
Earnings per share	11		
– Basic and diluted (US cents per share)		**7.43**	7.12
– Basic and diluted (equivalent to approximately HK$ per share)		**0.58**	0.55

The notes on pages 101 to 178 form part of these financial statements. Details of dividends payable to owners of the Company attributable to the profit for the year are set out in Note 29(b).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	2023 US$'000	2022 US$'000 (Restated)
Non-current assets			
Property, plant and equipment	12	**1,518,121**	1,591,299
Right-of-use assets	13	**189**	5,543
Mining rights	14	**99,481**	115,062
Restricted bank balances	19	**1,505**	1,505
Deferred tax assets	28	**27,651**	10,286
Prepayments and other receivables	18	**44,784**	52,886
		1,691,731	1,776,581
Current assets			
Inventories	16	**861,271**	820,069
Trade receivables at amortised cost	17	**50,012**	39,897
Trade receivables at fair value through profit or loss ("FVTPL")	17	**367,565**	368,669
Prepayments and other receivables	18	**243,526**	250,229
Restricted bank balances	19	**3,044**	4,291
Time deposits	19	**110,000**	30,000
Cash and cash equivalents	19	**492,364**	732,923
		2,127,782	2,246,078
Total assets		**3,819,513**	4,022,659

The notes on pages 101 to 178 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2023

	Note	**2023** **US$'000**	2022 US$'000 (Restated)
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	29(c)	**740,119**	740,119
Reserves		**1,102,267**	931,214
Total equity attributable to equity shareholders of the Company		**1,842,386**	1,671,333
Non-controlling interests		**644,217**	672,251
Total equity		**2,486,603**	2,343,584
Non-current liabilities			
Deferred tax liabilities	28	**130,518**	137,568
Bank and other borrowings – due after one year	23	**–**	351,500
Lease liabilities	24	**–**	299
Deferred income	26	**11,672**	12,776
Provision for restoration, rehabilitation and environmental costs	27	**50,679**	53,119
		192,869	555,262
Current liabilities			
Trade and bills payables	20	**233,306**	265,172
Trade payables designated at FVTPL	20	**298,553**	289,691
Other payables and accrued expenses	21	**270,687**	224,738
Income tax payable		**151,652**	145,921
Bank and other borrowings	23	**177,486**	177,609
Lease liabilities	24	**191**	7,596
Contract liabilities	22	**2,854**	1,742
Financial liabilities	25	**5,312**	11,344
		1,140,041	1,123,813
Total liabilities		**1,332,910**	1,679,075
Total equity and liabilities		**3,819,513**	4,022,659

Approved and authorised for issue by the board of directors on 28 March 2024.

He Yang
Director

Yaoyu Tan
Director

The notes on pages 101 to 178 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Equity attributable to owners of the Company				
	Share capital *US$'000* *(Note 29(c))*	Retained profits *US$'000*	Total *US$'000*	Non-controlling interests *US$'000*	Total equity *US$'000*
Balance at 1 January 2022 as previously reported	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
Balance at 1 January 2022 (restated)	740,119	807,794	1,547,913	631,609	2,179,522
Changes in equity for 2022:					
Profit and total comprehensive income for the year (restated)	–	266,270	266,270	118,869	385,139
Dividends declared by subsidiaries	–	–	–	(78,227)	(78,227)
Dividends declared by the Company *(Note 29(b))*	–	(142,850)	(142,850)	–	(142,850)
Balance at 31 December 2022 (restated)	740,119	931,214	1,671,333	672,251	2,343,584

The notes on pages 101 to 178 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Year ended 31 December 2023

	Equity attributable to owners of the Company					
	Share capital *US$'000* *(Note 29(c))*	**Other reserve** *US$'000*	**Retained profits** *US$'000*	**Total** *US$'000*	**Non-controlling interests** *US$'000*	**Total equity** *US$'000*
Balance at 1 January 2023 (restated)	**740,119**	**–**	**931,214**	**1,671,333**	**672,251**	**2,343,584**
Changes in equity for 2023:						
Profit and total comprehensive income for the year	**–**	**–**	**277,645**	**277,645**	**103,798**	**381,443**
Disposal of interest to a non-controlling shareholder in a subsidiary *(Note 29(d))*	**–**	**(1,118)**	**–**	**(1,118)**	**1,118**	**–**
Dividends declared by subsidiaries	**–**	**–**	**–**	**–**	**(132,950)**	**(132,950)**
Dividends declared by the Company *(Note 29(b))*	**–**	**–**	**(105,474)**	**(105,474)**	**–**	**(105,474)**
Balance at 31 December 2023	**740,119**	**(1,118)**	**1,103,385**	**1,842,386**	**644,217**	**2,486,603**

The notes on pages 101 to 178 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2023

	Note	**2023** **US$'000**	2022 US$'000
Operating activities			
Profit before tax		**558,620**	552,506
Adjustments for:			
Finance costs	7(a)	**32,796**	33,920
Interest income	5	**(10,879)**	(5,482)
Depreciation of property, plant and equipment		**191,304**	217,958
Depreciation of right-of-use assets	7(c)	**5,354**	5,255
Amortisation of mining rights		**14,564**	14,085
Impairment losses, net of reversal:			
– input value added tax ("VAT") receivables	6	**22,879**	21,551
– financial assets under expected credit loss ("ECL") model	6	**7,603**	(124)
Losses on disposal of property, plant and equipment, net	6	**67**	241
Losses/(gains) arising on fair value change of financial assets/liabilities at FVTPL	7(c)	**8,771**	(20,585)
Losses on impairment of property, plant and equipment	6	**–**	5,676
Write-down of inventories to net realisable value	7(c)	**8,376**	4,491
Release of premium for electricity supply		**1,771**	1,772
Deferred income recognised		**(1,104)**	(1,164)
Foreign exchange losses		**1,058**	1,641
Operating cash flows before movements in working capital		**841,180**	831,741
(Increase)/decrease in inventories		**(35,201)**	41,351
Increase in trade and other receivables and prepayments		**(14,547)**	(51,986)
(Decrease)/increase in trade and other payables and accrued expenses		**(7,405)**	125,828
Increase/(decrease) in contract liabilities		**1,112**	(7,327)
Cash generated from operations		**785,139**	939,607
Income tax paid		**(195,861)**	(157,085)
Net cash generated from operating activities		**589,278**	782,522

The notes on pages 101 to 178 form part of these financial statements.

Year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Investing activities			
Interest received		**10,879**	5,482
Proceeds from disposal of property, plant and equipment		**2,631**	–
Purchases of property, plant and equipment		**(157,021)**	(50,142)
Placement of restricted bank balances		**(607)**	(1,045)
Increase in time deposits		**(80,000)**	(30,000)
Net cash used in investing activities		**(224,118)**	(75,705)
Financing activities			
Dividends paid to shareholders of the Company	29(b)	**(105,455)**	(142,850)
Dividends paid to non-controlling shareholders		**(108,547)**	(53,281)
Interest paid		**(31,118)**	(31,516)
Repayments of bank and other borrowings		**(401,500)**	(594,133)
Repayments of lease liabilities	19(b)	**(8,041)**	(7,219)
New bank and other borrowings		**50,000**	250,000
Net cash used in financing activities		**(604,661)**	(578,999)
Net (decrease)/increase in cash and cash equivalents		**(239,501)**	127,818
Cash and cash equivalents at 1 January		**732,923**	606,746
Effect of foreign exchange rate changes		**(1,058)**	(1,641)
Cash and cash equivalents at 31 December	19(a)	**492,364**	732,923

The notes on pages 101 to 178 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

China Nonferrous Mining Corporation Limited (the "Company") was incorporated in Hong Kong on 18 July 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited. In the opinion of the directors of the Company (the "Directors"), the Company's immediate holding company is China Nonferrous Mining Development Limited, a private company incorporated in the British Virgin Islands and the Company's ultimate holding company is China Nonferrous Metal Mining (Group) Co., Ltd. ("CNMC"), an enterprise established in the People's Republic of China (the "PRC") and wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council. The registered office of the Company is located Unit 1303, 13/F, Austin Tower, 22-26 Austin Avenue, Tsimshatsui, Kowloon, Hong Kong, and its principal places of business are located at 32 Enos Chomba Road, Kitwe, the Republic of Zambia ("Zambia") and Bloc B-Luano City-Route Aeroport Commune Annexe Lubumbashi, the Democratic Republic of Congo ("DRC").

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in exploration, mining, ore processing, leaching, smelting and sale of copper cathodes, blister copper and copper anodes, and production and sale of cobalt hydroxide, sulphuric acid and liquid sulphur dioxide. The activities of the subsidiaries of the Company are set out in Note 15.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries (the "Group"). The consolidated financial statements of the Group are presented in United States dollars ("US$"), which is also the functional currency of the Company. And all values are rounded to the nearest thousand except when otherwise indicated.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Trade receivables and trade payables under provisional priced sales arrangements (see notes 2(e), 2(m) and 2(o)); and
- derivative financial instruments (see note 2(e)).

2 MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Changes in accounting policies

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

HKFRS 17, Insurance contracts

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of HKFRS 17.

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

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.

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (continued)

(i) Impact on the consolidated statement of financial position:

		Impact on application of Amendments to HKAS 12 Increase/(decrease)		
	Note	**At 31 December 2023** ***USD'000***	At 31 December 2022 *USD'000*	At 1 January 2022 *USD'000*
Deferred tax assets	(i)	**1,758**	1,643	2,116
Total non-current assets		**1,758**	1,643	2,116
Deferred tax liabilities	(i)	**(8,501)**	(9,005)	(5,522)
Total non-current liabilities		**(8,501)**	(9,005)	(5,522)
Net assets		**10,259**	10,648	7,638
Retained profits		**7,789**	8,287	5,711
Total equity attributable to owners of the Company		**7,789**	8,287	5,711
Non-controlling interests		**2,470**	2,361	1,927
Total equity		**10,259**	10,648	7,638

Note:

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

2 MATERIAL ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Amendments to HKAS 12, Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (continued)

(ii) Impact on the consolidated statement of profit or loss and other comprehensive income:

	Impact on application of Amendments to HKAS 12 Increase/(decrease)	
	2023	2022
	USD'000	*USD'000*
Income tax	**389**	(3,010)
(Loss)/profit and total comprehensive income for the year	**(389)**	3,010
Equity shareholders of the Company	**(498)**	2,576
Non-controlling interests	**109**	434
(Loss)/profit and total comprehensive income for the year	**(389)**	3,010
Earnings per share		
– Basic and diluted (US cents per share)	**(0.02)**	0.07
– Basic and diluted (equivalent to approximately HK$ per share)	**–**	–

The adoption of amendments to HKAS 12 did not have any impact on consolidated cash flow statements for the years ended 31 December 2023 and 2022.

Amendments to HKAS 12, Income taxes: International tax reform – Pillar Two model rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. The accounting policy note on income tax in Note 2(r) and disclosures on Pillar Two income taxes in Note 8(c) have been updated accordingly.

2 MATERIAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. NCI in the results of the Group are presented on the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the owners of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with Note 2(o).

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2 MATERIAL ACCOUNTING POLICIES (continued)

(e) Derivative financial instruments

The Group holds derivative financial instruments to manage its commodity price risk exposures. The Group's derivative financial instruments mainly include copper future contracts (mainly standardised copper cathode future contracts in London Metal Exchange ("LME")) and those embedded in provisional price arrangements.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in profit or loss ("FVTPL").

Provisional price arrangements are initially measured at fair value. Subsequently, they are measured at FVTPL. (see Note 2(m) and Note 2(o)).

(f) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(i)(ii)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(h)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

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

Mining properties in the course of development or construction are included in construction in progress and are not depreciated. Capitalised mining properties costs are depreciated once commercial production commences, as described in mining properties below.

