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

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

(Stock Code: 01258)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS OF THE GROUP

In the first half of 2025, the Group recorded revenue of US\$1,751.5 million, representing a decrease of 12.9% from US\$2,009.8 million in the first half of 2024.

In the first half of 2025, the Group recorded net profit of US\$371.3 million, representing an increase of 22.5% from US\$303.2 million in the first half of 2024.

In the first half of 2025, the Group recorded profit attributable to owners of the Company of US\$263.3 million, representing an increase of 20.2% from US\$219.1 million in the first half of 2024.

In the first half of 2025, the Group recorded basic earnings per share attributable to owners of the Company of approximately US¢6.75 (equivalent to approximately HK\$0.53), representing an increase of approximately 17.4% from US¢5.75 (equivalent to approximately HK\$0.45) in the first half of 2024.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Nonferrous Mining Corporation Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with comparative financial information for the corresponding period in 2024.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	Notes	US\$'000	US\$'000
		(Unaudited)	(Unaudited)
Revenue from contracts with customers	3, 4	1,751,533	2,009,768
Cost of sales		<u>(1,181,266)</u>	<u>(1,497,808)</u>
Gross profit		570,267	511,960
Other income		21,427	16,102
Other gains and losses	5	48,687	3,430
Distribution and selling expenses		(4,512)	(3,519)
Administrative expenses		(96,064)	(83,615)
Other expenses		<u>(6,075)</u>	<u>(5,697)</u>
Profit from operations		533,730	438,661
Finance costs		<u>(1,225)</u>	<u>(6,253)</u>
Profit before tax		532,505	432,408
Income tax expense	6	<u>(161,179)</u>	<u>(129,180)</u>
Profit and total comprehensive income for the period		<u>371,326</u>	<u>303,228</u>
Profit and total comprehensive income attributable to:			
Owners of the Company		263,328	219,109
Non-controlling interests		<u>107,998</u>	<u>84,119</u>
		<u>371,326</u>	<u>303,228</u>
Earnings per share	7		
– Basic and diluted (<i>US¢ per share</i>)		6.75	5.75
– Basic and diluted (<i>equivalent to approximately HK\$ per share</i>)		<u>0.53</u>	<u>0.45</u>

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

		At 30 June 2025	At 31 December 2024
	<i>Notes</i>	US\$'000	US\$'000
		(Unaudited)	(Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment		1,480,751	1,469,127
Right-of-use assets		16,408	17,320
Mining rights		87,767	90,937
Other equity investments		5,000	—
Restricted bank balances		1,505	1,505
Deferred tax assets		16,727	24,603
Prepayments and other receivables		222,188	178,227
		1,830,346	1,781,719
Current Assets			
Inventories		847,328	848,154
Trade receivables at amortised cost	8	86,824	70,913
Trade receivables at fair value through profit or loss (“FVTPL”)	8	258,074	185,742
Prepayments and other receivables		300,256	236,378
Financial assets at FVTPL		—	5,835
Restricted bank balances		4,849	2,831
Time deposits		—	4,173
Cash and cash equivalents		1,353,433	1,018,662
		2,850,764	2,372,688
Total Assets		4,681,110	4,154,407

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

		At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
	<i>Notes</i>		
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	10	864,199	864,199
Reserves		1,480,827	1,384,869
Equity attributable to owners of the Company		2,345,026	2,249,068
Non-controlling interests		888,022	780,024
Total Equity		3,233,048	3,029,092
Non-current Liabilities			
Deferred tax liabilities		184,713	176,602
Bank and other borrowings			
– due after one year		9,838	9,752
Lease liabilities		14,312	15,328
Provision for restoration, rehabilitation and environmental costs		52,725	51,594
Deferred income		10,841	11,170
		272,429	264,446
Current Liabilities			
Trade payables at amortised cost	9	266,682	216,259
Trade payables designated at FVTPL	9	222,558	224,207
Other payables and accrued expenses		408,574	217,221
Income tax payable		220,517	173,130
Bank and other borrowings		–	20,424
Lease liabilities		2,336	2,269
Contract liabilities		46,386	6,727
Financial liabilities		8,580	632
		1,175,633	860,869
Total Liabilities		1,448,062	1,125,315
Total Equity and Liabilities		4,681,110	4,154,407

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company				Non-	
	Share	Other	Retained	Total	controlling	Total
	capital	reserve	profits		interests	equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2025	864,199	(1,118)	1,385,987	2,249,068	780,024	3,029,092
Profit and total comprehensive income for the period	–	–	263,328	263,328	107,998	371,326
Dividends declared by the Company (note 10(a))	–	–	(167,370)	(167,370)	–	(167,370)
At 30 June 2025	864,199	(1,118)	1,481,945	2,345,026	888,022	3,233,048
At 1 January 2024	740,119	(1,118)	1,103,385	1,842,386	644,217	2,486,603
Issue of shares, net of issuance cost (note 10(b))	124,080	–	–	124,080	–	124,080
Profit and total comprehensive income for the period	–	–	219,109	219,109	84,119	303,228
Dividends declared by subsidiaries	–	–	–	–	(7,500)	(7,500)
Dividends declared by the Company (note 10(a))	–	–	(115,898)	(115,898)	–	(115,898)
At 30 June 2024 (unaudited)	864,199	(1,118)	1,206,596	2,069,677	720,836	2,790,513

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
NET CASH FROM OPERATING ACTIVITIES	525,901	413,118
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(151,195)	26,765
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(42,099)	94,858
NET INCREASE IN CASH AND CASH EQUIVALENTS	332,607	534,741
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,018,662	492,364
Effect of foreign exchange rate changes	2,164	682
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY:		
Cash and cash equivalents at 30 June	1,353,433	1,027,787

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The interim financial information set out below is derived from the unaudited interim financial report, which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). It was authorised for issue on 28 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* issued by the HKICPA.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on the financial statements for the year ended 31 December 2024. The auditor’s report was unqualified; and did not contain a statement under section 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. SEGMENT INFORMATION

