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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)

**UNAUDITED RESULTS ANNOUNCEMENT FOR
THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited.

As disclosed in the announcement on the results of the issue of the short-term financing bill published by China Molybdenum Co., Ltd.* (the “**Company**”) on 3 June 2011, the Company issued RMB2 billion of short-term financing bill on 2 June 2011. According to the Rules for Information Disclosure on Debt Financing Instruments of Non-financial Enterprises in the Inter-bank Bond Market (《銀行間債券市場非金融企業債務融資工具信息披露規則》) published by National Association of Financial Market Institutional Investors, the Company is required to disclose its quarterly balance sheet, income statement and cash flow statement within one month of the end of the third quarter. The Company has, in compliance with this requirement, published its unaudited financial statements for the nine months ended 30 September 2011 on the website of China Government Securities Depository Trust & Clearing Co. Ltd. (www.chinabond.com.cn).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that the unaudited financial results of the Company and its subsidiaries for the nine months ended 30 September 2011 were prepared in accordance with the generally accepted accounting principles of the People's Republic of China (the “**PRC**”) and are enclosed for information only.

The Board wishes to remind investors that the financial information contained herein for the nine months ended 30 September 2011 is based on the unaudited management accounts and has not been reviewed or audited by the auditor of the Company. The investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Molybdenum Co., Ltd.*
Chairman
Duan Yuxian

Luoyang, Henan Province, the PRC, 28 October 2011

As at the date of this announcement, the executive Directors are Mr. Duan Yuxian, Mr. Li Chaochun, Mr. Wu Wenjun, Mr. Li Faben and Mr. Wang Qinxi; the non-executive Directors are Mr. Shu Hedong and Mr. Zhang Yufeng; and the independent non-executive Directors are Mr. Gao Dezhu, Mr. Zeng Shaojin, Mr. Gu Desheng and Mr. Ng Ming Wah, Charles.

* *For identification purposes only*

1. BALANCE SHEET OF THE PARENT COMPANY

Items	As at 30 September 11 RMB	As at 31 December 10 RMB
Current Assets:		
Bank balances and cash	1,286,896,621.20	1,624,809,642.22
Held-for-trading investments	60,304,280.00	61,713,680.00
Entrusted loans	—	—
Bills receivable	1,428,659,198.04	812,270,923.52
Receivable accounts	185,812,752.98	1,488,744,983.07
Prepayments	1,717,494,072.91	719,193,230.04
Interests receivable	20,185,645.67	9,932,428.45
Dividends receivable	56,453,957.81	132,463,613.05
Other receivables	267,387,977.42	484,515,188.10
Inventories	209,234,794.35	391,902,405.05
Other current assets	21,732,554.58	93,566,891.07
	<u>5,254,161,854.96</u>	<u>5,819,112,984.57</u>
Total current assets	<u>5,254,161,854.96</u>	<u>5,819,112,984.57</u>
Non-current assets:		
Held-to-maturity investment	32,286,604.16	30,000,000.00
Long-term equity investment	3,738,018,354.52	3,651,945,966.59
Fixed assets	1,983,807,002.54	2,111,864,535.82
Construction in progress	58,262,408.57	92,221,220.21
Intangible assets	631,116,817.96	549,134,393.00
Long-term deferred expenses	91,323,161.46	32,301,458.31
Deferred income tax assets	48,100,834.86	58,609,555.64
Other non-current assets	1,247,618,557.17	1,230,611,455.00
	<u>7,830,533,741.24</u>	<u>7,756,688,584.57</u>
Total non-current assets	<u>7,830,533,741.24</u>	<u>7,756,688,584.57</u>
Total assets	<u>13,084,695,596.20</u>	<u>13,575,801,569.14</u>

Current liabilities:

Short-term borrowings	150,000,000.00	650,000,000.00
Bills payable	80,867,000.00	149,830,000.00
Accounts payables	83,751,554.44	98,610,155.57
Funds received in advance	2,725,497.62	78,036,310.65
Staff remuneration payable	84,853,376.32	53,755,655.65
Tax payable	122,342,376.99	91,620,987.47
Dividend payable	—	—
Other payables	374,178,606.34	1,112,071,229.40
Non-current liabilities due within one year	385,585.80	385,585.80
Other current liabilities	121,455,168.38	58,117,537.40
Total current liabilities	<u>1,020,559,165.89</u>	<u>2,292,427,461.94</u>

Non-current liabilities:

