

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**Annual Results Announcement
For the Year Ended 31 December 2015**

I. FINANCIAL INFORMATION

The board (the “**Board**”) of directors (the “**Directors**”) of China Molybdenum Co., Ltd.* (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2015 together with the comparative figures for 2014 as follows:

CONSOLIDATED BALANCE SHEET

| Items | Note | As at 31 December | | Increase (decrease) |
|--|------|--------------------------|--------------------------|------------------------|
| | | 2015 RMB | 2014 RMB | |
| Current assets: | | | | |
| Bank Balances and Cash | | 10,414,479,302.30 | 9,325,581,044.71 | 11.68% |
| Financial assets at fair value through profit or loss | | 4,838,045.50 | – | 100.00% |
| Bills receivable | | 602,079,822.07 | 1,158,139,987.39 | -48.01% |
| Accounts receivable | 1 | 744,253,181.48 | 851,358,849.42 | -12.58% |
| Prepayments | | 227,105,140.15 | 272,450,320.91 | -16.64% |
| Interests receivable | | 86,297,819.57 | 55,295,452.15 | 56.07% |
| Dividends receivable | | – | 61,226,476.23 | -100.00% |
| Other receivables | | 120,062,905.23 | 48,949,578.33 | 145.28% |
| Inventories | | 592,503,598.48 | 432,754,646.84 | 36.91% |
| Other current assets | | 2,940,139,813.99 | 2,559,100,452.85 | 14.89% |
| Total current assets | | 15,731,759,628.77 | 14,764,856,808.83 | 6.55% |
| Non-current assets: | | | | |
| AFS financial assets | | 2,373,165,292.11 | 4,928.00 | 48,156,663.23% |
| Long-term equity investment | | 1,260,507,394.45 | 1,484,565,921.78 | -15.09% |
| Fixed assets | | 4,495,248,544.61 | 4,983,502,274.40 | -9.80% |
| Construction in progress | | 478,679,498.42 | 372,524,643.53 | 28.50% |
| Inventories | | 275,057,127.19 | 307,737,812.71 | -10.62% |
| Intangible assets | | 3,836,026,995.53 | 3,915,838,078.45 | -2.04% |
| Long-term deferred expenses | | 124,474,656.00 | 115,221,782.30 | 8.03% |
| Deferred income tax assets | | 412,936,675.15 | 307,825,177.99 | 34.15% |
| Other non-current assets | | 1,892,672,672.91 | 1,802,798,943.92 | 4.99% |
| Total non-current assets | | 15,148,768,856.37 | 13,290,019,563.08 | 13.99% |
| Total assets | | 30,880,528,485.14 | 28,054,876,371.91 | 10.07% |

| Items | Note | As at 31 December | | Increase (decrease) |
|---|------|--------------------------|--------------------------|------------------------|
| | | 2015 RMB | 2014 RMB | |
| Current liabilities: | | | | |
| Short-term borrowings | | 2,906,199,075.88 | 305,950,000.00 | 849.89% |
| Financial liabilities at fair value through profit or loss | | 1,505,910,504.53 | 998,690,650.00 | 50.79% |
| Notes payable | | 782,730,000.00 | 156,900,000.00 | 398.87% |
| Accounts payable | 2 | 237,376,385.26 | 192,793,812.46 | 23.12% |
| Receipts in advance | | 37,781,869.32 | 76,780,913.29 | -50.79% |
| Payroll payable | | 113,520,910.57 | 137,777,636.28 | -17.61% |
| Taxes payable | | -123,612,410.35 | 207,789,199.47 | -159.49% |
| Interests payable | | 53,942,855.95 | 47,062,873.80 | 14.62% |
| Dividends payable | | 27,885,796.67 | 27,885,796.67 | 0.00% |
| Other payables | | 208,404,265.84 | 253,313,764.07 | -17.73% |
| Non-current liabilities due within one year | | 2,494,899,714.54 | 578,277,474.64 | 331.44% |
| Other current liabilities | | 523,896,357.63 | 16,651,701.67 | 3,046.20% |
| Total current liabilities | | 8,768,935,325.84 | 2,999,873,822.35 | 192.31% |
| Net current assets | | 6,962,824,302.93 | 11,764,982,986.48 | -40.82% |
| Total assets less current liabilities | | 22,111,593,159.30 | 25,055,002,549.56 | -11.75% |
| Non-current liabilities: | | | | |
| Long-term borrowings | | 1,941,586,400.00 | 4,160,920,000.00 | -53.34% |
| Bonds payable | | 2,000,000,000.00 | 5,438,722,886.26 | -63.23% |
| Provision | | 290,908,169.51 | 280,949,808.78 | 3.54% |
| Other non-current liabilities | | 62,407,518.53 | 29,876,208.25 | 108.89% |
| Total non-current liabilities | | 4,294,902,088.04 | 9,910,468,903.29 | -56.66% |
| Total liabilities | | 13,063,837,413.88 | 12,910,342,725.64 | 1.19% |

| Items | Note | As at 31 December | | Increase (decrease) |
|--|------|--------------------------|-------------------|------------------------|
| | | 2015 RMB | 2014 RMB | |
| Shareholders' equity: | | | | |
| Share capital | | 3,377,439,739.80 | 1,015,234,105.00 | 232.68% |
| Capital reserve | | 10,720,306,602.38 | 9,529,866,110.21 | 12.49% |
| Other comprehensive income | | -632,492,717.76 | -208,549,984.41 | 203.28% |
| Special reserve | | 115,200,675.56 | 271,924,909.24 | -57.64% |
| Surplus reserve | | 786,050,081.94 | 704,898,171.11 | 11.51% |
| Undistributed profits | 3 | 2,986,976,808.88 | 3,320,200,571.47 | -10.04% |
| Total equity attributable to the shareholders of the parent company | | 17,353,481,190.80 | 14,633,573,882.62 | 18.59% |
| Minority interests | | 463,209,880.46 | 510,959,763.65 | -9.35% |
| Total shareholders' equity | | 17,816,691,071.26 | 15,144,533,646.27 | 17.64% |
| Total liabilities and shareholders' equity | | 30,880,528,485.14 | 28,054,876,371.91 | 10.07% |