Segment revenue and results

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

	Six months ended 30 June 2025		
	Leaching	Smelting	Consolidated
	US\$'000	US\$'000	US\$'000
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from external sales	611,635	1,139,898	1,751,533
Inter-segment sales	–	26,442	26,442
Total segment revenue	<u>611,635</u>	<u>1,166,340</u>	1,777,975
Elimination			<u>(26,442)</u>
Revenue for the period			<u>1,751,533</u>
Segment profit	<u>180,374</u>	<u>193,031</u>	373,405
Unallocated income*			9,066
Unallocated expenses [#]			<u>(11,145)</u>
Profit for the period			<u>371,326</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

	Six months ended 30 June 2024		
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)	Consolidated US\$'000 (Unaudited)
Revenue from external sales	524,316	1,485,452	2,009,768
Inter-segment sales	–	20,457	20,457
Total segment revenue	<u>524,316</u>	<u>1,505,909</u>	2,030,225
Elimination			<u>(20,457)</u>
Revenue for the period			<u>2,009,768</u>
Segment profit	<u>127,959</u>	<u>182,133</u>	310,092
Unallocated income*			3,653
Unallocated expenses [#]			<u>(10,517)</u>
Profit for the period			<u>303,228</u>

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

3. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
Segment assets		
– Leaching	1,474,245	1,374,835
– Smelting	2,581,995	2,386,067
Total segment assets	4,056,240	3,760,902
Unallocated assets*	634,724	399,771
Elimination	(9,854)	(6,266)
Consolidated total assets	4,681,110	4,154,407
Segment liabilities		
– Leaching	622,225	486,658
– Smelting	595,561	579,454
Total segment liabilities	1,217,786	1,066,112
Unallocated liabilities*	240,130	65,469
Elimination	(9,854)	(6,266)
Consolidated total liabilities	1,448,062	1,125,315

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

	Six months ended 30 June 2025	
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)
Sales of goods to external customers		
Copper cathodes	611,635	–
Blister copper and copper anodes	–	959,277
Sulfuric acid	–	87,259
Liquid sulphur dioxide	–	680
	611,635	1,047,216
Copper product processing services	–	92,682
Total	611,635	1,139,898
Timing of revenue recognition		
A point in time	611,635	1,139,898

	Six months ended 30 June 2024	
	Leaching US\$'000 (Unaudited)	Smelting US\$'000 (Unaudited)
Sales of goods to external customers		
Copper cathodes	517,213	–
Blister copper and copper anodes	–	1,361,485
Sulfuric acid	529	82,825
Liquid sulphur dioxide	–	8,046
Cobalt contained in cobaltous hydroxide	4,414	–
	522,156	1,452,356
Copper product processing services	2,160	33,096
Total	524,316	1,485,452
Timing of revenue recognition		
A point in time	524,316	1,485,452

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2025

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Disaggregation of revenue from contracts with customers by geographic markets is as follows:

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Geographical markets		
Singapore	1,156,495	362,333
Hong Kong	186,318	383,198
Africa	183,963	126,103
Switzerland	157,593	349,331
Belgium	61,431	26,940
Mainland China	5,733	761,863
	1,751,533	2,009,768

5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
(Losses)/gains on disposal of property, plant and equipment, net	(35)	179
Impairment loss recognised in respect of input value added tax (“VAT”) receivables	(7,668)	(11,493)
Impairment loss (recognised)/reversed in financial assets under ECL	(4,056)	600
(Losses)/gains from change in fair value of financial assets/liabilities at FVTPL		
– financial assets/liabilities at FVTPL	(8,230)	(10,536)
– trade receivables at FVTPL	54,156	109,844
– trade payables designated at FVTPL	(27,471)	(90,415)
Foreign exchange gains, net (<i>note</i>)	41,991	5,251
	48,687	3,430

Note: The amount included exchange gains arising from the input VAT receivables denominated in Zambia Kwacha (“ZMK”) amounting to US\$44,353,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: US\$9,229,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Current tax:		
Income tax in Hong Kong	263	200
Income tax in Ireland	48	1,379
Income tax in DRC	34,730	24,261
Income tax in Zambia	110,151	72,078
	<u>145,192</u>	<u>97,918</u>
Deferred tax		
Current period	<u>15,987</u>	<u>31,262</u>
Total income tax expense	<u>161,179</u>	<u>129,180</u>
Effective tax rate	<u>30.3%</u>	<u>29.9%</u>

Note: Chambishi Copper Smelter Limited (“CCS”), a non-wholly-owned subsidiary of the Company located in Zambia, is eligible for the tax exemption for the first five profitable years; 50% income tax relief for the next three years thereafter; and 25% income tax relief for the next two years thereafter. Period of validity for this income tax relief was expired on 31 December 2024 (six months ended 30 June 2024: 25% income tax relief).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share calculation (<i>in US\$'000</i>)	263,328	219,109
Weighted average number of ordinary shares for the purpose of basic earnings per share calculation (<i>in '000</i>)	3,902,036	3,807,998
Earnings per share		
– Basic and diluted (<i>US¢ per share</i>)	6.75	5.75
– Basic and diluted (<i>equivalent to approximately HK\$ per share</i>)	0.53	0.45

The weighted average number of ordinary shares used in the calculation of basic earnings per share has been adjusted for the subscription of new shares which took place on 15 April 2024.

During the six months ended 30 June 2025 and 2024, there was no potential ordinary share outstanding with diluted impact.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
Trade receivables at amortised cost	88,154	72,342
Less: Allowance for credit losses	(1,330)	(1,429)
	<u>86,824</u>	<u>70,913</u>
Trade receivables at FVTPL	<u>258,074</u>	<u>185,742</u>

As at 30 June 2025 and 31 December 2024, all trade receivables at amortised cost/trade receivables at FVTPL were from contracts with customers.

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
0 to 30 days	60,238	36,836
31 to 90 days	8,725	28,351
91 to 180 days	17,861	3,119
181 to 365 days	–	2,607
	<u>86,824</u>	<u>70,913</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
0 to 30 days	240,062	182,443
31 to 90 days	18,012	3,299
	<u>258,074</u>	<u>185,742</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
Trade payables at amortised cost	<u>266,682</u>	<u>216,259</u>
Trade payables designated at FVTPL	<u>222,558</u>	<u>224,207</u>

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
0 to 30 days	81,714	88,077
31 to 90 days	67,315	60,581
91 to 180 days	80,208	38,421
181 to 365 days	19,575	13,982
1 to 2 years	<u>17,870</u>	<u>15,198</u>
	<u>266,682</u>	<u>216,259</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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

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

	At 30 June 2025 US\$'000 (Unaudited)	At 31 December 2024 US\$'000 (Audited)
0 to 30 days	107,372	135,806
31 to 90 days	59,790	44,385
91 to 180 days	10,112	35,052
181 to 365 days	45,284	539
1 to 2 years	—	8,425
	<u>222,558</u>	<u>224,207</u>

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

The average credit period on purchases of certain goods is within 3 months and most of the payables are paid within the credit time frame.