Long-term borrowings	—	—
Bonds payable	2,000,000,000.00	—
Projected liabilities	44,213,105.43	42,615,041.37
Deferred income tax liabilities		
Other non-current liabilities	15,315,350.76	19,387,096.70
Total non-current liabilities	<u>2,059,528,456.19</u>	<u>62,002,138.07</u>

Total liabilities	<u>3,080,087,622.08</u>	<u>2,354,429,600.01</u>
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Shareholders' equity:

Share capital	975,234,105.00	975,234,105.00
Capital reserve	7,584,830,422.21	7,584,830,422.21
Special reserve	56,216,918.50	94,392,237.14
Surplus reserve	594,576,602.00	594,576,602.00
Retained earnings	793,749,926.41	1,972,338,602.78
Foreign currency translation differences	—	—
Total equity attributable to the shareholders of the parent company	—	—
Minority interests	—	—
Total shareholders' equity	<u>10,004,607,974.12</u>	<u>11,221,371,969.13</u>
Total liabilities and shareholders' equity	<u>13,084,695,596.20</u>	<u>13,575,801,569.14</u>

2. INCOME STATEMENT OF THE PARENT COMPANY

Items	For the period from 1 January to 30 September 11 <i>RMB</i>	For the period from 1 January to 31 December 10 <i>RMB</i>
1. Total operating revenue	4,967,884,068.11	6,348,007,382.63
2. Total operating costs	4,003,098,473.99	5,433,986,508.39
Including: Operating cost	3,605,606,560.80	4,942,635,509.79
Business taxes and surcharges	153,665,695.87	178,127,282.51
Selling expenses	9,055,577.05	12,164,684.67
Administrative expenses	214,637,614.28	254,379,621.35
Finance costs	20,305,246.17	50,868,890.80
Asset impairment losses	(172,220.18)	(4,189,480.73)
Add: Gains (losses) from changes in fair value	(1,409,400.00)	(4,179,913.30)
Gains (losses) from investments	115,228,332.55	189,296,319.90
Including: Gains from investments in associates and joint ventures	89,508,862.29	25,831,569.77
3. Operating profits (losses)	1,078,604,526.67	1,099,137,280.84
Add: Non-operating income	1,542,376.51	11,244,043.49
Less: Non-operating expenses	2,434,701.60	14,228,003.63
Including: Losses from disposal of non-current assets	—	—
4. Total profits (losses)	1,077,712,201.58	1,096,153,320.70
Less: Income tax expenses	242,584,260.06	229,947,038.40
5. Net profits (net losses)	835,127,941.52	866,206,282.30
Net profit attributable to owners of the parent company	—	—
Minority interests	—	—
6. Earnings per share:		
Basic earnings per share	0.17	0.18

3. CASH FLOW STATEMENT OF THE PARENT COMPANY

Items	For the period from 1 January to 30 September 11 RMB	For the period from 1 January to 31 December 10 RMB
1. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	6,255,422,856.98	6,716,688,236.72
Tax rebates	—	—
Other cash received from activities relating to operations	132,819,099.03	32,700,349.54
Sub-total of cash inflows from operating activities	6,388,241,956.01	6,749,388,586.26
Cash paid for goods purchased and service received	3,818,473,530.75	6,247,307,717.41
Cash paid to and on behalf of employees	309,473,211.16	303,970,487.48
Taxes paid	835,836,931.62	730,991,624.06
Other cash paid for activities relating to operations	268,077,240.00	212,484,115.37
Sub-total of cash outflow from operating activities	5,231,860,913.53	7,494,753,944.32
Net cash flows from operating activities	1,156,381,042.48	(745,365,358.06)

2. Cash flow from investment activities:		
Cash received from disposal of investment	6,860,000,000.00	4,940,766,762.53
Cash received from gains in investment	135,173,546.75	127,057,493.21
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	42,000.00	387,382.31
Net cash received from disposal of subsidiaries and other operating entities	—	—
Other cash received relating to investment activities	696,389,573.98	954,122,878.64
Sub-total of cash inflows from investment activities	7,691,605,120.73	6,022,334,516.69
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	210,881,350.04	384,291,634.74
Cash paid for investments	6,834,414,500.00	2,985,414,627.54
Net cash paid for acquiring subsidiaries and other operating entities	—	—
Cash paid relating to other investment activities	1,804,879,917.25	1,206,751,905.65
Sub-total of cash outflow from investment activities	8,850,175,767.29	4,576,458,167.93
Net cash flow from investment activities	(1,158,570,646.56)	1,445,876,348.76