2 MATERIAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

The estimated useful lives for the current and comparative periods for other property, plant and equipment (other than construction in progress) are as follows:

	Estimated useful lives
Land and buildings	10-30 years
Machinery and equipment	3-10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Mining properties

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

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

Mining properties, except for stripping activity assets related to capitalised stripping costs incurred during the production phase, are depreciated on the UOP method utilising only proven and probable coal reserves in the depletion base. Stripping activity assets related to stripping costs incurred during the production phase are depreciated using the UOP basis over the proven and probable copper reserves of the component to which they relate.

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

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

2 MATERIAL ACCOUNTING POLICIES (continued)

(g) Mining rights

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

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

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

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 MATERIAL ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

(i) As a lessee (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value;
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value (see Note 2(f)); and
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value (see Note 2(j)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

2 MATERIAL ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

(i) As a lessee (continued)

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the leases.

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL" s) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables measured at amortised cost, other receivables, deposits in futures margin accounts, restricted bank balances, bank deposit and bank balances);

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

– fixed-rate financial assets, trade receivables, deposits and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

– variable-rate financial assets: current effective interest rate.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables measured at amortised cost are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except FVOCI (with recycling) financial assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment on property, plant and equipment, right-of-use assets and mining rights

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and mining rights to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU" s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but not to an amount exceeding the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(j) Inventories and other contract costs

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Costs of inventories are determined on the following bases:

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

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

2 MATERIAL ACCOUNTING POLICIES (continued)

(j) Inventories and other contract costs (continued)

(i) Inventories (continued)

Net realisable value represents the estimated selling price less any estimated costs of completion and costs to be incurred in selling the property.

(k) Environmental rehabilitation

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

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

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(t)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Financial assets that do not meet the criteria for being measured at amortised cost or fair value to other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Trade receivables under provisional priced sales arrangements are measured at FVTPL. Considering that the contractual cash flows of trade receivables vary depending on the market price at the date of final settlement, and do not give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss and is included in the "other gains and losses" line item.

2 MATERIAL ACCOUNTING POLICIES (continued)

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL (see Note 2(i)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost or at FVTPL.

Trade payables other than those designated at FVTPL and other payables are subsequently measured at amortised cost, using the effective interest method.

It forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

Trade payables arising from provisional pricing arrangements of copper concentrates purchase 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 contract by contract basis.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(v).

(q) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

2 MATERIAL ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

(ii) Retirement benefit costs

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

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

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

– taxable temporary differences arising on the initial recognition of goodwill; and

– those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its leases and decommissioning obligations;

2 MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, including the sale of products that are sourced externally. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

2 MATERIAL ACCOUNTING POLICIES (continued)

(t) Revenue and other income (continued)

(i) Sale of goods (continued)

Revenue from the sale of goods is recognised when control of the goods has transferred based on the terms of the sale contracts. In most cases, the control of goods has transferred upon delivery when the goods have been shipped at the Group's premises. In some other cases, the control of goods has transferred upon delivery at specific destination ports.

The Group sells copper products under provisional pricing arrangements where final grades of copper, gold, silver and cobalt in copper products are agreed based on third-party examination and final prices are set at a specified date based on market prices. Revenues are recognised using forward prices for the expected date of final settlement. The period between revenue recognition and final settlement is within one to three months. The contractual cash flows of trade receivable 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.

(ii) Services income

Revenue from the rendering of copper products processing service is recognised when control of the completed processing copper products has transferred based on the terms of the service contracts.

(iii) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2 MATERIAL ACCOUNTING POLICIES (continued)

(u) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2 MATERIAL ACCOUNTING POLICIES (continued)

(w) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies: (continued)

(viii) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 2, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

(a) Impairment assessment of property, plant and equipment and mining rights

Property, plant and equipment and mining rights are stated at costs less accumulated depreciation or amortisation and impairment loss, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (i) whether an event has occurred or any indicators that may affect the asset value; (ii) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (iii) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets are allocated, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimations, including the discount rate or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(a) Impairment assessment of property, plant and equipment and mining rights (continued)

An impairment loss of Nil in respect of property, plant and equipment has been recognised. Details of the impairment test of property, plant and equipment and mining rights are disclosed in Notes 12 and 14.

(b) Depreciation of mining properties

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

(c) Restoration, rehabilitation and environmental costs

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

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

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

(d) Income taxes

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

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(d) Income taxes (continued)

Deferred tax assets are recognised only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment. In addition, the applicable tax rate used in recognising deferred tax assets is determined by the forecast proportion of assessable income against gross sales and the timing of the usage of tax losses when the entity was granted income tax incentives.

In 2018, the parliament of the DRC adopted a new mining code (the "2018 Mining Code") introducing wide-ranging reforms including the introduction of higher royalties, a new Super Profits Tax regime and further regulatory controls. In accordance with the 2018 Mining Code, should a single product meet the threshold condition that its average effective selling price within one accounting year rises over 25% more than its average selling price in such year as predicated in its project economic feasibility study report (the "Feasibility Report"), excess profit taxes is imposed on a tax base that is the difference between the earnings before interest, taxes, depreciation and amortisation (the "EBITDA") of the product and the predicted amount in the Feasibility Report in such accounting year with applicable tax rate at 50% with effect from 8 June 2018. The Directors have taken the view that the average selling prices in 2022 were not 25% more than those in the Feasibility Report, thus, no Super Profits Tax was recognised in the consolidated financial statements for the year ended 31 December 2023 (2022: Nil).

However, there is limited guidance in relation to the implementation of certain parts of the 2018 Mining Code; and the Directors' interpretation of the 2018 Mining Code may be subject to future changes following the publication of relevant implementation guidance on those impacted areas, which are currently uncertain.

(e) Impairment for input VAT receivables

In assessing the recoverable amount of input VAT receivables, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows.

4 REVENUE AND SEGMENT REPORTING

The Group's operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors (the "Board"), being the chief operating decision maker (the "CODM"), in order to allocate resources to the segments and to assess their performance.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on the types of goods produced. The Group's operating and reportable segments in current year under HKFRS 8 Operating Segments are as follows:

- Leaching – Production and sale of copper cathodes and cobalt hydroxide (including exploration and mining of oxide copper mines) which are produced using the solvent extraction electrowinning technology; and production and sale of sulphur-burning sulphuric acid.

- Smelting – Production and sale of blister copper and copper anodes (including exploration and mining of sulphuric copper mines), sulphuric acid and liquid sulphur dioxide which are produced using ISA smelting technology. Sulphuric acid and liquid sulphur dioxide are by-products in the production of blister copper and copper anodes. Copper products processing services are also rendered using ISA smelting technology.

No operating segments have been aggregated to form the following reportable segments.

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and by the timing of revenue recognition is as follows:

	2023	
	Leaching *US$'000*	**Smelting** *US$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of goods to external customers		
– Copper cathodes	**1,074,269**	**–**
– Blister copper and copper anodes	**–**	**2,220,190**
– Sulphuric acid	**1,923**	**210,341**
– Liquid sulphur dioxide	**–**	**10,874**
– Cobalt contained in cobalt hydroxide	**14,985**	**–**
Copper products processing services	**9,678**	**64,161**
Total	**1,100,855**	**2,505,566**
Disaggregated by timing of revenue recognition		
Point in time	**1,100,855**	**2,505,566**

4 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

	2022	
	Leaching *US$'000*	Smelting *US$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of goods to external customers		
– Copper cathodes	1,155,328	–
– Blister copper and copper anodes	–	2,622,744
– Sulphuric acid	7,337	204,784
– Liquid sulphur dioxide	–	22,979
– Cobalt contained in cobalt hydroxide	44,687	–
Copper products processing services	3,558	33,299
Total	1,210,910	2,883,806
Disaggregated by timing of revenue recognition		
Point in time	1,210,910	2,883,806

Disaggregation of revenue from contracts with customers by geographic markets which is based on the destination of shipment is as follows:

	2023 ***US$'000***	2022 *US$'000*
Disaggregated by geographical location of customers		
Mainland China	**1,824,541**	2,661,616
Switzerland	**681,465**	588,952
Singapore	**205,929**	198,664
Hong Kong	**558,255**	210,675
Africa	**296,977**	432,759
Belgium	**39,254**	–
Luxemburg	**–**	2,050
	1,781,880	1,433,100
Total	**3,606,421**	4,094,716

4 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Revenue from customers of the years ended 31 December 2023 and 2022 contributing over 10% of the total revenue of the Group are as follows.

	2023	2022
	US$'000	*US$'000*
Customer A		
– Leaching	**774,579**	807,578
– Smelting	**1,061,545**	1,143,686
	1,836,124	1,951,264
Customer B		
– Smelting	**707,618**	800,796

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

Performance obligations for contracts with customers

The Group sells copper product, sulphuric acid, liquid sulphur dioxide and cobalt hydroxide and renders copper product processing services to customers, and revenue is recognised when control of the goods or services has transferred based on the terms of relevant contracts. In most cases, the control of goods has transferred upon delivery when the goods have been shipped at the Group's premises. In some other cases, the control of goods has transferred upon delivery at specific destination ports. Revenue from the rendering of copper product processing service is recognised when control of the completed processing copper product has transferred based on the terms of the service contracts. The Group normally requires prepayments from certain customers before the dispatch of goods with the remainder to be settled not exceeding one month upon issuance of sales invoice.

All sales are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting

(i) Segment results, assets and liabilities

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

	2023		
	Leaching *US$'000*	**Smelting** *US$'000*	**Total** *US$'000*
Revenue from external sales	1,100,855	2,505,566	3,606,421
Inter-segment sales	–	53,186	53,186
	1,100,855	2,558,752	3,659,607
Elimination			(53,186)
Revenue from external customers			3,606,421
Reportable segment profit	180,089	215,512	395,601
Unallocated income *(Note (i))*			3,073
Unallocated expenses *(Note (ii))*			(17,231)
Profit for the year			381,443

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

	2022		
	Leaching *US$'000*	Smelting *US$'000*	Total *US$'000* (Restated)
Revenue from external sales	1,210,910	2,883,806	4,094,716
Inter-segment sales	–	57,587	57,587
	1,210,910	2,941,393	4,152,303
Elimination			(57,587)
Revenue from external customers			4,094,716
Reportable segment profit	212,836	191,834	404,670
Unallocated income *(Note (i))*			600
Unallocated expenses *(Note (ii))*			(20,131)
Profit for the year			385,139

Notes:

(i) The unallocated income mainly represents the interest income arising from the bank deposits and bank balances of (1) the Company, (2) China Nonferrous Mining Holdings Limited ("CNMH"), a directly wholly-owned subsidiary of the Company which directly holds the Group's shareholdings in the subsidiaries in Zambia, (3) China Nonferrous Mining Hong Kong Holdings Limited ("CNMHK"), a directly non-wholly-owned subsidiary of the Company which directly holds the Group's shareholdings in three subsidiaries in DRC, and (iv) 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 other three subsidiaries in DRC (collectively referred to as the "Holding Companies").

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

Inter-segment sales are charged at prevailing market rates.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

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

	2023	2022
	US$'000	*US$'000*
		(Restated)
Segment assets		
Leaching	**1,124,397**	1,301,363
Smelting	**2,569,078**	2,626,613
Total segment assets	**3,693,475**	3,927,976
Unallocated assets *(Note (i))*	**134,507**	97,259
Elimination	**(8,469)**	(2,576)
Consolidated total assets	**3,819,513**	4,022,659

	2023	2022
	US$'000	*US$'000*
		(Restated)
Segment liabilities		
Leaching	**537,252**	490,282
Smelting	**745,484**	1,111,129
Total segment liabilities	**1,282,736**	1,601,411
Unallocated liabilities *(Note (i))*	**58,643**	80,240
Elimination	**(8,469)**	(2,576)
Consolidated total liabilities	**1,332,910**	1,679,075

Note:

(i) The unallocated assets and liabilities mainly represent those of the Holding Companies.