10. SHARE CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

	Six months ended 30 June 2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Final dividend in respect of the previous financial year, declared during the following interim period, of US¢4.2893 per share (six months ended 30 June 2024: US¢2.9702 per share)	<u>167,370</u>	<u>115,898</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

10. SHARE CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

During the six months ended 30 June 2025, a final dividend of US¢4.2893 per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: US¢2.9702 per share in respect of the year ended 31 December 2023) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the six months ended 30 June 2025 amounted to US\$167,370,000 (six months ended 30 June 2024: US\$115,898,000).

The Directors of the Company do not recommend interim dividend for the current period (six months ended 30 June 2024: nil).

(b) Share capital

	Number of shares '000 (Unaudited)	HK\$'000 (Unaudited)	US\$'000 (Unaudited)
Issued and fully paid			
At 31 December 2023	3,739,036	5,760,689	740,119
Issuance of new shares by the way of placing (note (i))	163,000	978,000	124,891
Transaction costs attributable to issue of shares	—	(6,400)	(811)
At 31 December 2024 and 30 June 2025	<u>3,902,036</u>	<u>6,732,289</u>	<u>864,199</u>

Note:

- (i) Upon the completion of all conditions as stated in a placing and subscription agreement dated at 9 April 2024 entered into by the Company, China Nonferrous Mining Development Limited (“CNMD”), the Company’s immediate holding company, and a placing agent, (1) a total of 163,000,000 shares of the Company held by CNMD were placed at HK\$6.00 per share to third parties on 10 April 2024; and (2) a total of 163,000,000 new shares of the Company were subscribed by CNMD at HK\$6.00 per share on 15 April 2024. The proceeds, net of related fees and expenses (equivalent to US\$811,000), from the Subscription amounted to HK\$971,600,000 (equivalent to US\$124,080,000). The new shares rank pari passu with the existing shares in all respects.

(c) 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.

11. CONTINGENT LIABILITIES

In February 2025, Sino-Metals Leach Zambia Limited (“**SML**”) experienced a tailings dam issue that led to a temporary suspension of operations. The Company promptly initiated rescue and containment efforts to manage the situation. In line with Zambia’s safety regulations, SML is required to carry out environmental rehabilitation, and the Zambia Environmental Management Agency has requested an independent cost assessment. As of the interim reporting date, this process remains ongoing. The Company’s directors believe that this incident has been adequately provided for the six months ended 30 June 2025 and further provision is not made as an amount cannot be reliably estimated at this stage.

In June 2025, an object-related incident occurred in the Southeast Mine shaft of NFC Africa Mining PLC (“**NFCA**”), resulting in a fatality involving a subcontractor’s employee. The shaft was temporarily suspended for inspection by external experts. NFCA is expected to implement remedial measures in accordance with local safety requirements. As of the interim reporting date, the inspection is still underway, and the Company’s directors have assessed that no significant provision is necessary for this event.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In the first half of 2025, the Group's operating results increased year on year, which was attributable to the increase in global copper price, the period-over-period increase in the production and sales volumes of blister copper and copper anodes produced by self-owned mines, as well as the period-over-period increase in the sales volumes of copper cathodes.

During the period from 1 January 2025 to 30 June 2025 (the “**Reporting Period**”), the revenue of the Group amounted to US\$1,751.5 million, representing a decrease of 12.9% as compared with the same period last year. Profit attributable to owners of the Company amounted to US\$263.3 million, representing an increase of 20.2% as compared with the same period last year, which was mainly attributable to the increase in global copper price, the period-over-period increase in the production and sales volumes of blister copper and copper anodes produced by self-owned mines, as well as the period-over-period increase in the sales volumes of copper cathodes.

BUSINESS REVIEW

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

The businesses of the Group are carried out mainly through the following companies:

NFCA, CNMC Luanshya Copper Mines PLC (“**Luanshya**”), CCS and SML located in Zambia, as well as Huachin Metal Leach SA (“**Huachin Leach**”), CNMC Huachin Mabende Mining SA (“**CNMC Huachin Mabende**”), Lualaba Copper Smelter and Kambove Mining SAS (“**Kambove Mining**”) located in the DRC.

From January to June 2025, the Group accumulatively produced 111,283 tonnes of blister copper and copper anodes, representing a decrease of 30.4% from the same period last year; 72,192 tonnes of copper cathodes, representing an increase of 15.6% from the same period last year; 481 tonnes of cobalt contained in cobaltous hydroxide, representing an increase of 1.7% from the same period last year; 538,433 tonnes of sulfuric acid, representing a decrease of 1.9% from the same period last year; and 1,466 tonnes of liquid sulphur dioxide, representing a decrease of 85.5% from the same period last year; and the processed copper products by the Group for enterprises outside of the Group amounted to 102,708 tonnes in total, representing an increase of 152.9% from the same period last year.

PRODUCTION OVERVIEW

NFCA

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

In the first half of 2025, Chambishi Main Mine, Chambishi West Mine and Chambishi Southeast Mine produced 38,743 tonnes of copper anodes, representing an increase of 21.0% from the same period last year, of which: Chambishi Main and West Mine produced 13,290 tonnes of copper anodes and Chambishi Southeast Mine produced 25,453 tonnes of copper anodes, primarily due to the continuous production in the first half of 2025, without reduction in production as occurred in the corresponding period in 2024.

Luanshya

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

The Luanshya produced 23,680 tonnes of copper cathodes in the first half of 2025, representing an increase of 0.9% from the same period last year, and produced 2,062 tonnes of copper anodes, representing an increase of 13.7% from the same period last year.

CCS

CCS mainly operates the Chambishi Smelting Plant.