3. Cash flow from financing activities:		
Proceeds received from investments	—	—
Cash received from borrowings	3,540,839,805.71	1,550,000,000.00
Other cash received relating to financing activities	2,393,166,743.39	5,736,054,108.30
Sub-total of cash inflow from financing activities	5,934,006,549.10	7,286,054,108.30
Cash repayments of borrowings	1,975,368,302.97	1,050,000,000.00
Cash payments for dividend, profit distribution or interest repayment	1,996,129,897.43	430,022,155.26
Other payments relating to financing activities	2,306,284,476.24	5,404,403,479.22
Sub-total of cash outflow from financing activities	6,277,782,676.64	6,884,425,634.48
Net cash flow from financing activities	(343,776,127.54)	401,628,473.82
4. Effect on cash and cash equivalents due to changes in foreign exchange rates	—	—
5. Net increase (decrease) in cash and cash equivalents	(345,965,731.62)	1,102,139,464.52
Add: Balance of cash and cash equivalents at the beginning of the year	1,600,862,352.82	498,722,888.30
6. Balance of cash and cash equivalents at the end of the year	1,254,896,621.20	1,600,862,352.82

1. CONSOLIDATED BALANCE SHEET

Items	As at 30 September 2011 RMB	As at 31 December 2010 RMB
Current Assets:		
Bank balances and cash	2,551,381,276.20	2,863,396,255.97
Held-for-trading investments	61,684,012.43	64,099,083.56
Bills receivable	1,456,766,532.11	851,478,708.24
Receivable accounts	670,652,459.70	583,758,816.18
Prepayments	262,913,574.09	119,730,847.60
Receivable interests	22,845,923.45	11,224,930.03
Other receivables	105,628,866.13	144,035,926.51
Inventories	1,423,206,430.38	1,471,856,835.50
Other current assets	119,659,889.98	96,484,638.67
	<u>6,674,738,964.47</u>	<u>6,206,066,042.26</u>
Total current assets		
Non-current assets:		
Held-to-maturity investment	86,757,423.60	83,072,069.44
Long-term equity investment	1,687,489,835.62	1,614,498,354.05
Net fixed assets	3,675,589,465.99	4,027,702,174.98
Construction in progress	204,183,595.07	157,623,417.76
Intangible assets	2,041,446,639.52	907,638,839.12
Long-term deferred expenses	94,499,972.45	34,273,824.97
Deferred income tax assets	170,207,383.47	144,493,816.81
Other non-current assets	119,210,270.22	534,271,355.00
	<u>8,079,384,585.94</u>	<u>7,503,573,852.13</u>
Total non-current assets		
	<u>14,754,123,550.41</u>	<u>13,709,639,894.39</u>
Total assets		

Current liabilities:

Short-term borrowings	337,840,738.40	761,650,000.00
Bills payable	80,867,000.00	100,000,000.00
Accounts payables	292,632,917.81	414,760,632.41
Funds received in advance	30,315,398.08	50,078,263.19
Staff remuneration payable	118,032,807.98	75,036,202.14
Tax payable	4,255,843.19	(33,564,300.62)
Dividend payable	44,860,602.56	103,643,783.73
Other payables	308,611,624.57	393,162,300.54
Non-current liabilities due within one year	10,000,000.00	25,000,000.00
Other current liabilities	141,567,415.05	41,989,319.88
Total current liabilities	1,368,984,347.64	1,931,756,201.27

Non-current liabilities:

Long-term borrowings	28,000,000.00	10,000,000.00
Bonds payable	2,000,000,000.00	—
Projected liabilities	44,403,105.43	42,615,041.37
Other non-current liabilities	249,829,864.93	24,878,266.70
Total non-current liabilities	2,322,232,970.36	77,493,308.07
Total liabilities	3,691,217,318.00	2,009,249,509.34

Shareholders' equity:

Share capital	975,234,105.00	975,234,105.00
Capital reserve	7,584,830,422.21	7,584,830,422.21
Special reserve	60,195,933.76	94,392,237.14
Surplus reserve	594,576,602.00	594,576,602.00
Retained earnings	973,150,161.26	2,010,215,040.41
Foreign currency translation differences	(2,669,102.08)	(3,740,780.32)
Total equity attributable to the shareholders of the parent Company	10,152,719,132.23	11,255,507,626.44
Minority interests	877,588,110.26	444,882,758.61
Total shareholders' equity	11,062,906,232.41	11,700,390,385.05
Total liabilities and shareholders' equity	14,754,123,550.41	13,709,639,894.39