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

The following is an analysis of other information of profit and assets by reportable and operating segments:

	2023			
	Leaching *US$'000*	**Smelting** *US$'000*	**Unallocated** *US$'000*	**Consolidated** *US$'000*
Addition to non-current assets *(Note (i))*	**66,316**	**70,534**	**3**	**136,853**
Depreciation of property, plant and equipment	**87,843**	**116,804**	**17**	**204,664**
Depreciation of right-of-use assets	**–**	**5,193**	**161**	**5,354**
Amortisation of mining rights	**15,581**	**–**	**–**	**15,581**
Write-down of inventories	**8,376**	**–**	**–**	**8,376**
Interest income *(Note (ii))*	**1,793**	**6,013**	**3,073**	**10,879**
Finance costs	**2,547**	**28,448**	**–**	**30,995**
(Losses)/gains arising on change in fair value of				
– financial liabilities at FVTPL	**(4,807)**	**(10,477)**	**–**	**(15,284)**
– trade receivables at FVTPL	**3,794**	**8,732**	**–**	**12,526**
– trade payables at FVTPL	**–**	**(6,013)**	**–**	**(6,013)**
Income tax expense	**90,908**	**74,674**	**11,595**	**177,177**

4 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

	2022			
	Leaching *US$'000* (Restated)	Smelting *US$'000* (Restated)	Unallocated *US$'000* (Restated)	Consolidated *US$'000* (Restated)
Addition to non-current assets *(Note (i))*	40,922	85,097	460	126,479
Depreciation of property, plant and equipment	121,245	113,254	–	234,499
Depreciation of right-of-use assets	–	5,103	152	5,255
Amortisation of mining rights	15,154	–	–	15,154
Write-down of inventories	–	4,491	–	4,491
Impairment of property, plant and equipment	1,046	4,630	–	5,676
Interest income *(Note (ii))*	760	4,122	600	5,482
Finance costs	1,008	32,894	18	33,920
(Losses)/gains arising on change in fair value of				
– financial liabilities at FVTPL	7,710	13,624	–	21,334
– trade receivables at FVTPL	(51,156)	(61,048)	–	(112,204)
– trade payables at FVTPL	2,738	108,717	–	111,455
Income tax expense	96,207	58,077	13,083	167,367

Notes:

(i) Non-current assets exclude financial instruments, input VAT receivables and deferred tax assets.

(ii) Unallocated interest income represents interest income earned from bank balances of the Holding Companies.

5 OTHER INCOME

	2023 US$'000	2022 US$'000
Interest income	**10,879**	5,482
Government grants	**1,336**	1,164
Net income from sale of spare parts and other materials	**6,275**	3,577
Others	**3,246**	1,689
	21,736	11,912

6 OTHER GAINS AND LOSSES

	2023 US$'000	2022 US$'000
Losses on disposal of property, plant and equipment, net	**(67)**	(241)
Impairment losses (recognised)/reversed in respect of		
– input VAT receivables *(Note 18)*	**(22,879)**	(21,551)
– financial assets under ECL	**(7,603)**	124
– property, plant and equipment *(Note 12)*	**–**	(5,676)
Foreign exchange losses, net	**(50,309)**	(11,938)
(Losses)/gains from changes in fair value of financial liabilities/ assets at FVTPL		
– financial liabilities at FVTPL	**(15,284)**	21,334
– trade receivables at FVTPL	**12,526**	(112,204)
– trade payables at FVTPL	**(6,013)**	111,455
	(89,629)	(18,697)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	2023 US$'000	2022 US$'000
Interest on bank and other borrowings	**30,995**	32,400
Interest on lease liabilities	**337**	363
Unwinding of the discount *(Note 27)*	**1,464**	1,157
	32,796	33,920

No borrowing costs have been capitalised for the years ended 31 December 2023 and 2022.

7 PROFIT BEFORE TAXATION (continued)

(b) Staff costs:

	2023 US$'000	2022 US$'000
Salaries, wages and other benefits	**121,199**	111,513
Contributions to defined contribution retirement plans	**8,908**	8,830
	130,107	120,343

Note:

Staff costs is excluding Directors' remuneration as disclosed in Note 9.

(c) Other items

	2023 US$'000	2022 US$'000
Depreciation of property, plant and equipment *(Note 12)*	**204,664**	234,499
Depreciation of right-of-use assets *(Note 13)*	**5,354**	5,255
Amortisation cost of mining rights *(Note 14)*	**15,581**	15,154
Total amortisation and depreciation	**225,599**	254,908
Impairment of inventories	**8,376**	4,491
Impairment of property, plant and equipment	**–**	5,676
Impairment losses, net of reversal		
– input VAT receivables	**22,879**	21,551
– financial assets under ECL	**7,603**	(124)
Fair value losses/(gains), net	**8,771**	(20,585)
Foreign exchange differences, net	**50,309**	11,938
Interest income	**(10,879)**	(5,482)
Losses on disposal of items of property, plant and equipment	**67**	241
Lease payments not included in the measurement of lease liabilities	**255**	63
Auditor's remuneration	**890**	984
Cost of inventories	**2,688,073**	3,259,716
Cost of service recognised as an expense	**46,230**	27,779

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2023	2022
	US$'000	*US$'000*
		(Restated)
Current tax:		
– Income tax in Hong Kong	**2,021**	–
– Income tax in The Republic of Ireland ("Ireland")	**2,457**	2,880
– Income tax in DRC	**43,803**	56,055
– Income tax in Zambia	**153,311**	101,783
	201,592	160,718
Deferred tax:		
– Current year	**(24,415)**	6,649
	177,177	167,367

Income tax in Hong Kong is calculated at 16.5% (2022: 16.5%) on the estimated taxable income.

On 1 January 2023, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 came into effect. This legislation has introduced a new "foreign-sourced income exemption" (FSIE) regime in the Hong Kong. Before the new FSIE regime, the interest income, dividend income, disposal gain from the sale of equity interests in an entity and intellectual property income had been non-taxable for Hong Kong Profits Tax purposes if sourced offshore. Under the new FSIE regime, with certain exceptions, such income is no longer exempt when received by an entity that carries out a trade, profession or business in the Hong Kong.

Subsidiaries in Hong Kong had met the participation exemption for dividend income and disposal gain from the sale of equity interests in an entity if sources off-shore, and these off-shore income had been non-taxable for Hong Kong Profits.

Income tax for trading income in Ireland is calculated at 12.5% (2022: 12.5%) on the estimated taxable income. Income tax for non-trading income in Ireland is calculated at 25.0% (2022: 25.0%) on the estimated taxable income.

Income tax in DRC is calculated at 30% (2022: 30%) on the estimated taxable income when 30% of the taxable income exceeds 1% of gross sales, and calculated at 1% (2022: 1%) of gross sales when 30% of the taxable income does not exceeds 1% of gross sales.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(a) Income tax in the consolidated statement of profit or loss represents: (continued)

In accordance with the 2018 Mining Code of DRC ("Mining Code") with effect from 8 June 2018, should a single product meet the threshold condition that its average effective selling price within one accounting year rises over 25% more than its average selling price in such year as predicated in the Feasibility Report, excess profit taxes is imposed on a tax base being the difference between the EBITDA of the product and the predicted amount in the Feasibility Report in that accounting year with applicable tax rate of 50%.

Pursuant to "An Act to amend the Income Tax Act, 2021" enacted by the parliament of Zambia on 29 December 2021, the income tax rate of Zambia changes from 35% to 30% and non-deductible mineral royalty expense under the Mines and Minerals Development Act, 2015 becomes deductible.

Income tax in Zambia is calculated at 30% (2022: 30%) on the estimated taxable income.

The Group enjoyed the following income tax incentives:

- Certain phase of production facilities of CCS (the "Phase") is eligible for the tax exemption for the first five profitable years; 50% income tax relief for the next three years thereafter; and 25% of income tax relief for the next two years thereafter. For the year ended 31 December 2023, it was the first year of the 25% income tax relief that the Group enjoyed regarding the phase (2022: 50%).

- Lualaba Copper Smelter SAS ("Lualaba Copper Smelter"), a non-wholly-owned subsidiary of the Company located in DRC, is eligible for a 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 sulphuric acid, which also depends on the remaining investments in blister copper and sulphuric acid.

The actual applicable tax rate of CCS was 26.6% during the current year (2022: 23.3%).

According to the Convention between the Republic of Zambia and Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Tax on, which is effective on 1 January 2016, certain dividend paid by a company which is a resident of Zambia to a resident of Ireland may be taxed in Zambia according to tax law of Zambia, but for a beneficial owner of the dividends which is a resident of Ireland, the tax so charged shall not exceed 7.5% of the gross amount of the dividends in Zambia. Therefore, certain dividend income of CNMH from CCS was subject to withholding tax in Zambia at tax rate of 7.5% (2022: 7.5%) and certain dividend income of CNMH from Luanshya, NFCA and SML which are mining operations was under withholding tax relief for both years.

Certain dividend income of CNMHK and CNMHKI from subsidiaries in DRC is subject to withholding tax at tax rate of 10% (2022: 10%).

At the end of the reporting period, a deferred tax liability of US$39,032,000 (2022: US$46,784,000) has been provided for temporary differences associated with undistributed earnings of these subsidiaries (see Note 28).

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2023 **US$'000**	2022 US$'000 (Restated)
Profit before taxation	**558,620**	552,506
Tax at income tax rate in Hong Kong – for operations at 16.5%	**19,155**	–
Tax at income tax rate in Ireland – for operations at 12.5%	**2,457**	2,880
Tax at income tax rate in DRC – for operations at 30%	**47,046**	45,508
Tax at income tax rates in Zambia – for operations at 30%	**120,285**	116,483
	188,943	164,871
Tax effect of expenses not deductible for tax purpose	**14,442**	6,546
Deferred and withholding tax on undistributed earnings	**(7,753)**	3,968
Effect of tax incentives granted to the Group	**(6,235)**	(14,371)
Tax effect of deductible temporary differences not recognised	**6,863**	6,465
Adjustments in respect of income tax of previous periods	**(739)**	(529)
Tax effect of income tax rate at 1% of gross sales	**–**	3,427
Offshore interest income not received in Hong Kong	**(18,344)**	–
Effect of adoption of amendments to HKAS 12	**–**	(3,010)
Income tax	**177,177**	167,367

(c) Pillar Two income taxes

The Group operates in Ireland, which has enacted new tax laws to implement the Pillar Two model rules published by the OECD. The new tax laws will take effect from 1 January 2024. When these laws take effect, the Group expects to be subject to a new top-up tax in Ireland in relation to its operations in Zambia, where the local statutory tax rate is lower than 15% or the additional tax deductions in connection with government support would result in an effective tax rate of lower than 15%. As the new tax laws are not yet effective, the Group does not recognise any current tax relating to the Pillar Two model rules for the year ended 31 December 2023.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(c) Pillar Two income taxes (continued)

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and would account for the tax as current tax when incurred (see Note 2(c)).

If the new tax laws had applied in Ireland in 2023, the profits relating to the Group's operations in Zambia would be subject to the corresponding Pillar Two income taxes. The Directors consider that there would not have significant impact on the Group's effective tax rate.

(d) Other taxes

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

The Group is subject to VAT at 16% (2022: 16%) on purchases and sales in Zambia and DRC whereas VAT is exempted on export, and relevant input VAT paid for purchases supported by valid VAT invoices could be refunded by the Zambia Revenue Authority and DRC to the extent where total input VAT paid on purchases exceeds total output VAT payable on domestic sales.

For both reporting periods, the mineral royalty rates are applicable for both open cast mining operations and underground mining operations in Zambia and DRC.

In Zambia, for the year ended 31 December 2022, the mineral royalty is charged at 5.5% when the norm price of copper is less than US$4,500 per tonne, 6.5% when the norm price of copper is US$4,500 per tonne or greater but less than US$6,000 per tonne, 7.5% when the norm price of copper is US$6,000 per tonne or greater but less than US$7,500 per tonne, 8.5% when the norm price of copper is US$7,500 per tonne or greater but less than US$9,000 per tonne and 10% when the norm price of copper is US$9,000 per tonne or greater. For the year ended 31 December 2023, the mineral royalty is based on progressive tax rates, charged at 4.0% when the norm price of copper is less than US$4,000 per tonne, 6.5% when the norm price of copper is US$4,000 per tonne or greater but less than US$5,000 per tonne, 8.5% when the norm price of copper is US$5,000 per tonne or greater but less than US$7,000 per tonne and 10% when the norm price of copper is US$7,000 per tonne or greater.