In the first half of 2025, CCS produced 140,540 tonnes of blister copper and copper anodes, including the processed copper products of 42,345 tonnes for enterprises within the Group and the processed copper products of 50,466 tonnes for enterprises outside of the Group, representing an increase of 4.9% from the same period last year, mainly due to the annual operating time period of the smelting production system of 181 days, representing an increase of 6 days as compared with the first half of 2024. CCS produced 366,013 tonnes of sulfuric acid, representing a decrease of 0.8% from the same period of 2024, mainly due to the period-over-period decrease in sulfur contained in copper concentrate in the first half of 2025.

SML

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

In the first half of 2025, SML produced 755 tonnes of copper cathodes, representing a decrease of 73.3% from the same period last year, and produced 1,540 tonnes of blister copper and copper anodes, representing a decrease of 42.4% from the same period last year. The decrease in output was mainly due to the temporary suspension of production to focus on the appropriate rehabilitation measures.

CNMC Huachin Mabende and Huachin Leach

Copper cathodes produced by CNMC Huachin Mabende in the first half of 2025 increased by 85.0% to 15,603 tonnes as compared with the same period last year, mainly due to the improvement in power supply as compared with the same period last year as a result of the generators and photovoltaic system being put into use during 2025.

Copper cathodes produced by Huachin Leach in the first half of 2025 increased by 25.8% to 12,973 tonnes, as compared with the same period last year. Cobalt contained in cobaltous hydroxide produced increased by 194.7% to 221 tonnes as compared with the same period last year. The main reason for the increase in the output of copper cathodes and cobalt contained in cobaltous hydroxide was due to the improvement in power supply as compared with the same period last year as a result of the generators being put into use during 2025.

Lualaba Copper Smelter

In the first half of 2025, Lualaba Copper Smelter produced 73,451 tonnes of blister copper, including the processed copper products of 52,242 tonnes for enterprises outside the Group, representing an increase of 12.1% from the same period last year. The main reasons for the increase in the output of blister copper were: (i) Lualaba Copper Smelter maintained normal production in the first half of 2025, without suspension of production for maintenance compared to the same period last year; (ii) raw material supply was sufficient in the first half of 2025, allowing the system to operate at full capacity. Lualaba Copper Smelter produced 172,420 tonnes of sulfuric acid, representing a decrease of 3.2% from the same period last year, mainly due to the period-over-period decrease in sulfur used in the production; and 1,466 tonnes of liquid sulphur dioxide, representing a decrease of 85.5% from the same period last year, mainly due to the decrease in demand for liquid sulfur dioxide from cobalt producers as a result of restrictions on exports of cobalt products imposed by the DRC.

Kambove Mining

In the first half of 2025, Kambove Mining produced 19,181 tonnes of copper cathodes, representing an increase of 3.6% as compared with the same period of 2024, mainly attributable to the period-over-period increase in ore processing volume during the same period this year. The production of cobalt contained in cobaltous hydroxide was 260 tonnes, representing a decrease of 34.7% as compared with the same period last year, mainly attributable to the fact that Kambove Mining adjusted its cobalt production model and reduced cobalt output in response to the restrictions on exports of cobalt products imposed by the DRC.

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

	Production volume for the six months ended 30 June 2025⁽¹⁾ (Tonnes)	Production volume for the six months ended 30 June 2024⁽¹⁾ (Tonnes)	Period-over period increase/ (decrease) (%)
Blister copper and copper anodes	111,283	159,971	(30.4)
Copper cathodes	72,192	62,450	15.6
Cobalt contained in cobaltous hydroxide	481	473	1.7
Sulfuric acid	538,433	548,699	(1.9)
Liquid sulphur dioxide	1,466	10,115	(85.5)
Copper product processing services ⁽²⁾	102,708	40,615	152.9

Notes:

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

	Production volume for the six months ended 30 June 2025 (Tonnes)	Production volume for the six months ended 30 June 2024 (Tonnes)
Blister copper and copper anodes produced by self-owned mines	42,053	35,977
Copper cathodes produced by self-owned mines	43,153	43,518
Total	85,206	79,495

EXPLORATION, DEVELOPMENT AND MINING COST OF THE GROUP

Cost of exploration, development and mining activities of the Group for the six months ended 30 June 2025 is set out below: Unit: Million US dollars

Exploration activities	NFCA		Luanshya			SML		Kambove Mining			Total
	Chambishi Main and West Mine	Chambishi Southeast Mine	Southern Superficial Part of Deep Part of Muliashi Sulphide Mine	Roan Extended to the Southern Part of Deep Part of Muliashi Sulphide Mine	Muliashi Oxidised Mine	Mwambashi Mine	Samba Mine	Main Mine	West Mine	MSESA Mine	
Drilling	0.58	0.46	0.10	0.63	0.05	-	0.36	0.31	-	-	2.49
Analysis	0.01	0.09	-	0.08	-	-	-	0.03	-	-	0.21
Others	-	-	-	0.33	-	3.32	-	-	-	-	3.65
Sub-total	0.59	0.55	0.10	1.04	0.05	3.32	0.36	0.34	-	-	6.35

	NFCA	Luanshya			SML	Kambove Mining			
		Southern Superficial Part of	Roan Extended to the Southern Strip Mine	Muliashi Muliashi Oxidised Mine					
Development activities (including mine construction)	Chambishi Main and West Mine	Chambishi Southeast Mine	Muliashi Sulphide Mine	Muliashi Sulphide Mine	Mwambashi Mine	Samba Mine	Main Mine	West Mine	MSESA Mine Total
Purchases of assets and equipment	0.68	2.45	-	24.43	-	-	-	-	27.56
Civil work for construction of tunnels and roads	3.75	12.94	1.44	-	-	-	-	-	18.13
Others	3.01	6.76	-	1.41	15.36	-	-	-	26.54
Sub-total	7.44	22.15	1.44	25.84	15.36	-	-	-	72.23