CONSOLIDATED INCOME STATEMENT

| Items | Notes | For the year ended 31 December | | |
|---|-------|--------------------------------|------------------|------------------------|
| | | 2015 RMB | 2014 RMB | Increase (decrease) |
| I. Total operating revenue | | 4,196,839,621.19 | 6,662,382,123.45 | -37.01% |
| Including: Operating Revenue | 4 | 4,196,839,621.19 | 6,662,382,123.45 | -37.01% |
| Less: Operating costs | 4 | 2,622,448,241.43 | 3,871,429,795.40 | -32.26% |
| Business taxes and levies | | 242,473,353.45 | 349,981,670.62 | -30.72% |
| Selling expenses | | 84,672,795.26 | 99,817,516.25 | -15.17% |
| Administrative expenses | | 357,173,860.29 | 448,352,128.52 | -20.34% |
| Financial expenses | 5 | 46,182,116.53 | 181,697,640.05 | -74.58% |
| Impairment losses of assets | | 230,442,603.42 | 105,559,909.17 | 118.31% |
| Add: Gains (losses) from changes in fair values | | -2,773,209.03 | 888,370.00 | -412.17% |
| Investment income | 6 | 116,593,344.54 | 531,758,189.98 | -78.07% |
| Including: Income from investments in associates and joint ventures | | -9,858,527.33 | 86,466,625.43 | -111.40% |
| II. Operating profit | | 727,266,786.32 | 2,138,190,023.42 | -65.99% |
| Add: Non-operating income | | 50,152,647.68 | 66,656,292.09 | -24.76% |
| Including: Income from disposal of non-current assets | | 4,079,367.52 | 21,670,101.53 | -81.18% |
| Less: Non-operating expenses | | 94,601,056.79 | 56,786,238.27 | 66.59% |
| Including: Losses from disposal of non-current assets | | 42,120,590.15 | 51,055,392.73 | -17.50% |
| III. Total profit | 7 | 682,818,377.21 | 2,148,060,077.24 | -68.21% |
| Less: Income tax expenses | 8 | -20,289,977.76 | 347,858,293.20 | -105.83% |
| IV. Net profit | | 703,108,354.97 | 1,800,201,784.04 | -60.94% |
| Net profit attributable to owners of the parent company | | 761,160,070.18 | 1,824,255,286.97 | -58.28% |
| Profit or loss attributable to minority interests | | -58,051,715.21 | -24,053,502.93 | 141.34% |

| Items | Notes | For the year ended 31 December | | |
|---|-------|--------------------------------|------------------|------------------------|
| | | 2015 RMB | 2014 RMB | Increase (decrease) |
| V. Other comprehensive income, net of tax | | -423,942,733.35 | -157,520,863.72 | 169.13% |
| Other comprehensive income attributable to owners of the parent company, net of tax | | -423,942,733.35 | -157,520,863.72 | 169.13% |
| (1) Other comprehensive income that will not be reclassified subsequently to profit or loss | | - | - | - |
| (2) Other comprehensive income that may be reclassified subsequently to profit or loss | | -423,942,733.35 | -157,520,863.72 | 169.13% |
| Including: 1. Exchange differences arising on translation of financial statements denominated in foreign currencies | | -154,955,081.45 | -157,520,863.72 | -1.63% |
| 2. Gains or losses from changes in fair value of available-for-sale financial assets | | -268,987,651.90 | | 100.00% |
| Other comprehensive income attributable to minority interests, net of tax | | = | = | - |
| VI. Total comprehensive income | | 279,165,621.62 | 1,642,680,920.32 | -83.01% |
| Total comprehensive income attributable to owners of the parent company | | 337,217,336.83 | 1,666,734,423.25 | -79.77% |
| Total comprehensive income attributable to minority interests | | -58,051,715.21 | -24,053,502.93 | 141.34% |
| VII. Earnings per share | | | | |
| (I) Basic earnings per share (Note 1) | 9 | 0.05 | 0.12 | -58.33% |
| (II) Diluted earnings per share (Note 2) | 9 | 0.05 | 0.12 | -58.33% |

Note 1: As the Company completed capitalisation of capital reserve for the year, and in accordance with rules such as Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)(公開發行證券的公司信息披露編報規則第9號–淨資產收益率和每股收益的計算及披露)(2010年修訂), the Accounting Standards for Business Enterprises No. 34 – Earnings per Share (企業會計準則第34號–每股收益) and the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – The Contents and Formats of Annual Report (Revised edition 2015)(公開發行證券的公司信息披露內容與格式準則第2號–年度報告的內容與格式(2015年修訂)), the Company has restated the number of outstanding ordinary shares on the same basis and, in the meantime adjusted the earnings per share for 2014 from RMB0.36 to RMB0.12 retrospectively.

Note 2: As at the end of the year, the Company had no outstanding diluted ordinary shares. (As at the end of last year: the Company's outstanding potential ordinary shares do not have dilutive effect).

CONSOLIDATED CASH FLOW STATEMENT

| Items | For the year ended 31 December | | |
|---|--------------------------------|------------------|------------------------|
| | 2015 RMB | 2014 RMB | Increase (decrease) |
| I. Cash flow from operating activities: | | | |
| Cash received from sales of goods and provision of services | 4,627,214,360.67 | 7,859,617,868.81 | -41.13% |
| Other cash receipts relating to operating activities | 488,703,678.64 | 119,587,736.21 | 308.66% |
| Sub-total of cash inflows from operating activities | 5,115,918,039.31 | 7,979,205,605.02 | -35.88% |
| Cash payments for goods purchased and services received | 1,887,827,372.50 | 2,372,217,158.40 | -20.42% |
| Cash payments to and on behalf of employees | 639,924,248.75 | 691,883,777.41 | -7.51% |
| Payments of various types of taxes | 909,091,638.20 | 1,092,799,630.87 | -16.81% |
| Other cash payments relating to operating activities | 320,302,856.46 | 187,257,901.17 | 71.05% |
| Sub-total of cash outflows from operating activities | 3,757,146,115.91 | 4,344,158,467.85 | -13.51% |
| Net cash flow from operating activities | 1,358,771,923.40 | 3,635,047,137.17 | -62.62% |

| Items | For the year ended 31 December | | |
|--|--------------------------------|-------------------|------------------------|
| | 2015 RMB | 2014 RMB | Increase (decrease) |
| II. Cash flows from investing activities: | | | |
| Cash receipts from disposals and recovery of investments | 12,223,309,959.59 | 4,668,357,974.57 | 161.83% |
| Cash receipts from investment income | 250,866,836.77 | 292,301,129.18 | -14.18% |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 12,518,392.27 | 73,233,797.38 | -82.91% |
| Cash receipts from acquisitions or disposals of subsidiaries and other business units | 4,282.41 | 814,373,425.01 | -100.00% |
| Other cash receipts relating to investing activities | 163,708,746.00 | 34,200,000.00 | 378.68% |
| Sub-total of cash inflows from investing activities | 12,650,408,217.04 | 5,882,466,326.14 | 115.05% |
| Cash payments for acquisitions or disposals of subsidiaries and other business units | 86,272.98 | – | 100.00% |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 592,982,562.47 | 601,565,585.43 | -1.43% |
| Cash payments to acquire investments | 12,122,847,408.83 | 9,229,000,000.00 | 31.36% |
| Other cash payments relating to investing activities | 100,000,000.00 | 131,158,843.62 | -23.76% |
| Sub-total of cash outflows from investing activities | 12,815,916,244.28 | 9,961,724,429.05 | 28.65% |
| Net cash flow from investing activities | -165,508,027.24 | -4,079,258,102.91 | -95.94 |