In DRC, the mineral royalty is charged at 3.5% (2022: 3.5%) for copper products.

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2023				
	Directors' fees US$'000	Salaries and other allowances US$'000	Discretionary performance bonus* US$'000	Retirement benefit scheme contributions US$'000	Total US$'000
Executive Director					
Mr. He Yang	–	–	–	–	–
Non-executive Directors					
Mr. Yaoyu Tan (iv)	–	–	–	–	–
Ms. Yani Gong (v)	–	–	–	–	–
Independent Non-executive Directors					
Mr. Dingfan Qiu	36	–	–	–	36
Mr. Jingwei Liu (vi)	36	–	–	–	36
Mr. Huanfei Guan	36	–	–	–	36
Mr. Guangfu Gao (vii)	–	–	–	–	–
	108	–	–	–	108

9 DIRECTORS' EMOLUMENTS (continued)

	2022				
	Directors' fees *US$'000*	Salaries and other allowances *US$'000*	Discretionary performance bonus* *US$'000*	Retirement benefit scheme contributions *US$'000*	Total *US$'000*
Executive Directors					
Mr. He Yang (i)	–	–	–	–	–
Mr. Jinjun Zhang (ii)	–	–	–	–	–
Mr. Chunlai Wang (iii)	–	–	103	–	103
Non-executive Director					
Mr. Yaoyu Tan (iv)	–	–	–	–	–
Independent Non-executive Directors					
Mr. Dingfan Qiu	36	–	–	–	36
Mr. Jingwei Liu	36	–	–	–	36
Mr. Huanfei Guan	36	–	–	–	36
	108	–	103	–	211

Notes:

(i) Mr. He Yang was appointed as an executive director of the Company, the chairman of the Board, and the chairman of the Compliance Committee with effect from 13 October 2022.

Mr. He Yang assumes the role as the head of the enterprise development department of CNMC and his emoluments for services rendered by him to the Group commencing from the date of appointment have been borne by CNMC.

(ii) Mr. Jinjun Zhang was appointed as the chairman of the Board with effect from 8 January 2021, and resigned as executive director of the Company, the chairman of the Board, and the chairman of the Compliance Committee with effect from 13 October 2022.

Mr. Jinjun Zhang assumes the role as a vice president in CNMC and his emoluments for services rendered by him to the Group commencing from the date of appointment have been borne by CNMC.

(iii) Mr. Chunlai Wang resigned as an executive director of the Company with effect from 11 April 2022.

(iv) Mr. Yaoyu Tan assumes a role in CNMC and his emoluments for services rendered by him to the Group commencing from the date of his appointment have been borne by CNMC.

(v) Ms. Yani Gong was appointed as a non-executive director of the Company with effect from 27 December 2023.

Ms. Yani Gong assumes a role in CNMC and his emoluments for services rendered by him to the Group commencing from the date of his appointment have been borne by CNMC.

(vi) Mr. Jingwei Liu resigned as an independent non-executive director of the Company with effect from 27 December 2023.

(vii) Mr. Guangfu Gao was appointed as an independent non-executive director of the Company with effect from 27 December 2023.

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

9 DIRECTORS' EMOLUMENTS (continued)

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

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

No Directors waived any emoluments in the year ended 31 December 2023 (2022: Nil).

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

There was no director who was the five highest paid employees of the Group during the year (2022: Nil). Details of the remuneration for the year of the five (2022: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023 ***US$'000***	2022 *US$'000*
Salaries, allowances and benefits in kind	**949**	653
Discretionary bonuses	**324**	584
Retirement scheme contributions	**83**	112
	1,356	1,349

The number of the highest paid employees who are neither directors nor chief executive of the Company whose remuneration fell within the following bands is as follows:

	2023 ***Number of employees***	2022 *Number of employees*
HK$1,500,001 to HK$2,000,000	**1**	2
HK$2,000,001 to HK$2,500,000	**4**	3

11 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the year ended 31 December 2023 is calculated based on the profit attributable to equity shareholders of the Company of US$277,645,000 (2022: US$266,270,000 (restated)) and the weighted average of 3,739,036,000 ordinary shares in issue during the year (2022: 3,739,036,000 ordinary shares).

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2023 and 2022. Hence, the diluted earnings per share is the same as basic earnings per share.

12 PROPERTY, PLANT AND EQUIPMENT

	Mining properties *US$'000*	Land and buildings *US$'000*	Machinery and equipment *US$'000*	Motor vehicles *US$'000*	Construction in progress *US$'000*	Total *US$'000*
Cost:						
At 1 January 2022	899,635	833,517	1,279,364	117,945	92,493	3,222,954
Additions	11,515	10,940	4,852	1,422	95,202	123,931
Transfer from construction in progress	34,490	65,352	17,474	–	(117,316)	–
Disposals	–	(92)	(1,745)	(878)	–	(2,715)
Other adjustments:						
– Provision for restoration, rehabilitation and environmental costs	15,970	–	–	–	–	15,970
– Others	–	–	–	–	(5,290)	(5,290)
At 31 December 2022	961,610	909,717	1,299,945	118,489	65,089	3,354,850
Additions	19,492	5,280	5,685	1,336	105,674	137,467
Transfer from construction in progress	34,524	26,296	17,561	2,412	(80,793)	
Disposals	–	–	(26,685)	(5,069)	–	(31,754)
Other adjustments:						
– Provision for restoration, rehabilitation and environmental costs	(3,283)	–	–	–	–	(3,283)
At 31 December 2023	**1,012,343**	**941,293**	**1,296,506**	**117,168**	**89,970**	**3,457,280**
Depreciation and impairment:						
At 1 January 2022	(400,575)	(310,431)	(729,422)	(85,422)	–	(1,525,850)
Depreciation	(78,222)	(52,208)	(90,160)	(13,909)	–	(234,499)
Impairment recognised	(2,687)	(1,484)	(1,182)	(323)	–	(5,676)
Disposals	–	76	1,521	877	–	2,474
At 31 December 2022	(481,484)	(364,047)	(819,243)	(98,777)	–	(1,763,551)
Depreciation	(47,951)	(54,098)	(88,757)	(13,858)	–	(204,664)
Disposals	–	–	24,118	4,938	–	29,056
At 31 December 2023	**(529,435)**	**(418,145)**	**(883,882)**	**(107,697)**	**–**	**(1,939,159)**
Carrying amount:						
At 31 December 2023	**482,908**	**523,148**	**412,624**	**9,471**	**89,970**	**1,518,121**
At 31 December 2022	480,126	545,670	480,702	19,712	65,089	1,591,299

12 PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2023, NFCA pledged to secure a self-guarantee of environmental protection fund amounting to US$10,329,000 (31 December 2022: US$10,329,000) with property, plant and equipment with a net carrying amount of US$9,619,000 (31 December 2022: US$10,078,000).

As at 31 December 2023, owing to the increasing copper price above management's expectation set out in the prior years, management identified the indicator of reversal of impairment loss recognised in prior years for NFCA's property, plant and equipment with a carrying amount of US$753,281,000. The Group performed an impairment assessment on NFCA's property, plant and equipment by determining the recoverable amount of the CGU to which NFCA's PPE were allocated ("NFCA CGU").

The recoverable amount of NFCA CGU has been determined based on the value in use of such CGU. The cash flows were determined based on cash flow projections which incorporate management's best estimates of mining plan, future copper prices, production cost and discount rates.

After the impairment assessment, the Directors determined no impairment loss reversal for NFCA CGU was needed as at 31 December 2023.

The significant estimation and inputs used in calculating the NFCA CGU's cash flows included future copper price as summarised below, a pre-tax discount rate of 25.21% (2022: 22.07%) per annum and mine reserves based on the most recent reserve report.

For the year ended 2023:

	2024-2028		
	2024 ***US$***	**Average** ***US$***	**Long-term** **average**
Copper price (per tonne)	**8,500**	**8,500**	**8,350**

For the year ended 2022:

	2023-2027		
	2023 *US$*	Average *US$*	Long-term average
Copper price (per tonne)	8,000	8,200	7,875

Future copper price has referred to the market estimation and the historical fluctuation of the copper price.

13 RIGHT-OF-USE ASSETS

	Leasehold properties US$'000
Carrying amount:	
At 1 January 2022	9,930
Additions	868
Charge for the year	(5,255)
At 31 December 2022	5,543
Charge for the year	(5,354)
At 31 December 2023	189

	2023 US$'000	2022 US$'000
Expense relating to short-term leases	**255**	63
Total cash outflow for leases	**8,041**	7,282

For both years, the Group leased properties for its operations. One lease contract is entered into for a fixed term of 4 years, and the other contracts are entered into for a fixed term of 3 years. In determining the lease terms and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

14 MINING RIGHTS

	Mining rights US$'000
Cost:	
At 1 January 2022, 31 December 2022 and 31 December 2023	**154,108**
Accumulated amortisation:	
At 1 January 2022	(23,892)
Charge for the year	(15,154)
At 31 December 2022	(39,046)
Charge for the year	(15,581)
At 31 December 2023	**(54,627)**
Net book value:	
At 31 December 2023	**99,481**
At 31 December 2022	115,062

15 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of subsidiary	Place of establishment/ incorporation and business	Particulars of registered/ issued and paid-up capital	Proportion of ownership interest			Principal activities
			The Group's effective interest	Held by the Company	Held by subsidiaries	
CNMH	Ireland	Euro171,152,002	**100%**	100%	–	Investment holding
CNMHK	Hong Kong	US$48,000,000	**70%**	70%	–	Investment holding
CNMHKI	Hong Kong	US$20,000	**100%**	100%	–	Investment holding
NFCA	Zambia	US$9,000,001	**85%**	–	85%	Exploration and mining of copper and production of copper concentrates
CCS	Zambia	US$2,000	**60%**	–	60%	Production and sale of blister copper and copper anodes, copper-cobalt alloy and sulphuric acid
SML *(Note (i))*	Zambia	US$1,000	**67.75%**	–	55% and 15%	Production and sale of copper cathodes
Luanshya	Zambia	US$10,000,001	**80%**	–	80%	Exploration and mining of copper and production of copper concentrates and copper cathodes
Huachin Metal Leach SA	DRC	US$10,000,000	**43.75%**	–	62.5%	Production and sale of copper cathodes
CNMC Huachin Mabende Mining SA ("CHM") *(Note (ii))*	DRC	US$10,000,000	**42% or 39.9%**	–	60% or 57%	Production and sale of copper cathodes
CCS Chinda Trade & Investment SARL	DRC	US$2,000	**60%**	–	100%	Sale of sulphuric acid
Sylver Back Resources SARL	DRC	CDF717,005,314	**39.9%**	–	95%	Exploration and mining of copper
Lualaba Copper Smelter SAS ("LCS")	DRC	US$20,000	**57%**	–	57%	Production and sale of blister copper and sulphuric acid
Kambove Mining SAS	DRC	CDF14,000,000	**55%**	–	55%	Exploration and mining of copper and production of copper concentrates
Kingsail Limited	Hong Kong and Zambia	HK$10,000	**60%**	–	60%	Sale of copper cathodes and copper Concentrates
CNMC Congo Luano Mining SASU	DRC	US$10,000	**70%**	–	100%	Production and sale of copper cathodes

Notes:

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

(ii) In October 2023, CNMHK and other shareholders of CHM transferred 3% and 2% of equity interests of CHM to government of DRC at Nil consideration for fulfill Mining Code.

15 INVESTMENTS IN SUBSIDIARIES (continued)

Details of non-wholly owned subsidiaries that have material NCI.