	NFCA		Luanshya				SML		Kambove Mining			
			Southern Superficial Part of Deep	Roan Extended to the Southern	Muliashi Strip Mine	Muliashi Oxidised Mine	Mwambashi Mine	Samba Mine	Main Mine	West Mine	MSESA Mine	Total
Mining activities (excluding ore processing)	Chambishi Main and West Mine	Chambishi Southeast Mine	Muliashi Sulphide Mine	Muliashi Sulphide Mine	Muliashi Strip Mine	Muliashi Oxidised Mine	Mwambashi Mine	Samba Mine	Main Mine	West Mine	MSESA Mine	Total
Staff cost	2.11	7.41	-	-	-	-	-	-	-	-	-	9.52
Consumables	4.08	18.51	-	-	-	-	-	-	-	-	-	22.59
Fuel, electricity, water and other services	9.43	7.39	-	-	-	-	-	-	0.16	-	-	16.98
Depreciation	4.49	23.69	-	-	8.98	0.06	0.06	-	-	-	-	37.22
Sub-contracting charges	25.48	33.12	-	-	33.29	0.21	0.21	-	23.42	-	-	115.52
Transportation charges	-	-	-	-	-	-	-	-	-	-	-	-
Others	0.60	1.31	-	-	-	-	0.06	-	-	-	-	1.97
Sub-total	46.19	91.43	-	-	42.27	0.33	0.33	-	23.58	-	-	203.80

PROJECTS IN PROGRESS

NFCA

The full-section hard rock tunnel boring machine (TBM) project of the L-slope of the Southeast Mine from the surface to the middle section at depths up to 680 mL – Firstly, the hydrogeological and engineering geological surveys along the L-slope from the surface to the middle section at depths up to 680 mL was completed, which successfully identified a section of about 250 meters along the slope with adverse geology that mainly consists of clay-rich minerals and sandy fillings and is prone to softening and disintegration after dewatering, with poor overall stability. Secondly, the groutability test of the adverse geological formations and the drilling inspection were completed. No obvious cement or cement bonding samples were seen within the grouting section of the adverse geological bodies, and there was no evidence of cement bonding at the upper and lower layers of the main control section. On the whole, the stratum possess certain groutability under the action of grouting pressure, but the grouting process shows obvious signs of uneven spreading, which makes it difficult to modify the homogeneity of the adverse geology and reinforce the whole body effectively. Thirdly, the passability verification of the adverse geology on the established route was completed by the end of July 2025. If the established route is adopted, after completion of the preparatory work such as surface curtain grouting water control (about 8 months), TBM equipment manufacturing (about 7 months) and transportation (about 4 months), the construction conditions will be ready by the end of February 2027. The construction will take about 17 months and complete by the third quarter of 2028. In case of route adjustments, additional surveys will take about 8 months. Construction will commence by the end of October 2027, with completion postponed to the second quarter of 2029.

The curtain grouting water control project for the main and auxiliary shafts of the Southeast Mine – Firstly, the curtain wall of the auxiliary shaft from the surface to 450mL section was basically formed. Treatment work was carried out to the third deep aquifer between 450mL-505mL, the locations of the remaining main water outlets are concentrated between 450mL-480mL. The water influx of the auxiliary shaft has been reduced to approximately 29m³/h, and currently, the remaining task for the auxiliary shaft is to manage the residual water influx from the drill holes for the construction. Secondly, the curtain wall of the main shaft from the surface to the 50mL section was also basically formed, which has proceeded to the drilling and grouting process of the second aquifer between 130 meters-170 meters and the current water influx is 42.56m³/h. Thirdly, the construction work on the main and auxiliary shafts was suspended due to damages to the walls.

Main west separation plant renovation project – Firstly, the geotechnical survey of the project was completed and the report was submitted by early July 2025. Secondly, the project feasibility study and relevant investment decision procedures of the Company were completed, and the investment application to the Group was reviewed by various departments, the expert committee, the investment committee and the general manager's office of the Group. Thirdly, the environmental impact assessment, bidding and preliminary design of the project are progressing simultaneously. Fourthly, it is planned that the bidding for the project will be launched in early August 2025, and the contract negotiation and signing, preliminary design review and environmental impact assessment report review will be completed by mid-September 2025, with a view of commencing civil construction by the end of September 2025.

CCS

Firstly, the expansion and renovation project of the slag separation plant. As of the first half of 2025, the preliminary design (in lieu of a feasibility study), the procurement for semi-autogenous grinding equipment and the settlement of the progress payment for construction and installation engineering were completed, amounting to US\$3.2 million. Secondly, the new 10,000 Nm³/h (90% purity) Vacuum Pressure Swing Adsorption (VPSA) oxygen generation system project was approved by the Group on 8 April 2025. As of the first half of 2025, the feasibility study, environmental impact assessment, design and expert review, and the bidding and procurement of oxygen generation system equipment were completed, amounting to US\$4.5 million. Thirdly, the environmental protection treatment project of smelting flue gas (new dust collection system) was approved by the Group on 6 May 2025. As of the first half of the year, the design and expert review and the bidding and procurement of environmentally friendly high pressure flue gas fan and low pressure bag filter were completed, amounting to US\$1.5 million. Fourthly, the smelted concentrate warehouse area C expansion project. As of the first half of 2025, the dismantling of the equipment at the original site and the bidding and procurement of car wash equipment, amounting to US\$0.2 million. Fifthly, the new photovoltaic storage power station project in the living area is currently in the process of price quotation and comparison.

Luanshya

A new mine project – The project is a key project for Luanshya to achieve sustainable and high-quality development in the future, with a total investment of approximately US\$513.0 million (including approximately US\$100.0 million for pumping and drainage and approximately US\$413.0 million for restoration construction). The product is copper concentrate, with a designed mining and beneficiation capacity of 2.2 million tonnes/year and contained copper in copper concentrate of 43,500 tonnes/year. The infrastructure construction period is 4 years and the production period is 18 years. Pumping and drainage test went smoothly, and comprehensive pumping and drainage work was initiated. By the end of June 2025, the cumulative drainage volume was 68.09 million m³, accounting for 74% of the total water volume, and the water level had dropped by a cumulative total of 594 meters. For the shallow section of the project, the feasibility study has been completed and the restoration and infrastructure work is progressing steadily.

Lualaba Copper Smelter

Firstly, the slag flotation project: the construction of the 2024 slag flotation project officially commenced on 7 April 2024. System standalone equipment and zero-load test runs were completed on 30 December 2024. The project was completed and put into operation on 20 January 2025, though final project settlement has not yet been completed. The entire system is currently operating under normal production conditions.