| Items | For the year ended 31 December | | |
|--|--------------------------------|------------------|------------------------|
| | 2015 RMB | 2014 RMB | Increase (decrease) |
| III. Cash flows from financing activities: | | | |
| Cash receipts from borrowings | 7,289,549,745.87 | 5,326,397,956.20 | 36.86% |
| Other cash receipts relating to financing activities | 1,482,568,890.00 | 992,093,300.00 | 49.44% |
| Sub-total of cash inflows from financing activities | 8,772,118,635.87 | 6,318,491,256.20 | 38.83% |
| Cash repayments of borrowings | 4,285,424,431.32 | 628,820,161.77 | 581.50% |
| Cash payments for distribution of dividends or profits and settlement of interests | 1,333,347,656.71 | 974,258,892.86 | 36.86% |
| Other cash payments relating to financing activities | 1,079,148,360.53 | 426,161,875.11 | 153.22% |
| Sub-total of cash outflows from financing activities | 6,697,920,448.56 | 2,029,240,929.74 | 230.07% |
| Net cash flow from financing activities | 2,074,198,187.31 | 4,289,250,326.46 | -51.64% |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | 89,119,174.12 | -24,041,546.34 | -470.69% |
| V. Net increase in cash and cash equivalents | 3,356,581,257.59 | 3,820,997,814.38 | -12.15% |
| Add: Opening balance of cash and cash equivalents | 5,625,581,044.71 | 1,804,583,230.33 | 211.74% |
| VI. Closing balance of cash and cash equivalents | 8,982,162,302.30 | 5,625,581,044.71 | 59.67% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTS RECEIVABLE

(1) Accounts receivable disclosed by category as follows:

RMB

| Category | 31 December 2015 | | | | 31 December 2014 | | | |
|---|-----------------------|---------------|-------------------------|------------------------|-----------------------|---------------|-------------------------|------------------------|
| | Book value | | Provision for bad debts | | Book value | | Provision for bad debts | |
| | Amount | Ratio (%) | Amount | Ratio of provision (%) | Amount | Ratio (%) | Amount | Ratio of provision (%) |
| Individually significant amount and subject to separate provision for bad debts | 693,278,126.99 | 88.71 | 18,704,815.89 | 2.70 | 833,070,811.37 | 94.88 | 4,229,626.57 | 0.51 |
| Subject to provision for bad debts based on the characteristics of credit risk as a group | 88,213,873.03 | 11.29 | 18,534,002.65 | 21.01 | 44,979,808.67 | 5.12 | 22,462,144.05 | 49.94 |
| Total | 781,492,000.02 | 100.00 | 37,238,818.54 | 4.77 | 878,050,620.04 | 100.00 | 26,691,770.62 | 3.04 |

The Group recognizes accounts receivable of over RMB5 million as accounts receivable that are individually significant.

The Group normally allows credit period of no longer than 90 days to its trade customers, but a longer credit period is allowed for major customers.

Aging analysis on accounts receivable:

RMB

| Aging | Balance at the end of the year | | | | Balance at the beginning of the year | | | |
|---------------|--------------------------------|---------------|-------------------------|-----------------------|--------------------------------------|---------------|-------------------------|-----------------------|
| | Amount | Ratio (%) | Provision for bad debts | Book value (%) | Amount | Ratio (%) | Provision for bad debts | Book value (%) |
| Within 1 year | 719,724,217.15 | 92.09 | - | 719,724,217.15 | 817,539,018.89 | 93.11 | - | 817,539,018.89 |
| 1 to 2 years | 5,824,148.46 | 0.75 | - | 5,824,148.46 | 5,535,767.33 | 0.63 | - | 5,535,767.33 |
| 2 to 3 years | 5,076,920.60 | 0.65 | 180,978.60 | 4,895,942.00 | 35,844,426.72 | 4.08 | 7,560,363.52 | 28,284,063.20 |
| Over 3 years | 50,866,713.81 | 6.51 | 37,057,839.94 | 13,808,873.87 | 19,131,407.10 | 2.18 | 19,131,407.10 | - |
| Total | 781,492,000.02 | 100.00 | 37,238,818.54 | 744,253,181.48 | 878,050,620.04 | 100.00 | 26,691,770.62 | 851,358,849.42 |

Accounts receivable of individual amount is significant and subject to separate provision for bad debts at the end of the year:

RMB

| Accounts receivable (Based on company) | 31 December 2015 | | | Reason for provision |
|---|------------------------|----------------------------|------------------------------|-------------------------|
| | Accounts receivable | Provision for bad debts | Ratio of provision (%) | |
| Company A | 8,459,253.13 | 4,229,626.57 | 50.00 | Bad debt risk |
| Company E | 28,950,378.63 | 14,475,189.32 | 50.00 | Bad debt risk |
| Total | <u>37,409,631.76</u> | <u>18,704,815.89</u> | | |

Use of aging analysis for making bad debt provision in the portfolio:

RMB

| Aging | 31 December 2015 | | |
|----------------|------------------------|----------------------------|------------------------------|
| | Accounts receivable | Provision for bad debts | Ratio of provision (%) |
| Within 2 years | 69,679,870.38 | – | – |
| Over 2 years | 18,534,002.65 | 18,534,002.65 | 100.00 |
| Total | <u>88,213,873.03</u> | <u>18,534,002.65</u> | <u>21.01</u> |

- (2) Provision for bad debts amounted to RMB14,656,167.92 during the year; written back or reversed bad debts amounted to RMB4,109,120.00 during the year.
- (3) No accounts receivable was actually written off during the year.

(4) The largest 5 accounts receivable according to debts at the end of the year

RMB

| Name of entity | Relationship with the Company | Amount | Proportion of the amount to the total accounts receivable (%) | Balance of bad debts provision at the end of the year |
|-----------------------|--------------------------------------|-----------------------|--|--|
| Company B | Third party | 148,865,407.00 | 19.05 | – |
| Company C | Third party | 135,032,801.77 | 17.28 | – |
| Company D | Third party | 86,015,775.88 | 11.01 | – |
| Company E | Third party | 28,950,378.63 | 3.70 | 14,475,189.32 |
| Company F | Third party | 24,938,454.41 | 3.19 | – |
| Total | | <u>423,802,817.69</u> | <u>54.23</u> | <u>14,475,189.32</u> |

(5) There are no accounts receivable that have been derecognised during the reporting period.

2. ACCOUNTS PAYABLE

(1) Accounts payable

RMB

| Items | 31 December 2015 | 31 December 2014 |
|--------------------------------|-------------------------|-------------------------|
| Payables for purchase of goods | <u>237,376,385.26</u> | <u>192,793,812.46</u> |
| Total | <u>237,376,385.26</u> | <u>192,793,812.46</u> |

(2) Aging analysis on accounts payable:

RMB

| Items | Closing Balance | Balance at the beginning of the year |
|---------------|------------------------------|--|
| Within 1 year | 221,239,361.12 | 179,843,245.66 |
| 1 to 2 years | 10,842,533.11 | 5,722,872.75 |
| Over 2 years | 5,294,491.03 | 7,227,694.05 |
| Total | <u>237,376,385.26</u> | <u>192,793,812.46</u> |

3. UNDISTRIBUTED PROFITS

RMB

Items

2015:

| | |
|--|--------------------------------|
| Undistributed profits at the beginning of the year | 3,320,200,571.47 |
| Add: Net profit attributable to shareholders of the parent company for the year | 761,160,070.18 |
| Less: Appropriation of statutory surplus reserve | 81,151,910.83 |
| Dividends payable for ordinary shares | <u>1,013,231,921.94</u> |
| Undistributed profits at the end of the year | <u>2,986,976,808.88</u> |

2014:

| | |
|--|--------------------------------|
| Undistributed profits at the beginning of the year | 2,206,609,158.00 |
| Add: Net profit attributable to shareholders of the parent company for the year | 1,824,255,286.97 |
| Less: Appropriation of statutory surplus reserve | – |
| Dividends payable for ordinary shares | <u>710,663,873.50</u> |
| Undistributed profits at the end of the year | <u>3,320,200,571.47</u> |

In 2015, calculated based on the issued 5,629,066,233 shares with a par value of RMB0.2 per share, a final cash dividend for the year 2014 of RMB0.18 per share (amounting to a total of RMB1,013,231,921.94 (tax inclusive)) was distributed to all the shareholders.