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

Name of company	Place/country of operations and principal place of activities	Percentage of equity interest held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	***US$'000***	*US$'000*	***US$'000***	*US$'000*
					(Restated)		(Restated)
CCS	Zambia	**40**	40	**22,846**	38,155	**296,633**	293,787
CHM	DRC	**58 or 60.1**	58	**21,068**	23,698	**29,117**	101,326
Subsidiaries with individually immaterial non-controlling interests						**318,467**	277,138
						644,217	672,251

15 INVESTMENTS IN SUBSIDIARIES (continued)

The following table lists out the information relating to CCS and CHM, subsidiaries of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

	CCS	
	2023	2022
	USD'000	*USD'000*
		(Restated)
Current assets	**854,731**	822,725
Non-current assets	**168,020**	164,113
Current liabilities	**(288,782)**	(258,548)
Non-current liabilities	**(2,667)**	(4,104)
Equity attributable to owners of the Company	**434,669**	430,399
Non-controlling interests	**296,633**	293,787
Revenue	**1,204,045**	1,561,633
Expenses	**(1,146,929)**	(1,465,658)
Profit and total comprehensive income for the year	**57,116**	95,388
Profit and total comprehensive income to owners of the Company	**34,270**	57,233
Profit and total comprehensive income attributable to the NCI of the Company	**22,846**	38,155
Dividends paid to the non-controlling interests	**37,627**	17,627
Net cash inflow from operating activities	**(14,837)**	180,376
Net cash outflow from investing activities	**(15,062)**	(8,930)
Net cash outflow from financing activities	**(48,580)**	(106,015)
Effect of foreign exchange rate changes	**(104)**	(418)
Net cash (outflow)/inflow	**(78,583)**	65,013

15 INVESTMENTS IN SUBSIDIARIES (continued)

	CHM	
	2023	2022
	USD'000	*USD'000*
		(Restated)
Current assets	**191,188**	282,874
Non-current assets	**158,447**	40,094
Current liabilities	**(301,704)**	(146,365)
Non-current liabilities	**(417)**	(2,338)
Equity attributable to owners of the Company	**18,397**	72,939
Non-controlling interests	**29,117**	101,326
Revenue	**287,686**	313,625
Expenses	**(251,688)**	(272,514)
Profit and total comprehensive income for the year	**35,998**	40,859
Profit and total comprehensive income to owners of the Company	**14,930**	17,161
Profit and total comprehensive income attributable to the NCI of the Company	**21,068**	23,698
Dividends paid to the non-controlling interests	**19,525**	23,200
Net cash inflow from operating activities	**82,034**	47,465
Net cash outflow from investing activities	**(118,746)**	(261)
Net cash outflow from financing activities	**(57,525)**	(40,000)
Effect of foreign exchange rate changes	**(186)**	(94)
Net cash (outflow)/inflow	**(94,423)**	7,110

None of the subsidiaries had issued any debt securities as at the end of the year.

16 INVENTORIES

	2023 US$'000	2022 US$'000
Raw materials	**569,992**	514,890
Spare parts and consumables	**116,290**	91,314
Work in progress	**113,737**	159,277
Finished goods	**61,252**	54,588
	861,271	820,069

17 TRADE RECEIVABLES AT AMORTISED COST/TRADE RECEIVABLES AT FVTPL

	2023 US$'000	2022 US$'000
Trade receivables at amortised cost – contracts with customers	**54,144**	42,153
Less: Allowance for credit losses	**(4,132)**	(2,256)
	50,012	39,897
Trade receivables at FVTPL – contracts with customers	**367,565**	368,669

Ageing analysis

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

	2023 US$'000	2022 US$'000
0 to 30 days	**20,494**	25,451
31 to 90 days	**20,153**	11,386
91 to 180 days	**9,365**	2,877
181 to 365 days	**–**	183
	50,012	39,897

17 TRADE RECEIVABLES AT AMORTISED COST/TRADE RECEIVABLES AT FVTPL (continued)

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

	2023 ***US$'000***	2022 *US$'000*
0 to 30 days	**292,465**	311,027
31 to 90 days	**73,203**	43,968
91 to 180 days	**1,897**	11,829
181 to 365 days	**–**	1,845
	367,565	368,669

Details of impairment assessment of trade receivables at amortised cost are set out in Note 30(c)(iv).

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

	2023 ***US$'000***	2022 *US$'000*
Trade receivables at amortised cost:		
Fellow subsidiaries	**2,849**	3,719
A non-controlling shareholder of a subsidiary	**617**	1,832
	3,466	5,551

	2023 ***US$'000***	2022 *US$'000*
Trade receivables at FVTPL:		
Fellow subsidiaries	**203,950**	141,831
A non-controlling shareholder of subsidiaries	**145,889**	152,200
	349,839	294,031

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

18 PREPAYMENTS AND OTHER RECEIVABLES

	2023 US$'000	2022 US$'000
Non-current:		
Prepayments for property, plant and equipment	**890**	3,358
Deposits in connection with the restoration and rehabilitation obligations *(Note 27)*	**5,283**	3,429
Long-term receivables *(Note (i))*	**29,300**	29,300
Input VAT receivables, net *(Note (ii))*	**–**	5,717
Others *(Note (iii))*	**9,311**	11,082
	44,784	52,886
Current:		
Prepayments for inventories and others	**8,112**	23,629
Input VAT receivables, net *(Note (ii))*	**154,354**	86,308
Deposits in futures margin accounts	**66,243**	121,362
Other receivables	**34,710**	33,096
Less: allowance for credit losses	**(19,893)**	(14,166)
	243,526	250,229
	288,310	303,115

Notes:

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

The construction of LCS Network Assets was completed on 2 February 2021. The amount of financing 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.

(ii) The gross carrying amount of input VAT receivables is US$243,660,000 (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. As at 31 December 2023, an impairment provision amounting to US$89,306,000 (31 December 2022: US$66,427,000) in aggregate has been made on input VAT receivables.

(iii) Pursuant to a connection agreement entered into between NFCA and Copperbelt Energy (the "NFCA Connection Agreement"), NFCA constructs 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 which Copperbelt Energy issues a Taking-Over Certificate.

18 PREPAYMENTS AND OTHER RECEIVABLES (continued)

The movements in the allowance for input VAT receivables during the year are as follows:

	2023 US$'000	2022 US$'000
1 January	**66,427**	44,876
Impairment losses recognised	**22,879**	21,551
	89,306	66,427

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

	2023 US$'000	2022 US$'000
Fellow subsidiaries	**4,372**	3,217
Non-controlling shareholders of subsidiaries	**1,106**	2,686
	5,478	5,903

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

As at 31 December 2023, in view of impairment indicators, the Group performed an impairment assessment on input VAT receivables, the carrying amount of which, after deducting the provision of US$89,306,000 (31 December 2022: US$66,427,000), was US$154,354,000 (31 December 2022: US$92,025,000). For the year ended 31 December 2023, an impairment loss of US$22,879,000 was recognised (2022: US$21,551,000) in respect of input VAT receivables.

19 RESTRICTED DEPOSITS, CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) The Group's restricted bank balances, time deposits and bank balances and cash are analysed as follows:

	2023 ***US$'000***	2022 *US$'000*
Cash at bank, other financial institutions and on hand	**606,913**	768,719
Less: non-current restricted bank balances for the banks' letters of guarantee to secure future restoration costs as required by the government of Zambia *(Note 27)*	**(1,505)**	(1,505)
Less: current restricted bank balances for:		
Issuing letters of credit	**(3,044)**	(4,291)
Less: time deposits	**(110,000)**	(30,000)
Cash and cash equivalents in the consolidated statement of financial position and consolidated cash flow statement	**492,364**	732,923

The time deposit and restricted bank deposits carry interest at rates ranging from 0% to 4% (2022: from 0% to 4%) per annum.

Bank balances carry interest at market rates ranging from 0% to 3% (2022: 0% to 3%) per annum.

(b) **Reconciliation of liabilities arising from financing activities**

	Bank and other borrowings *US$'000* *(Note 23)*	**Dividends payable** *US$'000* *(Note 21)*	**Lease liabilities** *US$'000* *(Note 24)*	**Total** *US$'000*
At 1 January 2022	872,358	24,818	13,883	911,059
Changes from financing cash flows:				
Financing cash flows	(375,649)	(196,131)	(7,219)	(578,999)
New leases	–	–	868	868
Interest expenses	32,400	–	363	32,763
Dividends declared	–	221,077	–	221,077
At 31 December 2022 and 1 January 2023	529,109	49,764	7,895	586,768
Changes from financing cash flows:				
Financing cash flows	(382,618)	(214,002)	(8,041)	(604,661)
Interest expenses	30,995	–	337	31,332
Dividends declared	–	238,424	–	238,424
	177,486	74,186	191	251,863

20 TRADE PAYABLES AT AMORTISED COST/TRADE PAYABLES AT FVTPL

	2023	2022
	US$'000	*US$'000*
Trade payables at amortised cost	**233,306**	265,172
Trade payables at FVTPL	**298,553**	289,691

Ageing analysis

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

	2023	2022
	US$'000	*US$'000*
0 to 30 days	**79,869**	102,882
31 to 90 days	**41,865**	103,766
91 to 180 days	**67,326**	5,992
181 to 365 days	**34,275**	46,186
1 to 2 years	**9,971**	6,346
	233,306	265,172

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

	2023	2022
	US$'000	*US$'000*
0 to 30 days	**186,256**	219,524
31 to 90 days	**19,431**	66,726
91 to 180 days	**68,845**	3,441
180 to 365 days	**21,942**	–
1 to 2 years	**2,079**	–
	298,553	289,691

The average credit period on purchases of certain goods is within three months.

20 TRADE PAYABLES AT AMORTISED COST/TRADE PAYABLES AT FVTPL (continued)

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

	2023	2022
	US$'000	*US$'000*
Trade payables at amortised cost:		
Fellow subsidiaries	**99,726**	98,775
A non-controlling shareholder of subsidiaries	**750**	3,436
Subsidiaries of a non-controlling shareholder of subsidiaries	**–**	29,518
	100,476	131,729
Trade payables at FVTPL:		
Fellow subsidiaries	**1,904**	25,770
Subsidiaries of a non-controlling shareholder of subsidiaries	**105,287**	90,334
	107,191	116,104

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

21 OTHER PAYABLES AND ACCRUED EXPENSES

	2023	2022
	US$'000	*US$'000*
Payables for properties, plant and equipment	**86,124**	108,146
Dividend payable to non-controlling shareholders of subsidiaries	**74,145**	49,742
Dividend payable to shareholders of the Company	**41**	22
Other tax payables	**35,556**	17,748
Payroll payables	**29,628**	21,298
Accrued expenses	**45,193**	27,782
	270,687	224,738

21 OTHER PAYABLES AND ACCRUED EXPENSES (continued)

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

	2023	2022
	US$'000	*US$'000*
CNMC	**6,057**	–
Fellow subsidiaries	**27,369**	386
Shareholders of the Company	**41**	22
Non-controlling shareholders of subsidiaries	**74,145**	56,068
	107,612	56,476

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

22 CONTRACT LIABILITIES

	2023	2022
	US$'000	*US$'000*
Advance from customers	**2,854**	1,742

During the year ended 31 December 2023, revenue of US$1,742,000 (2022: US$9,069,000) recognised was related to contract liabilities carried forward.

As at 31 December 2023, contract liabilities amounted to US$2,854,000, which is expected to be recognised as revenue within one year.