Secondly, the expansion of the slag slow cooling plants and supporting plant project: 2 high-speed diesel generators in the supporting plant have been completed and put into operation, and delivered for production; the construction of independent foundations of 6 medium-speed diesel generators and ground beams of the power distribution room, as well as foundations for 8 diesel generators have all been completed. Currently, drainage ditches and cable trenches for the power distribution room are under construction. For the slag slow cooling plants expansion project, 8 concrete pourings (for drainage outlets) have been done, and concrete pouring of bedding layers for both the north and south sites have been completed. This project is scheduled to be delivered for production use on 30 November 2025.

Thirdly, the slag flotation tailings pond construction project: all geological exploration work for the project was completed, and construction design is currently underway.

Kambove Mining

The preliminary work for the resource development projects of Kambove West Mine and the MSES A Mine – This project is to promote the works prior to the preparation of the feasibility studies on the pumping and drainage of Kambove West Mine, the supplemental exploration of the MSES A Mine, the drainage and dredging of the MSES A Mine, the necessary technical conditions for mining, and the metallurgical study of the ore, etc.

The feasibility study report on the overall optimization of the leach plant and the renovation and expansion project of the tailings system have been prepared and submitted to the Group for approval. The construction of the project commenced in December 2024. As of 30 June 2025, all construction designs have been completed, while the procurement of the main process equipment has been completed and all equipment is expected to arrive on-site by 30 September 2025. The project is scheduled for completion by 30 December 2025.

For Phase I of the development project of Kambove West Mine with a total planned investment of US\$85.8 million, it includes updating of the pre-feasibility study of the Kambove West Mine and supplementary exploration in the northern part of the Kambove West Mine, which aims to explore the extension of the upper mine in the northern part of the Kambove West Mine. Phase I of the development project of MSEA Mine has a total planned investment of US\$22.0 million. The planned investment of US\$1.8 million in 2025 will be used for metallurgical testwork and mining technical conditions research of the MSEA Mine, based on which the feasibility study for the development of the MSEA Mine will be completed. The system renovation project for the use of sulfur dioxide instead of sodium metabisulfite with a planned total investment of US\$2.3 million, which is scheduled to be completed in September 2025. The overall optimization of the leach plant and the renovation and expansion project of the tailings system with a total planned investment of US\$42.1 million is scheduled to be completed in December 2025.

FINANCIAL REVIEW

Results of Operations

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

	Six months ended 30 June							
	2025				2024			
	Sales	Average		% of Total	Sales	Average		% of Total
	Volume ⁽¹⁾	Selling Price	Revenue	Revenue	Volume ⁽¹⁾	Selling Price	Revenue	Revenue
		(US\$ per				(US\$ per		
	(Tonnes)	tonne)	(US\$'000)	(%)	(Tonnes)	tonne)	(US\$'000)	(%)
Blister copper and copper anodes	109,308	8,776	959,277	54.8	159,611	8,530	1,361,485	67.7
Copper cathodes	70,525	8,673	611,635	34.9	63,324	8,168	517,213	25.7
Sulfuric acid	387,982	225	87,259	5.0	404,786	206	83,354	4.2
Liquid sulphur dioxide	990	686	680	0.1	10,144	793	8,046	0.4
Cobalt contained in cobaltous hydroxide	–	–	–	–	526	8,391	4,414	0.2
Copper product processing services ⁽²⁾	102,479	904	92,682	5.2	39,992	882	35,256	1.8
Total	671,284		1,751,533	100.0	678,383		2,009,768	100.0

Notes :

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

Revenue

The revenue of the Group decreased by 12.9% from US\$2,009.8 million in the first half of 2024 to US\$1,751.5 million in the first half of 2025, primarily attributable to period-over-period increase in the production of blister copper and copper anodes processed for enterprises outside of the Group and the period-over-period decrease in the sales volume of self-produced and sold copper products, resulting in a period-over-period decrease in revenue.

The revenue from sales of blister copper and copper anodes decreased by 29.5% from US\$1,361.5 million in the first half of 2024 to US\$959.3 million in the first half of 2025, primarily attributable to period-over-period increase in the production of blister copper and copper anodes processed for enterprises outside of the Group and the period-over-period decrease in the sales volume of self-produced and sold copper products during the Reporting Period in order to avoid capital appropriation and exchange risks caused by the further increase in the balance of input VAT receivables, resulting in a period-over-period decrease in revenue.

The revenue from sales of copper cathodes increased by 18.3% from US\$517.2 million in the first half of 2024 to US\$611.6 million in the first half of 2025, primarily attributable to the period-over-period increase in the production and sales volume of copper cathodes and the increase in global copper price.

The revenue from sales of sulfuric acid increased by 4.7% from US\$83.4 million in the first half of 2024 to US\$87.3 million in first half of 2025, primarily attributable to the increase in average selling price of sulfuric acid.

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

	Six months ended 30 June							
	2025				2024			
	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin	Cost of Sales	Unit Cost of Sales	Gross Profit	Gross Profit Margin
	(US\$'000)	(US\$ per tonne)	(US\$'000)	(%)	(US\$'000)	(US\$ per tonne)	(US\$'000)	(%)
Blister copper and copper anodes	778,475	7,122	180,802	18.9	1,147,639	7,190	213,846	15.7
Copper cathodes	331,375	4,699	280,260	45.8	282,704	4,464	234,509	45.3
Sulfuric acid	32,461	84	54,798	62.8	34,431	85	48,923	58.7
Liquid sulphur dioxide	792	800	(112)	(16.6)	3,598	355	4,448	55.3
Cobalt contained in cobaltous hydroxide ⁽²⁾	1,968	–	(1,968)	–	8,185	15,561	(3,771)	(85.5)
Copper product processing services ⁽¹⁾	36,195	353	56,487	61.0	21,251	531	14,005	39.7
Total	<u>1,181,266</u>		<u>570,267</u>	32.6	<u>1,497,808</u>		<u>511,960</u>	25.5

Notes:

- (1) The copper product processing services refer to the processing and production of copper products by the Group's smelters as entrusted by the external enterprises and the Group receives processing fees from these enterprises.
- (2) The cost of sales of cobalt contained in cobaltous hydroxide represents impairment provision of inventories in the first half of 2025.

Cost of sales

The cost of sales of the Group decreased by 21.1% to US\$1,181.3 million in the first half of 2025 from US\$1,497.8 million in the first half of 2024, primarily due to the period-over-period increase in the production of blister copper and copper anodes processed for enterprises outside of the Group and the period-over-period decrease in the sales volume of self-produced and sold copper products, resulting in a period-over-period decrease in the cost of sales.