2. CONSOLIDATED INCOME STATEMENT

Items	For the period from 1 January to 30 September 2011 (RMB)	For the period from 1 January to 31 December 2010 (RMB)
	1. Total operating revenue	4,894,067,336.51
2. Total operating costs	3,796,535,564.19	3,175,811,537.57
Including: Operating cost	3,236,423,969.41	2,643,702,269.28
Business taxes and surcharges	158,271,030.56	189,262,351.66
Selling expenses	17,646,188.05	15,105,016.61
Administrative expenses	326,045,779.56	334,990,183.03
Finance costs	25,239,797.09	(6,737,309.71)
Asset impairment losses	32,908,799.52	(510,973.30)

Add:	Gains (losses) from changes in fair value	(2,367,021.03)	(4,561,086.14)
	Gains (losses) from investments	96,558,162.85	97,983,666.51
	Including: Gains from investments in associates and joint ventures	79,582,112.04	25,831,569.77
3.	Operating profits (losses)	1,191,722,914.14	1,414,577,593.42
Add:	Non-operating income	7,669,620.86	16,009,810.73
Less:	Non-operating expenses	4,105,296.30	15,886,847.48
	Including: Losses from disposal of non-current assets	45,049.44	713,257.28
4.	Total profits (losses)	1,195,287,238.70	1,414,700,556.67
Less:	Income tax expenses	275,320,762.42	357,865,750.97
5.	Net profits (losses)	919,966,476.28	1,056,834,805.70
	Net profit attributable to owners of the parent Company	873,386,110.55	1,020,691,889.73
	Minority interests	46,580,365.73	36,142,915.97
6.	Basic earnings per share	0.18	0.21

3. CONSOLIDATED CASH FLOW STATEMENT

Items	For the period	For the period
	from 1 January to 30 September	from 1 January to 31 December
	2011	2010
	RMB	RMB
1. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	5,624,313,182.07	5,587,913,215.62
Tax rebates	—	—
Other cash received from activities relating to operations	49,681,788.28	69,697,627.65
Sub-total of cash inflows	5,673,994,970.35	5,657,610,843.27
Cash paid for goods purchased and service received	3,703,377,295.15	4,101,925,888.22
Cash paid to and on behalf of employees	400,603,958.78	472,822,996.12
Taxes paid	987,384,290.38	875,789,100.20
Other cash paid for activities relating to operations	130,699,615.48	146,472,909.37
Sub-total of cash outflows	5,222,065,159.79	5,597,010,893.91
Net cash flows from operating activities	451,929,810.56	60,599,949.36

2. Cash flow from investment activities:		
Cash received from disposal of investment	6,978,721,205.48	5,318,726,610.19
Cash received from gains in investment	50,992,491.23	77,248,362.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	247,660.26	1,805,900.19
Net cash received from disposal of subsidiaries and other operating entities	—	95,346,727.58
Other cash received relating to investment activities	—	42,000,000.00
Sub-total of cash inflows	7,029,961,356.97	5,535,127,600.16
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	466,355,666.35	1,247,821,416.27
Cash paid for investments	6,984,017,000.00	4,153,254,628.03
Net cash paid for acquiring subsidiaries and other operating entities	—	278,604,268.32
Cash paid relating to other investment activities	32,000,000.00	52,000,000.00
Sub-total of cash outflows	7,482,372,666.35	5,731,680,312.62
Net cash flow from investment activities	(452,411,309.38)	(196,552,712.46)
3. Cash flow from financing activities:		
Proceeds received from investments	—	180,480,000.00
Cash received from borrowings	3,370,745,753.64	1,661,650,000.00
Other cash received relating to financing activities	50,262,483.61	—
Sub-total of cash inflows	3,421,008,237.25	1,842,130,000.00
Cash repayments of borrowings	1,671,690,858.54	1,199,404,623.56
Cash payments for dividend, profit distribution or interest repayment	2,067,637,787.00	490,072,904.82
Other payments relating to financing activities	606,901.61	—
Sub-total of cash outflows	3,739,935,547.15	1,689,477,528.38
Net cash flow from financing activities	(318,927,309.90)	152,652,471.62

4. Effect on cash due to changes in foreign exchange rates	(658,881.65)	(2,001,322.58)
5. Net increase (decrease) in cash and cash equivalents	(320,067,690.37)	14,698,385.94
Add: Balance of cash and cash equivalents at the beginning of the period	2,839,448,966.57	2,824,750,580.63
6. Balance of cash and cash equivalents at the end of the period	2,519,381,276.20	2,839,448,966.57