The resolution regarding the issue of bonus shares by way of capitalisation of the capital reserve for the 2015 interim period of the Company was duly considered and approved at the 2015 first extraordinary general meeting of the Company held on 30 October 2015, a total of 11,258,132,466 bonus shares, in a total amount of RMB2,251,626,493.2, based on the total share capital of 5,629,066,233 as of 31 July 2015, were issued to all the shareholders by way of capitalisation of the capital reserve of the Company on the basis of twenty bonus shares for every ten existing shares of the Company.

In 2014, calculated based on the issued 5,076,170,525 shares with a par value of RMB0.2 per share, a final cash dividend for the year 2013 of RMB0.14 per share was distributed to all the shareholders (amounting to a total of RMB710,663,873.50 (tax inclusive)).

The Board proposed to distribute a final cash dividend of RMB0.25 for each ten existing shares to all shareholders for the year 2015, based on the total of 16,887,198,699 issued shares with a par value of RMB0.2. The proposed cash dividend is subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

As at 31 December 2015, the balance of the Group's undistributed profits include appropriation to surplus reserves by subsidiaries amounting to RMB169,699,785.59 (31 December 2014: RMB113,591,532.75).

4. OPERATING REVENUE AND OPERATING COSTS

(1) Operating revenue and operating costs

| | | <i>RMB</i> |
|-----------------------------------|-------------------------|------------------|
| Items | 2015 | 2014 |
| Revenue from principal businesses | 4,044,138,198.75 | 6,484,300,456.84 |
| Revenue from other businesses | 152,701,422.44 | 178,081,666.61 |
| Costs from principal business | 2,505,563,447.76 | 3,743,066,560.66 |
| Costs from other businesses | 116,884,793.67 | 128,363,234.74 |

(2) Principal businesses (by product)

| Product name | 2015 | | 2014 | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | Operating revenue | Operating costs | Operating revenue | Operating costs |
| Molybdenum, tungsten and related products | 2,421,140,447.03 | 1,483,174,288.51 | 3,615,113,883.37 | 1,954,328,057.09 |
| Gold, silver and related products | - | - | 274,177,972.60 | 273,721,309.77 |
| Electrolytic lead | - | - | 215,679,580.18 | 246,411,582.03 |
| Copper, gold and related products | 1,442,799,406.13 | 931,261,148.57 | 2,049,420,999.10 | 991,636,715.54 |
| Others | 180,198,345.59 | 91,128,010.68 | 329,908,021.59 | 276,968,896.23 |
| Total | <u>4,044,138,198.75</u> | <u>2,505,563,447.76</u> | <u>6,484,300,456.84</u> | <u>3,743,066,560.66</u> |

5. FINANCE EXPENSES

| Items | RMB | |
|---|----------------------|-----------------------|
| | 2015 | 2014 |
| Interest expenses on bonds | 260,689,500.10 | 122,855,059.92 |
| Interest on discounted bills | 43,689,546.04 | 4,617,561.37 |
| Interest expenses on bank borrowings | 190,743,721.74 | 140,336,056.35 |
| Including: Interest expenses on bank loans due within 5 years | 182,752,868.66 | 139,839,074.14 |
| Total interest expenses: | 495,122,767.88 | 267,808,677.64 |
| Less: Interest expenses capitalized | - | - |
| Less: Interest income | 532,139,155.03 | 154,414,916.16 |
| Exchange difference | (20,451,513.79) | (5,046,526.72) |
| Less: Exchange difference capitalized | - | - |
| Others | 103,650,017.47 | 73,350,405.29 |
| Total | <u>46,182,116.53</u> | <u>181,697,640.05</u> |

6. INVESTMENT INCOME

(1) Breakdown of investment income

| | <i>RMB</i> | |
|--|------------------------------|------------------------------|
| Items | 2015 | 2014 |
| Investment income (loss) from long-term equity investments under equity method | (9,858,527.33) | 86,466,625.43 |
| Income arising from bonds and financial products | 174,876,549.09 | 140,844,167.55 |
| Investment losses on disposal of available-for-sale financial assets | (31,768,850.88) | – |
| Investment profit (loss) from disposal of held-for-trading equity instruments | (2,499,998.75) | 355,119.70 |
| Derivatives not designated as a hedge | (14,160,110.00) | – |
| —Gains from settlement of commodity derivative contracts | (14,160,110.00) | – |
| Investment income from disposal of subsidiaries | 4,282.41 | 304,092,277.30 |
| Total | <u>116,593,344.54</u> | <u>531,758,189.98</u> |

(2) Investment income from long-term equity investments under equity method:

| | <i>RMB</i> | | |
|-------------------|------------------------------|-----------------------------|--|
| Investee | 2015 | 2014 | Reasons of increase/ decrease as compared with the previous year |
| Yulu Mining | 90,759,506.61 | 151,548,955.95 | Change in net profits of the investee |
| Yuhua Molybdenum | – | (13,144.84) | Deregistration of the investee |
| Luoyang High-Tech | (14,878,498.40) | (10,215,827.48) | Change in net profits of the investee |
| Fuchuan Mining | (85,739,535.54) | (54,853,358.20) | Change in net profits of the investee |
| Total | <u>(9,858,527.33)</u> | <u>86,466,625.43</u> | Change in net profits of the investee |

There is no significant restriction on remittance of investment income.

Investment income for both current and prior years is come from the unlisted entities.

7. GROSS PROFIT FOR THE YEAR

The profit for the year has been arrived at after charging:

| | <i>RMB</i> | |
|--------------|------------------------------|-----------------------|
| | 2015 | 2014 |
| Depreciation | <u>558,429,296.21</u> | <u>612,349,446.42</u> |
| Amortisation | <u>197,685,270.21</u> | <u>210,291,067.47</u> |

8. INCOME TAX EXPENSES

| | <i>RMB</i> | |
|---|-------------------------------|-------------------------|
| Items | 2015 | 2014 |
| Current income tax calculated according to tax laws and relevant regulators | 114,041,949.38 | 482,233,005.90 |
| Settlement difference in income tax for the previous year | (39,714,902.44) | 37,182,252.00 |
| Deferred income tax adjustment | <u>(94,617,024.70)</u> | <u>(171,556,964.70)</u> |
| Total | <u>(20,289,977.76)</u> | <u>347,858,293.20</u> |