The cost of sales of blister copper and copper anodes decreased by 32.2% from US\$1,147.6 million in the first half of 2024 to US\$778.5 million in the first half of 2025, primarily due to the period-over-period increase in the production of blister copper and copper anodes processed for enterprises outside of the Group and the period-over-period decrease in the sales volume of self-produced and sold copper products, resulting in a period-over-period decrease in the cost of sales.

The cost of sales of copper cathodes increased by 17.2% from US\$282.7 million in the first half of 2024 to US\$331.4 million in the first half of 2025, primarily due to the period-over-period increase in the sales volume of copper cathodes.

The cost of sales of sulfuric acid decreased by 5.5% from US\$34.4 million in the first half of 2024 to US\$32.5 million in the first half of 2025, primarily due to the period-over-period decrease in sales volume of sulfuric acid.

Gross profit and gross profit margin

Due to the above factors, the Group recorded a gross profit of US\$570.3 million in the first half of 2025, representing an increase of 11.4% from US\$512.0 million in the same period of 2024. The gross profit margin increased from 25.5% in the first half of 2024 to 32.6% in the first half of 2025, which was mainly attributable to the decrease in the proportion of low-margin blister copper and copper anode production and the increase in the proportion of high-margin contract manufacturing during 2025.

Distribution and selling expenses

The distribution and selling expenses of the Group increased by US\$1.0 million from US\$3.5 million in the first half of 2024 to US\$4.5 million in the first half of 2025.

Administrative expenses

The administrative expenses of the Group increased by US\$12.5 million from US\$83.6 million in the first half of 2024 to US\$96.1 million in the first half of 2025, primarily due to the temporary suspension of production at SML to focus on the appropriate rehabilitation measures.

Finance costs

The finance costs of the Group decreased by US\$5.1 million from US\$6.3 million in the first half of 2024 to US\$1.2 million in the first half of 2025, primarily due to a significant decrease in external borrowings compared with the same period last year.

Other gains and losses

In terms of other gains and losses, the Group recorded a net gain of US\$48.7 million in the first half of 2025, increased by US\$45.3 million from the gain of US\$3.4 million in the first half of 2024, which was primarily due to the appreciation of ZMK against US\$, resulting in a period-over-period increase in foreign exchange gain.

Income tax expense

The income tax expense of the Group increased by US\$32.0 million from US\$129.2 million in the first half of 2024 to US\$161.2 million in the first half of 2025, primarily due to the increase in profit before tax.

Profit attributable to owners of the Company

Due to the aforementioned factors, profit attributable to owners of the Company increased by US\$44.2 million from US\$219.1 million in the first half of 2024 to US\$263.3 million in the first half of 2025.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Net cash generated from operating activities

Net cash flow generated from the operating activities of the Group was a net inflow of US\$525.9 million in the first half of 2025, which increased by US\$112.8 million from the net inflow of US\$413.1 million in the first half of 2024, mainly attributable to the period-over-period increase in net profit.

Net cash (used in)/ generated from investing activities

The net cash flow used in investing activities of the Group was a net outflow of US\$151.2 million in the first half of 2025, which increased in outflow by US\$178.0 million from the net inflow of US\$26.8 million used in investing activities in the first half of 2024, mainly attributable to the period-over-period decrease in the amount of time deposits converted into demand deposits, and deposit of funds with CNMC Treasury Management (Hong Kong) Company Limited during the Reporting Period.

Net cash (used in)/generated from financing activities

The net cash flow used in financing activities of the Group was a net outflow of US\$42.1 million in the first half of 2025, which increased in outflow by US\$137.0 million from the net inflow of US\$94.9 million used in financing activities in the first half of 2024, mainly attributable to the proceeds from the issue of new shares during the same period last year and the fact that there were no new external borrowings for the same period this year.

Bank balances and cash

The Group's bank balances and cash (including cash, time deposits and demand deposits) increased by US\$334.7 million from US\$1,018.7 million as at 31 December 2024 to US\$1,353.4 million as at 30 June 2025.

Trade receivables at amortised cost/trade receivables at FVTPL

As at 30 June 2025, the Group recorded trade receivables at amortised cost of US\$86.8 million and trade receivables at FVTPL of US\$258.1 million. The trade receivables at FVTPL were the trade receivables arising from the sale of copper products under provisional pricing arrangements. The aggregate trade receivables amounted to US\$344.9 million, which increased by US\$88.3 million from US\$256.6 million as at 31 December 2024, mainly attributable to the increase in the receivables in relation to sales of copper products.

Inventories

Inventories held by the Group decreased by US\$0.9 million from US\$848.2 million as at 31 December 2024 to US\$847.3 million as at 30 June 2025, basically maintaining at the same level as the same period last year.

Trade payables at amortised cost/trade payables designated at FVTPL

As at 30 June 2025, the Group recorded trade payables at amortised cost of US\$266.7 million and trade payables designated at FVTPL of US\$222.6 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\$489.3 million, which increased by US\$48.8 million from US\$440.5 million as at 31 December 2024, primarily due to the period-over-period increase in the amounts payable for ancillary materials and spare parts.

Capital expenditure

	Six months ended	
	30 June	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Mining and ore processing facilities at Chambishi Southeast		
Mine of NFCA	23,687	6,264
Other mining and ore processing facilities at NFCA	11,183	5,976
A new mine project at Luanshya	24,426	8,036
Mining and leaching facilities at Luanshya		
(Muliashi Project)	2,744	3,896
Baluba Mine Open Pit Mine at Luanshya	13,042	—
Other facilities at Luanshya	6,035	5,606
Smelting facilities at CCS	2,946	3,065
Leaching facilities at Chambishi Leach Plant	5,127	3,104
Leaching facilities at CNMC Huachin Leach Project	352	1,628
Leaching facilities at Mabende Project	788	3,253
Smelting facilities at Lualaba Copper Smelter	6,793	1,342
Mining and ore processing facilities at Kambove Mining	11,229	3,839
Total	108,352	46,009

The total capital expenditure of the Group was US\$108.4 million in the first half of 2025, increased by US\$62.4 million as compared with the first half of 2024, primarily due to the period-over-period increase in the capital expenditure on the Chambishi Southeast Mine, the new mine project and Baluba Mine Open Pit Mine at Luanshya, as well as Kambove Mining.