23 BANK AND OTHER BORROWINGS

	2023	2022
	US$'000	*US$'000*
Bank loans, unsecured *(Note (i))*	**45,000**	396,500
Loan from a fellow subsidiary, unsecured *(Note (ii))*	**130,000**	130,000
Interest payable	**2,486**	2,609
	177,486	529,109

23 BANK AND OTHER BORROWINGS (continued)

As of the end of the reporting period, the bank and other borrowings were repayable as follows:

	2023 **US$'000**	2022 US$'000
The carrying amounts of the above borrowings are repayable *(Note (i))*:		
Within 1 year or on demand	**177,486**	177,609
More than one year but not exceeding two years	**–**	90,000
More than two years but not exceeding five years	**–**	209,500
More than five years	**–**	52,000
	–	351,500
	177,486	529,109

Notes:

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

(ii) As at 31 December 2023, the unsecured bank loans of US$6,000,000 (2022: US$128,600,000) were supported by corporate guarantees issued by a non-controlling shareholder of a subsidiary in favour of the relevant banks.

(iii) Before/on 31 August 2023, the unsecured bank loans bore interest at rates varied based on London Interbank Offered Rate ("LIBOR") ranging from 7.1% to 7.9% per annum (2022: from 1.5% to 6.9% per annum). Since 1 September 2023, the unsecured bank loans bore interest at rates varied based on Secured Overnight Financing Rate ("SOFR") ranging from 7.6% to 7.9% per annum.

(iv) Before/on 8 December 2023, the loan from a fellow subsidiary bore interest at rates varied based on LIBOR ranging from 5.72% to 6.67% per annum (2022: from 5.72% to 5.74% per annum). Since 9 December 2023, the loan from a fellow subsidiary bore interest at rates varied based on SOFR at 6.37% per annum.

24 LEASE LIABILITIES

At 31 December 2023, the lease liabilities were repayable as follows:

	2023 **US$'000**	2022 US$'000
Within 1 year	**191**	7,596
After 1 year but within 2 years	**–**	299
	191	7,895
Less: Amount due for settlement within 12 months shown under current liabilities	**(191)**	(7,596)
Amount due for settlement after 12 months shown under non-current liabilities	**–**	299

The weighted average incremental borrowing rate applied to lease liabilities is 5.08% per annum (2022: 5.28% per annum).

Included in the Group's lease liabilities are balances with the following related parties:

	2023 **US$'000**	2022 US$'000
Fellow subsidiaries	**48**	7,895

25 FINANCIAL LIABILITIES AT FVTPL

	2023 **US$'000**	2022 US$'000
Copper futures contracts	**5,312**	11,344

Details of the above futures contracts are analysed as follows:

	2023	2022
Number of contracts		
– Sale	**780**	1,398
Notional amount (in US$'000)	**161,749**	281,344
Exercise price (in US$)	**8,477-8,559**	8,369-8,380
Maturity date	**10 January 2024 – 28 March 2024**	12 January 2023 – 30 March 2023

During the year, the Group entered into certain copper futures contracts to mitigate its risk associated with the prices of its blister copper and copper anodes and copper cathodes sold. Hedge accounting is not applied by the Group and a loss of US$15,284,000 (2022: a gain of US$21,334,000) arising on changes in fair value of derivatives was recognised in profit or loss (Note 6).

26 DEFERRED INCOME

	2023	2022
	US$'000	*US$'000*
At beginning of year	**12,776**	13,940
Recognised in profit or loss during the year	**(1,104)**	(1,164)
At end of year	**11,672**	12,776

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

27 PROVISION FOR RESTORATION, REHABILITATION AND ENVIRONMENTAL COSTS

	2023	2022
	US$'000	*US$'000*
Balance at beginning of year	**53,119**	37,400
Provisions revision	**(3,283)**	15,970
Unwinding of discount *(Note 7(a))*	**1,464**	1,157
Amount utilised during the year	**(621)**	(1,408)
	50,679	53,119

The Group's provision for restoration, rehabilitation and environmental costs is related to the Group's subsidiaries in Zambia and DRC which are involved in mining, leaching and smelting operations. The provision represents the accrued cost required to provide adequate restoration and rehabilitation measured by qualified professionals in Zambia and DRC, as discounted at rates ranging from 4.7% to 11.5% (2022: 4.6% to 10.5%) per annum, upon the completion of their operations. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project life, which ranges from 1 to 26 years.

The Group is required, under the prevailing regulations, to make an annual contribution over a period of five years beginning from the year of prospecting, exploration or mining operations being commissioned, at 5% to 20% of the estimated restoration costs into an Environmental Protection Fund which is administrated by the Government of Zambia, amounting to US$5,283,000 (31 December 2022: US$3,429,000) (Note 18) as at 31 December 2023. The regulations also require that the balance of the estimated restoration costs to be secured using letters of guarantee. Companies in Zambia of the Group have provided the relevant letters of guarantee as at 31 December 2023 amounting to US$1,505,000(31 December 2022: US$1,505,000) (Note 19). In addition, as at 31 December 2023, NFCA applied for a self-guarantee amounting to US$10,329,000 (31 December 2022: 10,329,000) by way of property, plant and equipment and received the related approval.

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

28 DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2023	2022
	US$'000	*US$'000*
		(Restated)
Deferred tax assets	**27,651**	10,286
Deferred tax liabilities	**(130,518)**	(137,568)
	(102,867)	(127,282)

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	**Property, plant and equipment**	**Undistributed profits of subsidiaries**	**Tax losses**	**Leases and decommissioning obligations**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Balance at 1 January 2022 as previously reported	(99,251)	(42,816)	13,796	–	(128,271)
Effect of adoption of amendments to HKAS 12 *(Note 2(c))*	–	–	–	7,638	7,638
Balance at 1 January 2022 (restated)	(99,251)	(42,816)	13,796	7,638	(120,633)
Credited/(charged) to the consolidated statement of profit or loss *(Note 8(a))* (restated)	8,105	(3,968)	(13,796)	3,010	(6,649)
Balance at 31 December 2022 and 1 January 2023 (restated)	(91,146)	(46,784)	–	10,648	(127,282)
Credited/(charged) to the consolidated statement of profit or loss *(Note 8(a))*	17,052	7,752	–	(389)	24,415
Balance at 31 December 2023	(74,094)	(39,032)	–	10,259	(102,867)

As at 31 December 2023, the Group has no unused tax losses (31 December 2022: US$Nil) in respect of the subsidiaries in Zambia available for offset against future profits. Deferred tax assets have been recognised in respect of all the losses of these subsidiaries in Zambia in 2021. Subject to regulations in Zambia, the above tax losses of these subsidiaries are available to be carried forward up to a maximum of ten years from the year in which they are incurred for set off against future taxable profits from the same source of those subsidiaries.

As at 31 December 2023, the Group has deductible temporary differences of US$92,752,000 (31 December 2022: US$69,875,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

29 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Retained profits *US$'000* (Restated)
Balance at 1 January 2022	245,887
Effect of adoption of amendments to HKAS 12	39
Balance at 1 January 2022 (restated)	245,926
Changes in equity for 2022:	
Profit for the year (restated)	54,134
Dividends	(142,850)
At 31 December 2022 and 1 January 2023 (restated)	157,210
Changes in equity for 2023:	
Profit for the year	106,665
Dividends	(105,474)
At 31 December 2023	158,401

(b) Dividends

	2023 ***US$'000***	2022 *US$'000*
Dividends recognised as distribution during the year:		
2023 Final, paid – US¢ 2.8209 per share	**105,474**	–
2022 Final, paid – US¢ 3.8205 per share	**–**	142,850

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2023 of US¢ 2.9702 (2022: US¢2.8209) per share, in an aggregate amount of US$111,057,000 (2022: US$105,474,000) has been proposed by the Directors and is subject to the approval of the shareholders of the Company in the forthcoming annual general meeting.

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Share capital

Authorised and issued share capital:

	2023			2022		
	Number of shares '000	**HK$'000**	**US$'000**	Number of shares '000	HK$'000	US$'000
Issued and fully paid:						
At 1 January and 31 December	**3,739,036**	**5,760,689**	**740,119**	3,739,036	5,760,689	740,119

(d) Other reserve

Other reserve comprises the difference between the carrying value of non-controlling interests and the consideration received from a non-controlling shareholder in a subsidiary (Note 15).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The capital management policy remained the same as that in previous year.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as total debt (which includes non-current and current bank and other borrowings), less restricted bank balances, a time deposit and bank balances and cash. Adjusted capital comprises share capital and reserves attributable to owners of the Company.

29 CAPITAL, RESERVES AND DIVIDENDS (continued)

(e) Capital management (continued)

The Group's adjusted net debt-to-capital ratio at 31 December 2023 and 2022 was as follows:

	2023	2022
	US$'000	*US$'000*
Bank and other loans	**177,486**	529,109
Total debt	**177,486**	529,109
Less: current restricted bank balances, a time deposit and bank balances and cash	**(605,408)**	(768,719)
Adjusted net debt	**(427,922)**	(239,610)
Total equity and adjusted capital	**1,842,386**	1,671,333
Adjusted net debt-to-capital ratio	**N/A**	N/A

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

30 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2023 US$'000	2022 US$'000
Financial assets		
Trade receivables at FVTPL	**367,565**	368,669
Financial assets at amortised cost	**767,285**	978,208
Financial liabilities		
Trade receivables at FVTPL	**298,553**	289,691
Financial liabilities	**5,312**	11,344
Amortised costs	**616,295**	979,973

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables at amortised cost, trade receivables at FVTPL, other receivables, restricted bank balances, a time deposit, bank balances and cash, trade payables, trade payables designated at FVTPL, other payables, bank and other borrowings, and financial liabilities designated at FVTPL. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

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

The carrying amounts of the Group's ZMK, CDF and RMB denominated monetary assets (including financial assets and input VAT receivables) and liabilities (including financial liabilities and tax payables) which expose the Group to foreign currency risk are as follows:

30 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

	2023	2022
	US$'000	*US$'000*
ZMK denominated monetary assets	**156,073**	80,738
ZMK denominated monetary liabilities	**(57,718)**	(48,081)
CDF denominated monetary assets	**113,312**	67,082
CDF denominated monetary liabilities	**(98,020)**	(113,116)
RMB denominated monetary assets	**9,110**	27,716
RMB denominated monetary liabilities	**(10,112)**	(9,181)

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

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

	2023	2022
	US$'000	*US$'000*
ZMK against US$		
Weaking		
– 5%	**(3,455)**	(1,143)
– 10%	**(6,596)**	(2,286)
– 15%	**(9,464)**	(3,429)
CDF against US$		
Weaking		
– 5%	**(663)**	1,611
– 10%	**(1,266)**	3,222
– 15%	**(1,816)**	4,833
RMB against US$		
Weaking		
– 5%	**67**	(648)
– 10%	**129**	(1,296)
– 15%	**185**	(1,944)

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

30 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

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

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

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

	2023	2022
	US$'000	*US$'000*
(Decrease)/increase in profit for the year		
– as the result of increase in interest rate	**(1,232)**	(5,130)
– as the result of decrease in interest rate	**1,232**	5,130

30 FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(iii) Commodity risk

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

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

	2023	2022
	US$'000	*US$'000*
– Increase in profit after tax for the year	**11,906**	8,046

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

30 FINANCIAL INSTRUMENTS (continued)

(c) Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables at amortised cost and trade receivables at FVTPL, other receivables, deposits in futures margin accounts, restricted bank balances, a time deposit and bank balances. In order to minimise the credit risk, the Group's management continuously monitors the level of exposure to ensure that follow up action is taken to recover overdue debts.

Except for trade receivables at FVTPL, the Group performed impairment assessment for financial assets and other items under ECL model individually. The Directors consider that the Group's credit risk is insignificant.

(i) Trade receivables at FVTPL

As at 31 December 2023, the Group's trade receivables at FVTPL were debtors with an aggregate amount of US$367,565,000 (31 December 2022: US$368,669,000).

The Group has concentration of credit risk as 95% (2022: 79%) of the total trade receivables at FVTPL was due from the Group's two (2022: two) largest customers. Sales to these two largest customers accounted for 76% (2022: 72%) of the Group's sales of copper products and these customers are large and reputable in the market. They have been trading with the Group with good settlement history.