Reconciliation of income tax expenses to the accounting profit is as follows:

| Items | <i>RMB</i> | |
|--|-------------------------------|------------------------------|
| | 2015 | 2014 |
| Accounting profit | 682,818,377.21 | 2,148,060,077.24 |
| Income tax expenses calculated at 15% (2014: 15%) | 102,422,756.58 | 322,209,011.59 |
| Effect of expenses that are not deductible for tax purposes | 25,874,270.66 | 17,075,150.99 |
| Effect of non-taxable income, additional tax deductible expenses items | (10,930,148.53) | (61,726,361.01) |
| Effect of utilising previously unrecognised deductible losses and deductible temporary differences | (141,899,902.37) | (68,745,518.46) |
| Effect of unrecognised deductible losses and deductible temporary differences | 37,050,202.82 | 52,957,907.68 |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | 6,907,745.52 | 48,905,850.41 |
| Settlement difference in income tax for the previous year | (39,714,902.44) | 37,182,252.00 |
| Total | <u>(20,289,977.76)</u> | <u>347,858,293.20</u> |

9. CALCULATION OF BASIC EARNINGS PER SHARE

Net profit for the current period attributable to ordinary shareholders of the Company used for calculating basic earnings per share is as follows:

| | <i>RMB</i> | |
|--|-----------------------|------------------|
| | 2015 | 2014 |
| Net profit attributable to ordinary shareholders for the period | 761,160,070.18 | 1,824,255,286.97 |

The denominator used for calculating the earnings per share, being the weighted average number of outstanding ordinary shares, is calculated as follows:

| | <i>Share</i> | |
|---|--------------------------|-------------------|
| | 2015 | 2014 |
| Number of outstanding ordinary shares at the beginning of the year (<i>Note 1</i>) | 15,228,511,575.00 | 15,228,511,575.00 |
| Add: Weighted number of ordinary shares issued during the year (<i>Note 1</i>) | 777,370,896.50 | – |
| Weighted number of outstanding ordinary shares at the end of the year (<i>Note 1</i>) | 16,005,882,471.50 | 15,228,511,575.00 |

Earnings per share

| | <i>RMB</i> | |
|---|-------------|------|
| | 2015 | 2014 |
| Based on the net profit attributable to shareholders of the parent company: | | |
| Basic earnings per share | 0.05 | 0.12 |
| Diluted earnings per share (<i>Note 2</i>) | 0.05 | 0.12 |

Note 1: As the Company completed capitalisation of capital reserve for the year, and in accordance with rules such as Regulations on the Preparation of Information Disclosure for Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision)(公開發行證券的公司信息披露編報規則第9號–淨資產收益率和每股收益的計算及披露)(2010修訂), the Accounting Standards for Business Enterprises No. 34 – Earnings per Share (企業會計準則第34號–每股收益) and the Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – The Contents and Formats of Annual Report (Revised edition 2015)(公開發行證券的公司信息披露內容與格式準則第2號–年度報告的內容與格式(2015年修訂)), the Company has restated the number of outstanding ordinary shares on the same basis and, in the meantime adjusted the earnings per share for 2014 from RMB0.36 to RMB0.12 retrospectively.

Note 2: As at the end of the year, the Company had no outstanding diluted ordinary shares. (As at the end of last year: the Company’s outstanding potential ordinary shares do not have dilutive effect).

II. FINANCIAL REVIEW

OVERVIEW

For the year ended 31 December 2015, the net profit of the Group was RMB703.1 million, representing a decrease of RMB1,097.1 million or 60.9% from RMB1,800.2 million for the year ended 31 December 2014. of which: the net profit attributable to the owners of the parent company was RMB761.2 million, representing a decrease of RMB1,063.1 million or 58.3% from RMB1,824.3 million for the year ended 31 December 2014, which was primarily due to the decline in price of the major products of the Company.

The comparative analysis for the year ended 31 December 2015 and the year ended 31 December 2014 is as follows:

OPERATING RESULTS

For the year ended 31 December 2015, the Group recorded an operating revenue of RMB4,196.8 million, representing a decrease of RMB2,465.6 million or 37.0% from RMB6,662.4 million for the year ended 31 December 2014. For the year ended 31 December 2015, the gross profit of the Group was RMB1,574.4 million, representing a decrease of RMB1,216.6 million or 43.6% from RMB2,791.0 million for the same period last year.

The table below sets out the turnover, costs of sales, gross profit and gross profit margin of our products in 2015 and 2014:

| Product Name | 2015 | | | | 2014 | | | |
|--|------------------------------------|---------------------------------|-------------------------------|----------------------------|------------------------------------|---------------------------------|-------------------------------|----------------------------|
| | Operating revenue (RMB million) | Operating cost (RMB million) | Gross profit (RMB million) | Gross profit margin (%) | Operating revenue (RMB million) | Operating cost (RMB million) | Gross profit (RMB million) | Gross profit margin (%) |
| Domestic market | | | | | | | | |
| — Molybdenum and tungsten-related products | 2,399.4 | 1,462.2 | 937.3 | 39.1 | 3,558.6 | 1,925.6 | 1,632.9 | 45.9 |
| — Gold, silver and related products | 0.0 | 0.0 | 0.0 | 0.0 | 274.2 | 273.7 | 0.5 | 0.2 |
| — Electrolytic lead | 0.0 | 0.0 | 0.0 | 0.0 | 215.7 | 246.4 | -30.7 | -14.2 |
| — Copper-related products | 463.3 | 299.0 | 164.2 | 35.5 | 630.6 | 305.1 | 325.5 | 51.6 |
| — Others | 296.7 | 208.0 | 88.7 | 29.9 | 474.7 | 405.3 | 69.4 | 14.6 |
| Sub-total | <u>3,159.4</u> | <u>1,969.2</u> | <u>1,190.2</u> | <u>37.7</u> | <u>5,153.8</u> | <u>3,156.2</u> | <u>1,997.5</u> | <u>38.8</u> |
| International market | | | | | | | | |
| — Molybdenum and tungsten-related products | 21.7 | 21.0 | 0.7 | 3.1 | 56.5 | 28.7 | 27.9 | 49.3 |
| — Copper-related products | 979.5 | 632.2 | 347.3 | 35.5 | 1,418.8 | 686.5 | 732.3 | 51.6 |
| — Others | 36.2 | 0.0 | 36.2 | 100.0 | 33.2 | 0.0 | 33.2 | 100.0 |
| Sub-total | <u>1,037.4</u> | <u>653.2</u> | <u>384.2</u> | <u>37.0</u> | <u>1,508.6</u> | <u>715.2</u> | <u>793.4</u> | <u>52.6</u> |
| Total | <u><u>4,196.8</u></u> | <u><u>2,622.4</u></u> | <u><u>1,574.4</u></u> | <u><u>37.5</u></u> | <u><u>6,662.4</u></u> | <u><u>3,871.4</u></u> | <u><u>2,791.0</u></u> | <u><u>41.9</u></u> |

During the reporting period, due to the decline in price of the major products of the Company, reduction in sales of molybdenum products, disposal of electrolytic lead, gold and silver smelting businesses, as well as other factors, the realized operating revenue of the Company was RMB4,196.8 million, representing a decrease of 37.0% as compared with the same period last year.