MARKET RISK DISCLOSURE

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

Commodity price risk

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

Foreign exchange risk

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

Interest rate risk

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

EMPLOYEE INFORMATION

As at 30 June 2025, the Group had 9,400 employees, which comprised 908 Chinese employees and 8,492 local employees in Zambia and the DRC. The total cost of employees incurred by the Group for the six months ended 30 June 2025 was approximately US\$57.6 million (for the six months ended 30 June 2024: US\$52.3 million).

FUTURE PROSPECTS

In the first half of 2025, external uncertainties increased, with tariff policies in the United States causing significant fluctuations in international copper prices. Unstable domestic situation and severe power shortages in the DRC increased country risk. Smelting and processing fees fell to historic lows, resulting in significant profit declines for smelters. These unfavourable factors caused disruptions to the Company's production and operation, yet production companies in Africa actively responded and overcame difficulties and basically completed the production tasks, with key economic indicators reaching historical best levels. In the capital market, the Company further strengthened the maintenance of investor relations; maintained positive interactions with domestic and overseas investors; and actively gave back to shareholders by maintaining a high dividend payout ratio. The Company's performance in the secondary market was also widely recognized by investors. In June, the Company announced the subscription of certain equity interests in the Benkala copper mine in Kazakhstan, with plans to further acquire shares to establish a controlling position in the future, which marked a breakthrough in the Company's extensive mergers and acquisitions and opened a new chapter in its development.

Looking ahead, a full recovery of the global economy will take time, and trade frictions and geopolitical conflicts may exacerbate volatility in commodity prices. Country risks in South and Central Africa might intensify and smelting and processing fees are unlikely to increase in the short term. The temporary suspension of production at the Chambishi Southeast Mine will affect the Company's annual output of self-produced copper. These unfavourable factors will have a negative impact on the Company's production and operations in the second half of the year.

In terms of product prices, copper ore supply remains tight. Smelters may reduce production capacity due to low processing fees. Growth in demand for copper ore from power grid, new energy and other sectors is expected to maintain resilient demand. International copper prices are expected to remain high based on supply and demand fundamentals.

In the second half of the year, under the leadership of the Board, the management will continue to stabilise production and maintain profit, attach great importance to safety and environmental protection, compliance operation and sustainable development, accelerate the implementation of various reforms, ensure the completion of annual production and operation targets, and achieve the overall goal of stable growth in 2025.

OTHER INFORMATION

General Information

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

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

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

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

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

As at 30 June 2025, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or interests and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the “Model Code for Securities Transactions by Directors of Listed Issuers” as stipulated in The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

DIRECTORS' RIGHTS TO ACQUIRE SHARES

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

* Translation of English name for reference purpose only

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

As at 30 June 2025, so far as it is known to the Directors and the chief executive of the Company, interests or short positions which shall be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Long positions in Shares:

Substantial Shareholder	Capacity/Nature of interest	Number of shares	Approximate percentage of shareholdings
CNMD	Registered owner	2,600,000,000	66.63%
CNMC	Interest in a controlled corporation	2,600,000,000	66.63%

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

Save as disclosed above, as at 30 June 2025, no other person had any interests or short positions in the Shares or underlying Shares of the Company which was required to be recorded in the register pursuant to section 336 of the SFO.

As at 30 June 2025, each of the following entities was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Member of the Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
NFCA	Zambia Consolidated Copper Mines Investments Holdings Plc (“ZCCM-IH”)	15%
Luanshya	ZCCM-IH	20%
CCS	Yunnan Copper Industry (Group) Co., Ltd* (雲南銅業集團有限公司)	40%
SML	Hong Kong Zhongfei Mining Investment Limited (“Hong Kong Zhongfei”)	30%
Huachin Leach	Huachin SARL	32.5%
CNMC Huachin Mabende	Huachin SARL	33.25%
China Nonferrous Mining Hong Kong Holdings Limited	Hong Kong Zhongfei	30%
Kambove Mining	La Generale des Carrieres et des Mines SA	40%

* Translation of English name for reference purpose only

Member of the Group	Entity with 10% or more interest (other than member of the Group)	Percentage of that entity's interest
Lualaba Copper Smelter	Yunnan & Hongkong Metal Company Limited (“YH Metal”)	38%
Kingsail Limited	YH Metal	40%

Save as disclosed above, as at 30 June 2025, no other persons were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote under all circumstances at general meetings of any other member of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in any business which competes or may compete directly or indirectly with the business of the Group for the six months ended 30 June 2025.

CORPORATE GOVERNANCE

For the six months ended 30 June 2025, the Company had complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules (the “**CG Code**”).

AUDIT COMMITTEE

The Company has an audit committee (the “**Audit Committee**”) which was established with written terms of reference in compliance with the Rule 3.22 of the Listing Rules and paragraph D.3 of Part 2 of the CG Code. The primary duties of the Audit Committee are to supervise the financial reporting process and internal control and risk management systems of the Group. Members of the Audit Committee are Mr. Yaoyu TAN, a non-executive Director, and Mr. Guangfu GAO and Mr. Huanfei GUAN, independent non-executive Directors. The Audit Committee has reviewed the Group's interim financial results for the six months ended 30 June 2025 and was of the opinion that such interim financial results complied with the applicable accounting standards, the Listing Rules and legal requirements, and that disclosures had been made.

The interim financial report for the six months ended 30 June 2025 have been reviewed by the Group's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules (the “**Model Code**”). The Company had also made specific enquiries to all Directors and confirmed that all of them complied with the Model Code throughout the six months ended 30 June 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities throughout the six months ended 30 June 2025.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

As of the date of this announcement, save as the temporary suspension of production of Southeast Mine of NFCA, there were no important events affecting the Group which have occurred after the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.cnmcl.net) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2025, which sets out all information required under the Listing Rules, will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
China Nonferrous Mining Corporation Limited
Bo XIAO
Chairman

28 August 2025

As at the date of this announcement, the Board comprises Mr. Bo XIAO as an executive Director; Mr. Yaoyu TAN and Ms. Yani GONG as non-executive Directors; and Mr. Huanfei GUAN, Mr. Guangfu GAO and Mr. Yufeng SUN as independent non-executive Directors.