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

(ii) Trade receivables at amortised cost

As at 31 December 2023, included in the Group's trade receivables at amortised cost balance were debtors with an aggregate amount of US$54,144,000 (31 December 2022: US$42,153,000) and were assessed for impairment individually. As at 31 December 2023, impairment allowance of US$4,132,000 (31 December 2022: US$2,256,000) were made on these debtors.

The Group has concentration of credit risk as 63% (2022: 55%) of the total trade receivables at amortised cost was due from the Group's four (2022: four) largest customers. Sales to the four largest customers accounted for 39% (2022: 39%) of the Group's sales of goods other than copper products and these customers are large and reputable in the market. They have been trading with the Group with good settlement history.

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

For trade receivables at amortised cost, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime. The Group determines the expected credit losses on these items individually.

30 FINANCIAL INSTRUMENTS (continued)

(c) Credit risk and impairment assessment (continued)

(iii) Bank balances, the time deposit and restricted bank balances

Credit risk on bank balances, the time deposit and restricted bank balances is limited because the counterparty banks and financial institutions are with good reputation. Thus, the Directors considered that the probability of default is negligible for the bank balances, the time deposit and restricted bank balances of the Group and no expected credit loss was recognised as at 31 December 2023 and 2022.

For all other financial assets including other receivables, long-term receivables and deposits in futures margin account, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition where the Group recognises lifetime ECL. The Group has assessed and concluded that the risk of default rate for the aforementioned other financial assets is steady based on the Group's assessment of the financial health of the counterparties, except for the receivable from a third party amounting to US$18,514,000 as at 31 December 2023 (31 December 2022: US$12,787,000), which was credit impaired and assessed individually, and the impairment allowance of US$18,514,000 (31 December 2022: US$12,787,000) was recognised in the consolidated financial statements.

(iv) Movements in the loss allowance all of which are relating to trade receivables at amortised cost is as follows:

	2023	2022
	US$'000	*US$'000*
1 January	**2,256**	2,575
Impairment recognised	**1,876**	(124)
Amount written off as uncollectible	**–**	(195)
31 December	**4,132**	2,256

Movements in the loss allowance all of which are relating to other receivables at amortised cost is as follows:

	2023	2022
	US$'000	*US$'000*
1 January	**14,166**	14,267
Impairment recognised	**5,727**	(101)
31 December	**19,893**	14,166

30 FINANCIAL INSTRUMENTS (continued)

(c) Credit risk and impairment assessment (continued)

(iv) Movements in the loss allowance all of which are relating to trade receivables at amortised cost is as follows: (continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	12-month or lifetime ECL	Gross carrying amount 2023 US$'000	2022 US$'000
Financial assets at amortised cost				
Trade receivables at amortised cost	17	Lifetime ECL	**50,012**	39,897
		Credit impaired	**4,132**	2,256
			54,144	42,153
Other receivables	18	12-month ECL	**14,817**	18,930
		Credit impaired	**19,893**	14,166
			34,710	33,096
Long-term receivables	18	12-month ECL	**29,300**	29,300
Deposits in futures margin accounts	18	12-month ECL	**66,243**	121,362
Bank balances	19	12-month ECL	**492,364**	732,923
Time deposit	19	12-month ECL	**110,000**	30,000
Restricted bank balances	19	12-month ECL	**4,549**	5,796

(d) Liquidity risk

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

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates are based on the agreed repayment dates.

The table includes both interest and principal cash flows. The interest payments are computed using contractual rates or if variable, based on the prevailing market rate at the end of each reporting period. For derivatives settled on a net basis, the table has been drawn up based on undiscounted contractual net cash flows.

30 FINANCIAL INSTRUMENTS (continued)

(d) Liquidity risk (continued)

	Weighted average interest rate	On demand or less than 6 months	Over 6 months but not more than 1 year	1 to 5 years	More than 5 years	Total undiscounted cash flows	Carrying amounts
	%	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
31 December 2023							
Non-derivative financial liabilities							
Trade and other payables		**438,809**	**–**	**–**	**–**	**438,809**	**438,809**
Bank borrowings at variable rate	**6.7**	**36,947**	**149,940**	**–**	**–**	**186,887**	**177,486**
Trade payables designated at FVTPL		**298,553**	**–**	**–**	**–**	**298,553**	**298,553**
		774,309	**149,940**	**–**	**–**	**924,249**	**914,848**
Lease liabilities	**5.1**	**200**	**–**	**–**	**–**	**200**	**191**
Financial liabilities designed at FVTPL							
Copper futures contracts		**5,312**	**–**	**–**	**–**	**5,312**	**5,312**
31 December 2022							
Non-derivative financial liabilities							
Trade and other payables		450,864	–	–	–	450,864	450,864
Bank borrowings at variable rate	5.3	50,337	179,147	344,493	54,749	628,726	529,109
Trade payables designated at FVTPL		289,691	–	–	–	289,691	289,691
		790,892	179,147	344,493	54,749	1,369,281	1,269,664
Lease liabilities	5.3	3,891	3,894	314	–	8,099	7,895
Financial liabilities designed at FVTPL							
Copper futures contracts	–	11,344	–	–	–	11,344	11,344

30 FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement of financial instruments

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

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 level to which the fair value is observable:

	Level 1 *US$'000*	**Level 2** *US$'000*	**Level 3** *US$'000*	**Total** *US$'000*
31 December 2023				
Financial liabilities– Copper future contracts *(Note (i))*	**(5,312)**	**–**	**–**	**(5,312)**
Trade receivables at FVTPL *(Note (ii))*	**–**	**367,565**	**–**	**367,565**
Trade payables designated at FVTPL *(Note (ii))*	**–**	**(298,553)**	**–**	**(298,553)**
31 December 2022				
Financial liabilities at FVTPL – Copper future contracts *(Note (i))*	(11,344)	–	–	(11,344)
Trade receivables at FVTPL *(Note (ii))*	–	368,669	–	368,669
Trade payables designated at FVTPL *(Note (ii))*	–	(289,691)	–	(289,691)

Notes:

(i) Calculated based on the initial transaction prices and quoted prices in an active market.

(ii) Calculated based on the quoted prices in an active market and the estimated grades of copper, gold and silver in Group's copper products.

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

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

31 COMMITMENTS

Commitments outstanding at 31 December 2023 not provided for in the financial statements were as follows:

	2023 **US$'000**	2022 US$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**8,956**	19,707

32 RETIREMENT BENEFIT SCHEMES

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

There were no forfeited contributions (by employers on behalf of employees who leave the schemes prior to vesting fully in such contributions) in the Group. Hence, there is no forfeited contribution available for the Group to reduce its existing level of contributions to the pension schemes in future years.

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

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 9 and certain of the highest paid employees as disclosed in Note 10, is as follows:

	2023 **US$'000**	2022 US$'000
Short-term benefits	**2,432**	1,412
Post-employment benefits	**180**	156
	2,612	1,568

Total remuneration is included in "staff costs" (see Note 7(b)).

33 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties:

(i) Transactions with CNMC and its subsidiaries

The Company is controlled by CNMC through China Nonferrous Mining Development Limited, which is a subsidiary of CNMC. The Directors consider the ultimate holding company is CNMC, a stated-owned company established in the PRC.

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions with related parties:

Relationships	*Notes*	**Nature of transactions**	**2023** ***US$'000***	2022 *US$'000*
Fellow subsidiaries	(i) (ii)	Sales of blister copper and copper anodes	**1,039,673**	1,141,603
	(i) (ii)	Sales of copper cathodes	**794,710**	784,811
	(i)	Sales of sulphuric acid	**17,101**	47,367
	(i)	Sales of other materials	**14,644**	47,348
	(i)	Services income	**23**	–
	(i)	Purchases of plant and equipment	**(19,106)**	(36,514)
	(i)	Purchases of assets	**–**	(2,241)
	(i) (iii)	Purchases of copper concentrate	**(31,377)**	(129,667)
	(i)	Purchases of materials	**(109,033)**	(77,441)
	(i)	Purchases of electricity	**(43,198)**	(39,685)
	(i)	Purchases of services	**(193,590)**	(151,938)
	(i)	Interest expenses on borrowings	**(8,258)**	(457)
	(i)	Interest expenses on lease liabilities	**(323)**	(363)
	(i)	Purchase of freight and transportation	**(34,161)**	(24,003)
	(i)	Expense relating to leases	**(5,449)**	(5,797)
	(i)	Average daily deposit balance	**9,827**	–

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$5,175,000 (2022: losses of US$43,665,000) arising from a provisional pricing arrangement.

Included in the sales amount of copper cathodes are losses of US$4,630,000 (2022: losses of US$12,917,000) arising from a provisional pricing arrangement.

(iii) Included in the purchase amount of copper concentrate are gains of US$2,425,000 (2022: gains of US$8,263,000) arising from a provisional pricing arrangement.

33 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties: (continued)

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

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

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 staff of Fifteen MCC Africa 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 ("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 31 December 2023, the related right-of-use assets and lease liabilities were US$Nil (31 December 2022: US$4,965,000) and US$Nil (31 December 2022: US$7,317,000), respectively.

On 22 December 2023, the Company entered into the Financial Services Agreement with Nonferrous Metal Mining Group Finance Co., Ltd. ("CNMC Finance"), pursuant to which CNMC Finance provides Deposit Services and Miscellaneous Financial Services to the Group's representative entities in mainland China for a term from 25 December 2023 to 24 December 2026.

(ii) Transactions with other state-owned enterprises

Relationships	*Notes*	**Nature of transactions**	**2023** ***US$'000***	2022 *US$'000*
Subsidiaries of a noncontrolling shareholder of subsidiaries	(i) (ii)	Sales of blister copper and copper anodes	**712,194**	794,026
	(i)	Purchases of services	**(398)**	–

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$4,186,000 (2022: losses of US$7,975,000) arising from a provisional pricing arrangement.

33 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties: (continued)

(ii) Transactions with other state-owned enterprises (continued)

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

(iii) Transactions with certain subsidiaries of a non-controlling shareholder of subsidiaries

Relationships	*Notes*	**Nature of transactions**	**2023** **US$'000**	2022 US$'000
Subsidiaries of a noncontrolling shareholder of subsidiaries	(i) (ii)	Sales of copper cathodes	**45,828**	38,365
	(i) (iii)	Services income	**11,585**	3,558
	(i)	Purchase of material	**(99,944)**	(102,272)
	(i)	Purchases of services	**(3,000)**	(3,000)
	(i)	Royalty fee	**(7,245)**	(7,572)

As at 31 December 2022 and for the year then ended, La Generale des Carrieres et des Mines SA ("GCM") is a non-controlling shareholder of Kambove Mining. GCM has become a connected person of the Company at the subsidiary level under the Listing Rules, and the continuing transaction contemplated under certain transaction agreements have been constituted the continuing connected transactions under Chapter 14A of the Listing Rules.

Notes:

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

(ii) Included in the sales amount of copper cathodes are gains of US$1,207,000 (2022: losses of US$1,010,000) arising from a provisional pricing arrangement.

(iii) On 29 April 2022, Huachin Leach entered into the Huachin Leach Ore Processing Agreement with GCM. The proposed annual cap for the transactions contemplated under the Huachin Leach Ore Processing Agreement for the period from 29 April 2022 to 28 April 2023 was US$75,600,000 and for the period from 2 October 2023 to 1 October 2024 was US$25,200,000.

33 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Applicability of the Listing Rules relating to connected transactions

Certain of the abovementioned related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Report of the Directors.

