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洛陽欒川鉬業集團股份有限公司

China Molybdenum Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03993)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO THE INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

Reference is made to the interim report of China Molybdenum Co., Ltd.* (the “**Company**” and the Company together with its subsidiaries (the “**Group**”)) for the six months ended 30 June 2017 (the “**Interim Report**”) published on 5 September 2017. The board (the “**Board**”) of directors of the Company would like to clarify that there were inadvertent errors on the Interim Report. These inadvertent errors were due to (i) the re-classifications of fixed assets and intangible assets, and (ii) the exchange differences arising thereof.

1. At page 35 of both the Chinese version and English version of the consolidated balance sheet:
 - the fixed assets of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB26,101,008,700 instead of RMB25,691,017,800;
 - the intangible assets of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB22,977,568,200 instead of RMB23,387,559,100;

2. At page 63 of both the Chinese version and English version of the note 13 to the consolidated financial statements:
- the total differences in foreign currency translation of the original carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB256,047,900 instead of -RMB60,790,500;
 - the total closing balance of the original carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB31,519,340,900 instead of RMB31,202,502,700;
 - the total provision made for the accumulated depreciation of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB1,369,903,700 instead of RMB1,660,027,400;
 - the total differences in foreign currency translation of the accumulated depreciation of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB170,588,000 instead of -RMB26,383,000;
 - the total closing balance of the accumulated depreciation of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB5,414,387,000 instead of RMB5,507,539,700;
 - the total closing carrying amount of the carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB26,101,008,700 instead of RMB25,691,017,800;
3. At page 66 of both the Chinese version and English version of the note 15 to the consolidated financial statements:
- the total differences in foreign currency translation of the original carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB12,549,900 instead of -RMB508,858,100;

- the total closing balance of the original carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB25,523,524,300 instead of RMB25,002,116,300;
 - the total provision made for the accumulated amortization of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB1,533,828,500 instead of RMB624,844,700;
 - a description of “(2) Differences in foreign currency translation” was omitted under “Item II Accumulated amortization”. The description should be inserted between the line “2. Increase for the period – (1) Provision” and “3. Decreases for the period”.
 - the total differences in foreign currency translation (the description of which was originally omitted as indicated in the sub-paragraph immediately stated above) of the accumulated amortization of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB11,384,900 instead of -RMB11,030,200;
 - the total closing balance of the accumulated amortization of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB2,545,956,100 instead of RMB1,614,557,200;
 - the total closing carrying amount of the carrying amount of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB22,977,568,200 instead of RMB23,387,559,100;
4. At page 90 of both the Chinese version and English version of the note 55 to the consolidated financial statements at the (1) Supplementary information to cash flow statement:
- the depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets of the reconciliation of net profit to cash flows from operating activities of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB1,369,903,700 instead of RMB1,660,027,400;
 - the intangible asset amortization of the reconciliation of net profit to cash flows from operating activities of the Group for the six months ended 30 June 2017 were inadvertently stated to be RMB1,533,828,500 instead of RMB624,844,700;
 - the other of the reconciliation of net profit to cash flows from operating activities of the Group for the six months ended 30 June 2017 were inadvertently stated to be -RMB778,846,400 instead of -RMB159,986,300;

The consolidated balance sheet of the Interim Report in the relevant items are corrected and restated as follows:

CONSOLIDATED BALANCE SHEET (30 June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Note	30 June 2017	31 December 2016
Current assets:			
Cash and cash equivalents	VI(1)	1,254,287.66	997,022.41
Financial assets measured at fair value through profit or loss	VI(2)	3,806.90	5,559.90
Note receivables	VI(3)	137,216.38	95,086.16
Account receivables	VI(4)	194,748.91	146,180.72
Prepayments	VI(5)	31,106.04	29,557.21
Interests receivable	VI(6)	2,227.86	4,049.28
Other receivables	VI(7)	84,878.81	114,703.93
Inventories	VI(8)	517,815.48	508,276.75
Non-current assets due within one year	VI(9)	73,488.44	–
Other current assets	VI(10)	41,260.11	79,859.26
Total current assets		2,340,836.59	1,980,295.62
Non-current assets:			
Available-for-sale financial assets	VI(11)	288,955.98	300,060.25
Long-term equity investments	VI(12)	117,091.12	119,149.93
Fixed assets	VI(13)	2,569,101.78	2,727,292.13
Construction in progress	VI(14)	83,795.14	69,535.90
Inventories	VI(8)	438,306.24	426,961.79
Intangible assets	VI(15)	2,338,755.91	2,450,131.40
Goodwill	VI(16)	108,885.07	111,480.36
Long-term deferred expenses	VI(17)	15,430.22	11,524.74
Deferred tax assets	VI(18)	39,209.02	43,212.14
Other non-current assets	VI(19)	457,674.43	575,039.60
Total non-current assets		6,457,204.91	6,834,388.24
Total assets		8,798,041.50	8,814,683.86

Item	<i>Note</i>	30 June 2017	31 December 2016
Current liabilities:			
Short-term borrowings	VI(20)	480,235.50	437,243.35
Financial liabilities at fair value through profit or loss	VI(21)	439,567.27	282,144.18
Notes payable	VI(22)	31,750.00	66,000.00
Account payables	VI(23)	89,050.26	74,150.83
Receipts in advance	VI(24)	23,087.90	5,186.75
Employee benefits payable	VI(25)	37,185.92	35,482.22
Taxes payable	VI(26)	83,592.19	5,786.12
Interests payable	VI(27)	18,558.65	18,368.42
Dividends payable	VI(28)	2,788.58	2,788.58
Other payables	VI(29)	51,939.26	141,677.58
Non-current liabilities due within one year	VI(30)	287,326.49	258,449.74
Other current liabilities	VI(31)	211,240.94	270,889.72
Total current liabilities		<u>1,756,322.96</u>	<u>1,598,167.49</u>
Non-current liabilities:			
Long-term borrowings	VI(32)	2,246,484.40	2,337,687.99
Bonds payable	VI(33)	200,000.00	200,000.00
Provisions	VI(34)	180,509.96	175,779.37
Deferred tax liabilities	VI(18)	957,173.10	1,005,512.79
Other non-current liabilities	VI(35)	817,470.22	63,843.53
Total non-current liabilities		<u>4,401,637.68</u>	<u>3,782,823.68</u>
Total liabilities		<u>6,157,960.64</u>	<u>5,380,991.17</u>

Item	<i>Note</i>	30 June 2017	31 December 2016
Equity			
Share capital	VI(36)	337,743.97	337,743.97
Capital reserve	VI(37)	1,072,848.35	1,072,030.66
Other comprehensive income	VI(38)	354.95	28,285.43
Special reserve	VI(39)	647.34	857.01
Surplus reserve	VI(40)	84,009.89	84,009.89
Retained earnings	VI(41)	375,287.54	350,878.86
Total equity attributable to owners of the Company		1,870,892.04	1,873,805.82
Non-controlling interests		769,188.82	1,559,886.87
Total equity		2,640,080.86	3,433,692.69
Total liabilities and equity		8,798,041.50	8,814,683.86

The Board would like to emphasize that the inadvertent errors do not have a material effect on the Company's Interim Report.

By Order of the Board
China Molybdenum Co., Ltd.*
Li Chaochun
Chairman

Luoyang City, Henan Province, PRC, 29 October 2017

As at the date of this announcement, the Company's executive directors are Messrs. Li Chaochun and Li Faben; the Company's non-executive directors are Messrs. Ma Hui, Yuan Honglin and Cheng Yunlei; and the Company's independent non-executive directors are Messrs. Bai Yanchun, Xu Shan and Cheng Gordon.

* *for identification purposes only*