During the reporting period, through strengthening internal management, implementing various costs control measures, the Company has effectively reduced the production costs, partly offset the adverse impact that the Company confronted due to decline in price of the major products.

During the reporting period, the gross profit of the Company was RMB1,574.4 million, representing a decrease of RMB1,216.6 million as compared with the same period last year. Although through product structural adjustment, the Company has disposed the electrolytic lead, gold and silver smelting businesses that have a lower gross profit margin, the overall gross profit margin has reduced 4.4 percentage points, to 37.5% as compared with the same period last year, due to the continuous decline of the market price of the major products.

For the year ended 31 December 2015, the operating cost of the Group was RMB2,622.4 million, representing a decrease of RMB1,249.0 million or 32.3% from RMB3,871.4 million for the same period last year. The main reasons include the decline in sales of major product, decline in costs of unit sales, disposal of electrolytic lead, gold and silver smelting businesses and other factors.

Set out below is the component of cost of the major products of the Company:

| Product | Component of cost | Current period (RMB million) | Percentage over total cost for the current period (%) | Amount for the same period last year (RMB million) | Percentage over total cost for the same period last year (%) | Percentage of changes in amount during the year (%) |
|--|--------------------|---------------------------------|--|---|---|--|
| Molybdenum and tungsten-related products | materials | 363.9 | 26.4 | 524.9 | 30.4 | (30.7) |
| | labor | 284.3 | 20.6 | 338.3 | 19.6 | (16.0) |
| | depreciation | 149.6 | 10.9 | 180.4 | 10.5 | (17.1) |
| | energy | 234.2 | 17.0 | 237.7 | 13.8 | (1.5) |
| | manufacturing fees | 345.9 | 25.1 | 445.4 | 25.8 | (22.3) |
| Gold and silver-related products | materials | – | – | 200.9 | 74.6 | (100.0) |
| | labor | – | – | 41.6 | 15.4 | (100.0) |
| | depreciation | – | – | 4.7 | 1.7 | (100.0) |
| | energy | – | – | 4.5 | 1.7 | (100.0) |
| | manufacturing fees | – | – | 17.6 | 6.5 | (100.0) |
| Electrolytic lead | materials | – | – | 231.1 | 89.3 | (100.0) |
| | labor | – | – | 6.8 | 2.6 | (100.0) |
| | depreciation | – | – | 10.8 | 4.2 | (100.0) |
| | energy | – | – | 7.6 | 2.9 | (100.0) |
| | manufacturing fees | – | – | 2.5 | 1.0 | (100.0) |
| Copper and related products | materials | 182.0 | 18.7 | 342.6 | 32.4 | (46.9) |
| | labor | 189.1 | 19.5 | 162.3 | 15.3 | 16.5 |
| | depreciation | 468.0 | 48.1 | 437.4 | 41.3 | 7.0 |
| | energy | 83.9 | 8.6 | 87.9 | 8.3 | (4.6) |
| | manufacturing fees | 49.5 | 5.1 | 28.0 | 2.6 | 76.5 |

BUSINESS TAXES AND LEVIES

For the year ended 31 December 2015, the Group recorded business taxes and levies of RMB242.5 million, representing a decrease of RMB107.5 million or 30.7% from RMB350 million for the same period in 2014. It was mainly due to the change of the national resources tax policy: changing from fixed levies on amounts to levies on fixed rate ad valorem on company's resources, resulting the decrease in tax, and also due to the price decline in this period's products.

SELLING EXPENSES

For the year ended 31 December 2015, the selling expenses of the Group amounted to RMB84.7 million, representing a decrease of RMB15.1 million or 15.2% from RMB99.8 million for the same period in 2014, mainly due to the decrease in the transportation price of relevant products during this period.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2015, the administrative expenses of the Group was RMB357.2 million, representing a decrease of RMB91.2 million or 20.3% from RMB448.4 million for the same period in 2014. The decrease in administrative expenses was mainly due to the decrease in research and development expenditure as compared to the same period last year and the impact of the changes of consolidation scope due to the disposal of a subsidiary.

For the year ended 31 December 2015, the Group's administrative expenses included a technology development fee of RMB80.2 million. The main projects comprised: Research on the Integrated Technology for the Intensified Mining of the Open Pit and Treatment of the Open Areas in Sandaozhuang and Specification (三道莊露天礦強化開採與空區處理一體化工藝與規範研究), Research on Dense Application of Selected Tungsten before Returning Waterworks (選鎢回水廠前濃密應用研究), Applied Research on Improvement of Winter Recycle Rate of Molybdenum Roughing(提高鎢粗選冬季回收率應用研究), Experimental Research on Improvement of Recycle Rate of Molybdenum Roughing (提高鎢粗選回收率試驗研究), Ore-dressing Technical Development Research on Tungsten Fluorite Flotation Tailings Comprehensive Recovery(鎢浮選尾礦螢石綜合回收選礦技術開發研究) and other projects of the Group.

FINANCE EXPENSES

For the year ended 31 December 2015, the finance expenses of the Group amounted to RMB46.2 million, representing a decrease of RMB135.5 million or 74.6% from RMB181.7 million for the same period in 2014. It is mainly due to the increase in structured deposits with the corresponding increase in interest income.

INVESTMENT INCOME

For the year ended 31 December 2015, the investment income of the Group was RMB116.6 million, representing a decrease of RMB415.2 million or 78.1% from RMB531.8 million for the same period in 2014. As in the same period of last year, there was an item of increase in equity transfer income due to the disposal of equity interests in a subsidiary, but there was no such item in this period.

NON-OPERATING INCOME

For the year ended 31 December 2015, the non-operating income of the Group amounted to RMB50.2 million, representing a decrease of RMB16.5 million or 24.8% from RMB66.7 million for the same period of 2014. It was mainly due to the decrease of RMB17.6 million in profits of disposal of non-current assets as compared with the same period of last year.

NON-OPERATING EXPENSES

For the year ended 31 December 2015, the non-operating expenses of the Group amounted to RMB94.6 million, representing an increase of RMB37.8 million or 66.6% from RMB56.8 million for the same period in 2014. Such increase was mainly attributable to the loss due to the waiver of dividends receivable from Luoyang Kunyu Mining Co., Ltd. (the “**Kunyu Mining**”) of RMB28.5 million during the period.

INCOME TAX EXPENSES

For the year ended 31 December 2015, the income tax expenses of the Group amounted to RMB–20.3 million, representing a decrease of RMB368.2 million or 105.8% from RMB347.9 million for the same period of 2014. Such decrease was mainly due to the decrease in profit in this period as compared with the same period last year and the recognition of deductible loss due to the loss of equity investment and debt arising from the disposal of Luomu Group Precious Metals Co., Ltd.* (“**Luomu Precious Metals**”) and Luoyang Yongning Gold & Lead Refining Co., Ltd. (“**Yongning Gold & Lead**”).

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

For the year ended 31 December 2015, the net profit of the Group attributable to owners of the parent company amounted to RMB1,824.3 million, representing a decrease of RMB1,063.1 million or 58.3% from RMB1,824.3 million for the year ended 31 December 2014. Such decrease was mainly due to a decrease in the net profit for the year ended 31 December 2015.