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2023	2022
	US$'000	*US$'000*
		(Restated)
Non-current assets		
Equipment	**31**	45
Investment in subsidiaries	**515,663**	515,663
Loans to subsidiaries	**498,715**	632,216
Right-of-use assets	**143**	304
Deferred tax assets	**–**	79
	1,014,552	1,148,307
Current assets		
Other receivables	**98,240**	57,899
Loans to a subsidiary	**305,500**	72,000
Bank balances and cash	**74,985**	55,498
	478,725	185,397
Total assets	**1,493,277**	1,333,704
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	**740,119**	740,119
Retained profits	**158,401**	157,210
Total equity	**898,520**	897,329

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

	2023 US$'000	2022 US$'000 (Restated)
Non-current liabilities		
Bank and other borrowings – due after one year	–	30,000
Amount due to a subsidiary	333,000	192,000
Lease liabilities	–	157
	333,000	222,157
Current liabilities		
Accrued expenses	7,868	13,241
Dividends payable	41	22
Income tax payable	1,267	–
Bank and other borrowings – due within one year	132,486	140,808
Amount due to a subsidiary	119,952	60,000
Lease liabilities	143	147
	261,757	214,218
Total liabilities	594,757	436,375
TOTAL EQUITY AND LIABILITIES	1,493,277	1,333,704

The Company's statement of financial position was approved and authorised for issue by the board of directors on 28 March 2024 and is signed on its behalf by:

He Yang
Director

Yaoyu Tan
Director

35 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the Directors recommended to distribute a final dividend. Further details are disclosed in Note 29(b).

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")*	1 January 2024
Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")*	1 January 2024
Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*	1 January 2024
Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial Instruments: Disclosures: Supplier finance arrangements*	1 January 2024
Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*	1 January 2025

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

FIVE YEARS FINANCIAL SUMMARY

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

RESULTS

	Year ended 31 December				
	2023	2022	2021	2020	2019
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
		(Restated)	*(Note)*	*(Note)*	*(Note)*
Revenue	**3,606,421**	4,094,716	4,050,588	2,597,213	2,008,719
Gross profit	**877,458**	807,221	1,085,035	629,442	468,473
Profit before tax	**558,620**	552,506	807,036	309,855	324,035
Net profit	**381,443**	385,139	515,395	196,940	224,514
Profit attributable to owners of the Company	**277,645**	266,270	357,121	124,965	134,874

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

	At 31 December				
	2023	2022	2021	2020	2019
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
		(Restated)	*(Note)*	*(Note)*	*(Note)*
Non-current assets	**1,691,731**	1,776,581	1,920,140	1,927,680	1,911,091
Current assets	**2,127,782**	2,246,078	2,243,844	1,605,679	1,404,440
Total assets	**3,819,513**	4,022,659	4,163,984	3,533,359	3,315,531
Current liabilities	**1,140,041**	1,123,813	944,843	1,289,143	781,902
Net current assets	**987,741**	1,122,265	1,299,001	316,536	622,538
Non-current liabilities	**192,869**	555,262	1,047,257	585,274	997,553
Equity attributable to owners of the Company	**1,842,386**	1,671,333	1,542,202	1,111,764	1,013,804
Non-controlling interests	**644,217**	672,251	629,682	547,178	522,272

Note: The Group adopted the amendments to HKAS 12 in 2023 and comparative figures for the year 2022 have been restated accordingly. Summary of selected items of the results and of the assets, liabilities and non-controlling interests of the Group in 2019, 2020 and 2021 are extracted from the published audited financial statements which were stated in accordance with the policies applicable in those years.

DEFINITIONS

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

"AGM"	the annual general meeting of the Company
"Articles of Association" or "Articles"	the articles of association of the Company that were adopted on 27 April 2012
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board of Directors" or "Board"	the board of directors of the Company
"BVI"	the British Virgin Islands
"CCS"	Chambishi Copper Smelter Limited(謙比希銅冶煉有限公司*), a company incorporated in Zambia on 19 July 2006 and a subsidiary of the Company
"CG Code" or "Corporate Governance Code"	code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 (former Appendix 14) of the Listing Rules
"Chambishi Leach Plant"	the copper leaching plant located in the Copperbelt province in Zambia held by SML and where SML undertakes its leaching operations
"China" or "PRC"	the People's Republic of China, for the purpose of this report and for geographical reference only and except where the context requires, references to "China" and the "PRC" do not include Taiwan Region of China, the Macau Special Administrative of the PRC Region and Hong Kong Special Administrative Region of the PRC
"CNMC"	China Nonferrous Metal Mining (Group) Co., Ltd*(中國有色礦業集團有限公司), a state-owned enterprise incorporated under the laws of the PRC in 1997 with operating history dating back to 1983, directly administered by SASAC, and the ultimate controlling shareholder of the Company
"CNMC Guarantee Fees Framework Agreement"	the framework agreement dated 18 November 2014 entered into between the Company and CNMC in relation to the reimbursement of guarantee fees paid by CNMC to third party financial institutions
"CNMC Huachin Mabende"	CNMC Huachin Mabende Mining SA(中色華鑫馬本德礦業股份有限公司*) (formerly known as "CNMC Mabende SPRL"(中色馬本德礦業有限公司*), a joint venture established in the DRC on 9 November 2012 by SML and Huachin SPRL, an associate of the Group
"CNMD"	China Nonferrous Mining Development Limited(中色礦業發展有限公司), an investment holding company incorporated under the laws of the BVI on 12 July 2011, a wholly-owned subsidiary of CNMC and the controlling shareholder of the Company

"CNMH"	China Nonferrous Mining Holdings Limited(中色礦業控股有限公司*), an investment holding company incorporated under the laws of the Republic of Ireland on 23 September 2011 and a wholly-owned subsidiary of the Company
"CNMHK"	China Nonferrous Mining Hong Kong Holdings Limited(中色礦業香港控股有限公司), an investment holding company incorporated in Hong Kong on 6 October 2015 with limited liability under the Companies Ordinance, a directly controlling subsidiary of the Company
"CNMHKI"	China Nonferrous Mining Hong Kong Investment Limited(中色礦業香港投資有限公司), an investment holding company incorporated in Hong Kong on 2 December 2016 with limited liability under the Companies Ordinance, a directly controlling subsidiary of the Company
"Companies Ordinance"	the Companies Ordinance of Hong Kong (Chapter 622 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "we", "us" or "our"	China Nonferrous Mining Corporation Limited(中國有色礦業有限公司), a company incorporated in Hong Kong on 18 July 2011 with limited liability under the Companies Ordinance and, except where the context otherwise requires, all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it
"Compliance Committee"	the compliance committee of the Board
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto in the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"COVID-19 pandemic"	Corona Virus Disease 2019
"Deed of Non-Competition Undertaking"	a deed of non-competition undertaking dated 14 May 2012 entered into between CNMC and the Company under which CNMC has given us certain undertakings in respect of the conduct of certain of its activities outside the PRC
"Director(s)"	director(s) of the Company
"DRC"	the Democratic Republic of the Congo
"EGM"	the extraordinary general meeting of the Company
"Fifteen MCC Africa"	Fifteen MCC Africa Construction & Trade Ltd(中國十五冶非洲建築貿易公司*), a company incorporated under the laws of Zambia on 24 May 2007 and a fellow subsidiary of CNMC

DEFINITIONS (CONTINUED)

"Global Offering"	the offering of the Shares of the Company for subscription by the public in Hong Kong and purchase by institutional and professional investors as described in the Prospectus
"Group", "we" or "us"	the Company and its subsidiaries or any of them, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company
"HK$"or "Hong Kong dollar(s)"	Hong Kong dollars, the lawful currency for the time being of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standard, as issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Zhongfei"	Hong Kong Zhongfei Mining Investment Limited (香港中非礦業投資有限公司), a company incorporated under the Companies Ordinance in Hong Kong in January 2014 holding 30% of SML and 30% of CNMHK
"Huachin"	Huachin International Trading Limited (國際華鑫貿易有限公司), a company incorporated in Hong Kong with limited liability
"Huachin Leach"	Huachin Metal Leach SA (中色華鑫濕法冶煉股份有限公司*), a company incorporated under the laws of the DRC on 17 December 2010 and a subsidiary of SML
"Independent Shareholders"	Shareholders other than CNMD and its associates
"JORC"	the Australasian Joint Ore Reserves Committee
"JORC Code"	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
"Kambove Mining"	Kambove Mining SAS (剛波夫礦業簡易股份有限公司*), a company established in DRC and a subsidiary of the Company
"Kingsail"	Kingsail Limited (香港鑫晟有限公司), a company incorporated in Hong Kong on 9 October 2018 with limited liability under the Companies Ordinance, a subsidiary of the Company
"Latest Practicable Date"	22 April 2024, being the latest practicable date prior to the printing of this annual report for ascertaining certain information herein
"LIBOR"	London Interbank Offer Rate
"Listing"	the listing of the Shares on the Main Board of the Hong Kong Stock Exchange on 29 June 2012

"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Lualaba Copper Smelter"	Lualaba Copper Smelter SAS（盧阿拉巴銅冶煉股份有限公司*), a company established in DRC and a subsidiary of the Company
"Luanshya"	CNMC Luanshya Copper Mines PLC（中色盧安夏銅業有限公司*), formerly Luanshya Copper Mines PLC, a company incorporated in Zambia on 10 July 2003 and a subsidiary of the Company
"Mabende Mining"	Mabende Mining SARL（馬本德礦業有限責任公司*) (formerly known as Mabende Mining SPRL（馬本德礦業有限公司*)), a company incorporated under the laws of the DRC
"Mabende Project"	the project undertaken by CNMHK through CNMC Huachin Mabende to construct and operate a leaching plant in the DRC
"Main Board"	the Main Board of the Hong Kong Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 (former Appendix 10) of the Listing Rules
"Mt"	million tonnes
"Muliashi Project"	an integrated project involving the mining and leaching of copper oxide ores undertaken by Luanshya, including the Muliashi North Mine, the Muliashi Leach Plant and the planned Baluba East Mine
"NFCA"	NFC Africa Mining PLC（中色非洲礦業有限公司*) , a company incorporated in Zambia on 5 March 1998, and a subsidiary of the Company
"Nomination Committee"	the nomination committee of the Board
"Non-Competition Undertaking"	the non-competition undertaking set out in the Deed of Non-Competition Undertaking
"Octagon Commodities"	Octagon Commodities SA, a Société Anonyme (equivalent to a public company limited by shares) incorporated in Swiss Confederation
"PRC government" or "State"	the government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)
"Properties Leasing Framework Agreement"	the properties leasing framework agreement dated 18 November 2014 entered into between the Company and CNMC
"Prospectus"	the prospectus dated 20 June 2012 issued by the Company in connection with the Global Offering and the Listing
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi yuan, the lawful currency for the time being of the PRC

DEFINITIONS (CONTINUED)

"Retained Group"	CNMC and its subsidiaries (excluding the Group)
"SFO"	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares of the Company
"SML"	Sino-Metals Leach Zambia Limited（贊比亞謙比希濕法冶煉有限公司*), a company incorporated under the laws of Zambia on 3 December 2004 and a subsidiary of the Company
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 2 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed thereto in the Listing Rules
"United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US￠" or "US cent(s)"	United States cents, the lawful currency for the time being of the United States
"US$", "USD" or "US dollar(s)"	United States dollars, the lawful currency for the time being of the United States
"VAT"	value-added tax；all amounts are exclusive of VAT in this report except indicated otherwise
"Year"	year ended 31 December 2023
"YH Metal"	Yunnan & Hongkong Metal Company Limited（雲港金屬有限公司）, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of Yunnan Copper Group
"Yunnan Copper"	Yunnan Copper Industry Co., Ltd*（雲南銅業股份有限公司）, a company incorporated under the laws of the PRC on 15 May 1998 and a subsidiary of Yunnan Copper Group
"Yunnan Copper Group"	Yunnan Copper Industry (Group) Co., Ltd.*（雲南銅業（集團）有限公司）, a company incorporated under the laws of the PRC in April 1996 holding 40% of the issued share capital of CCS
"Zambia"	the Republic of Zambia
"ZCCM"	Zambia Consolidated Copper Mines Limited, a company incorporated in Zambia in 1982 and succeeded by ZCCM-IH
"ZCCM-IH"	Zambia Consolidated Copper Mines Investments Holdings Plc, the successor company to ZCCM, majority owned by the Government of Zambia
"ZMK"	Zambian Kwacha, the lawful currency for the time being of Zambia

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

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