MINORITY INTERESTS

For the year ended 31 December 2015, the minority interests income of the Group was RMB-58.1 million, representing a decrease of RMB34.0 million or 141.3% from RMB-24.1 million for the same period last year. Such decrease was mainly due to the increase in loss assumed by minority shareholders during this period.

FINANCIAL POSITION

For the year ended 31 December 2015, the total assets of the Group amounted to RMB30,880.5 million, comprising non-current assets of RMB15,148.8 million and current assets of RMB15,731.8 million. Equity attributable to shareholders of the parent company for the year ended 31 December 2015 increased by RMB2,719.9 million or 18.6% to RMB17,353.5 million from RMB14,633.6 million for the year ended 31 December 2014. Such increase was mainly due to the conversion of A share convertible corporate bonds at the end of 2014.

CURRENT ASSETS

For the year ended 31 December 2015, the current assets of the Group increased by RMB966.9 million or 6.6% to RMB15,731.8 million from RMB14,764.9 million for the year ended 31 December 2014. The increase in the current assets was mainly attributable to the increase in cash balance resulting from operating activities and issuance of short-term financing instruments.

NON-CURRENT ASSETS

For the year ended 31 December 2015, the non-current assets of the Group amounted to RMB15,148.7 million, representing an increase of RMB1,858.7 million or 14.0% from RMB13,290.0 million for the year ended 31 December 2014. The increase in the non-current assets was mainly attributable to the increase of investment in equity investment and asset management plan by the Group in this period.

CURRENT LIABILITIES

For the year ended 31 December 2015, the current liabilities of the Group amounted to RMB8,768.9 million, representing an increase of RMB5,769.0 million or 192.3% from RMB2,999.9 million for the year ended 31 December 2014. The increase in the current liabilities was mainly attributable to the increase in short-term financing and long-term loans due within one year.

NON-CURRENT LIABILITIES

For the year ended 31 December 2015, the non-current liabilities of the Group amounted to RMB4,294.9 million, representing a decrease of RMB5,615.6 million or 56.7% from RMB9,910.5 million for the year ended 31 December 2014. The decrease in the non-current liabilities was mainly due to the conversion of A share convertible corporate bonds issued in 2014 and the transfer of long-term loans into current liabilities.

CONTINGENCY

As at 31 December 2015, the Group had the following contingent liabilities:

On 30 January 2013, the Company received relevant documents from the Intermediate People's Court of Luoyang City, Henan Province, stating that West Lead Mine, Yangshuwa, Luanchuan County (欒川縣楊樹巴西鉛礦) (“**Yangshuwa**”) filed a lawsuit accusing that the tailing storage built by the No. 3 Ore Processing Branch, a branch of the Company, was in its mining area. As the height of the dam of the tailing storage increased to occupy upwards and the level of the groundwater rose, the mining facilities and equipment of Yangshuao were damaged and its mining needed to be written off. The plaintiff was unable to exploit the defined lead-zinc ore and an economic loss was thus incurred. Therefore, the plaintiff contended that No. 3 Ore Processing Branch shall cease the infringement and compensate the plaintiff for a direct economic loss of approximately RMB18.0 million and loss of obtainable profits. According to the results of judiciary appraisal, the assessed value of the mining rights of Yangshuao related to this litigation is RMB1.724 million.

The first instance of such case started in December 2015. The trial has now completed but the court judgment is pending. The Company is of the opinion that, in accordance with the existing situation and the submitted evidence, the existence of tort alleged by Yangshuao cannot be confirmed; meanwhile, the Company has filed a counterclaim, requesting the court, in accordance with law, to order the immediate cessation of tort infringed by Yangshuao against the Company's land use rights within the aforementioned range of mining area. The Company believes that the litigation currently does not have any significant impact on the financial position of the Company and has not made any provision for an amount claimed in the aforesaid issue in its annual financial statements.

The Northparkes copper/gold mine (“**NPM**”) business of the Group provides guarantees to various government agencies of New South Wales, Australia through certain banks in relation to the operation of the business. The guarantees amounted to AUD28.38 million (equivalent to RMB134.6 million) as of 31 December 2015. The owners of the joint venture agreed with the enforcement of the guarantees arising from any obligations in relation to the business. As of 31 December 2015, no significant obligations for the guarantees were occurred.

As at 31 December 2015, the Company provided a maximum guarantee of RMB148.5 million to Luoyang Fuchuan Mining Co., Ltd. (“**Luoyang Fuchuan**”), a subsidiary of the Company’s joint venture, Xuzhou Huanyu Molybdenum Co., Ltd.* (徐州環宇鉬業有限公司) (“**Xuzhou Huanyu**”) in accordance with its proportion of capital contribution, the term of which is from the effective date of the contract to two years after the expiration of the debt performance. The Company’s management considered such financial guarantee did not have significant impact on its financial statements.

GEARING RATIO

The gearing ratio (total liabilities divided by total assets) of the Group decreased to 42.3% for the year ended 31 December 2015 from 46.0% for the year ended 31 December 2014. The decrease in the gearing ratio was mainly due to the conversion of A share convertible corporate bonds issued by the Company in 2014.

CASH FLOW

For the year ended 31 December 2015, the Group had cash and cash equivalents of RMB8,982.2 million, representing an increase of RMB3,356.6 million or 59.7% from RMB5,625.6 million for the year ended 31 December 2014.

For the year ended 31 December 2015, net cash inflow generated from operating activities was RMB1,358.8 million; net cash inflow generated from investment activities was RMB-165.5 million; net cash inflow generated from financing activities was RMB2,074.2 million.

In 2015, the Group implemented strict internal management and costs saving measures, thus maintaining sound operation status and healthy financial position. As at the end of 2015, the Company had sufficient amount of cash which enabled it to operate in a virtuous cycle or to satisfy the liquidity requirement for coping with the variations in the production capacity.

EXPOSURE TO RISKS RELATED TO PRICE FLUCTUATIONS OF MAJOR PRODUCTS

The income of the Company primarily derived from sales of molybdenum, tungsten and copper products, including ferromolybdenum, tungsten concentrates, copper concentrates and other molybdenum products. Its operational results are mainly influenced by fluctuations in the market prices of molybdenum, tungsten and copper. At the same time, the NPM copper-gold mine of the Company also has certain ancillary business of sales of gold. The price fluctuations in gold also have an impact on the Company. Since the fluctuations in exploration and smelting of relevant resources are relatively insignificant, the Company’s profit and profit margin in the reporting period are closely related to the price trend of commodities. If there is a significant fluctuation in the prices of molybdenum,

tungsten, copper and gold in the future, the operating results of the Company will become unstable. In particular, if the prices of molybdenum, tungsten and copper plummet, the operating results of the Company will fluctuate significantly.

EXPOSURE TO RISKS RELATED TO RELIANCE ON MINERAL RESOURCES

As the primary operation of the Company is mineral resources exploitation, the Company is highly dependent on mineral resources. The retained reserves and grade of mineral resources directly affect the Company's operation and development. The exploitation of mineral reserves with relatively low grade may be economically infeasible if the cost of production rises due to fluctuations in the market price of metal products, the drop in the recovery rate, inflation or other factors, or restrictions caused by technical problems and natural conditions such as weather and natural disasters in the process of mining. Therefore, full utilization of the retained reserves of the Company cannot be guaranteed and the production capacity of the Company might be affected.

EXPOSURE TO RISKS RELATED TO PRODUCTION SAFETY OR NATURAL DISASTERS

The Company and all of its subsidiaries invested substantial resources in safety production, established a relatively sound management body, personnel and systems and continuously push forward the safety standardization management to form a relatively complete system of production safety management, prevention and supervision. However, safety incidents are unavoidable. As a mining resources development enterprise, large amounts of barren rock and tail slag are produced in the production process. If the management of slag discharge fields and tailing storage is inefficient, a small scale of disaster may occur. The Company is required to use explosives in the mining process. If there are defects in the management of storage and use of such materials, there may be possible risk of casualties. In addition, tailing storage and slag discharge fields may be damaged if serious natural disaster such as heavy rain or debris flow occurs.

EXPOSURE TO RISKS RELATED TO INTEREST RATE

The exposure to interest rate of the Company is mainly related to our short-term and long-term borrowings and deposits. The outstanding liabilities of the Company are calculated based on the benchmark interest rates of the People's Bank of China and the London inter-bank market as amended time to time. As of the date of this report, the Company has not entered into any type of interest agreement or derivatives to hedge against the contingent liabilities arising from fluctuations in interest rate.

EXPOSURE TO RISKS RELATED TO EXCHANGE RATES

The Company's principal domestic business operation is denominated in RMB and the reporting currency is RMB, the lawful currency of the PRC. As the production capacity of the Group increases along with its development in the markets and recovery in the overseas markets of molybdenum, tungsten and copper, there will be abundant products exported by the Company or through its subsidiaries to different countries. As of 31 December 2015, the balance of loans for the mergers and acquisitions of CMOC Limited and CMOC Mining Pty Limited (wholly-owned subsidiaries of the Company) are EUR276 million and US\$379 million, respectively. All the assets of CMOC Mining Pty Limited are located in Australia, and the functional currency was U.S. Dollar. The exchange rate risks of the Company are primarily arising from assets and liabilities held in foreign currencies other than the function currency. Therefore, the risk, arising from the change in exchange rate, which the Company was exposed to was not substantial. Currently, the Company has no formal corresponding hedging policy in place and has no derivatives to hedge against the Company's currency risks.

EMPLOYEES

As of 31 December 2015, the Group had approximately 6,389 full-time employees, classified as follows by function and department:

| Department | Employees | Proportion |
|---|--------------|-------------|
| Management & administration | 600 | 9.4% |
| Quality control, research and development | 1,033 | 16.2% |
| Production | 4,108 | 64.3% |
| Finance, sales and other support | 648 | 10.1% |
| Total | <u>6,389</u> | <u>100%</u> |

The remuneration policy for the employees of the Company principally consists of a salary point and performance remuneration system, based on employees' positions and responsibilities and their quantified assessment results. The remuneration evaluation of the employees is based on the Company's results and the employees' performance, which provides a consistent, fair and impartial remuneration system for all the employees. The domestic companies of Group have participated in the social insurance contribution plans introduced by the provincial local governments in the PRC. In compliance with the laws and regulations regarding to the national and local labor and social welfare in the PRC, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund. Pursuant to the current applicable PRC local regulations, the percentage of certain insurance policies are as follows: the pension insurance, medical insurance, unemployment insurance and the contribution to housing reserve fund of our PRC employees represent 20%, 6%, 1.5% and 5% to 12% of his or her total basic monthly salary respectively. Employees in Australia are enrolled under the requisite pension fund and healthcare scheme as required by Australian law.

Short-term Financing Bonds

The Company successfully issued short-term financing instruments on 23 October 2015 and 26 February 2016.

Medium-term Notes

The Company has successfully issued Medium-term Notes on 21 March 2016.

For details of the above-mentioned matters, please refer to the announcements of the Company dated 21 March 2016, 29 February 2016, 23 October 2015, 23 September 2015, 28 June 2015 and 23 March 2015 and the circular to the shareholders dated 30 April 2015.

ANALYSIS ON MAJOR SUBSIDIARIES

(1) Major Subsidiary

① CMOC Mining Pty Limited

| | |
|---|---|
| Legal representative: | Li Chaochun |
| Date of establishment: | 25 July 2013 |
| Registered capital and paid-up capital: | US\$346 million |
| Registered address: | Governor Phillip Tower Level 61, 1 Farrer Place, Sydney, Australia |
| Major businesses engaged: | Copper and other nonferrous metal ore exploration, mining, processing and sales of related products |

CMOC Limited, a wholly-owned subsidiary of the Company, holds 100% of the shares of this company. As of 31 December 2015, the total assets of this Company amounted to RMB6,182.3034 million with net asset of RMB2,946.6009 million. Operating revenue of this company for the year 2015 amounted to RMB1,479.0353 million with operating profit of RMB325.4519 million and net profit of RMB322.423 million.

(2) *Disposal of subsidiaries*

① *Luoyang Yongning Gold & Lead Refining Co., Ltd.*

Legal representative: Xie Fengxiang

Date of establishment: 21 September 2007

Registered capital and paid-up capital: RMB1 million

Registered address: East Wing of Yangyu Village, Xishandi Town, Luoning County, Henan Province

Major businesses engaged: Smelting of lead, sulfuric acid, recycling and sales of co-products like oxygen, etc., procurement and sale of mineral products, export of self-produced products of this company, import of raw and auxiliary materials, mechanical equipment, instruments and meters and components required by the production and research of this company, processing business in relation to the products of this company and property development.

On 14 May 2015, the 26th extraordinary meeting of the third session of the Board considered and approved the Resolution in Relation to the Increase in the Registered Capital and Debt Restructuring of Luoyang Yongning Gold & Lead Refining Co., Ltd. (《關於同意洛陽永寧金鉛冶煉有限公司增加註冊資本及債務重組方案的議案》). Lingbao Dinglong Mining Company Limited* (“**Dinglong Mining**”) would subscribe by cash for the new registered capital of RMB122 million in Luoyang Yongning Gold & Lead Refining Co., Ltd. (“**Yongning Gold & Lead**”). Luomu Precious Metals, a wholly-owned subsidiary of the Company, waived the pre-emptive rights. Meanwhile, the Company carried out the debt restructuring with Yongning Gold & Lead in relation to the debt (in the sum of RMB684 million) owed to the Company. The Progress Announcement in Relation to the Increase in Registered Capital and Debt Restructuring of Yongning Gold &

Lead was issued on 19 May 2015 and the Announcement in relation to Completion of Changes of the Industrial and Commercial Registration for Yongning Gold & Lead was issued on 11 August 2015. The equity interests in such company held by the Company through Luomu Precious Metals were diluted from 75% to 0.61%.

② *Luomu Group Precious Metals Co., Ltd.*

Legal representative: Wang Bin

Date of establishment: 6 August 2007

Registered capital and paid-up capital: RMB282.9976 million

Registered address: Lichun West Road, Jianxi District, Luoyang City (at zone of Luoyang High-Tech Metals Co., Ltd.)

Major businesses engaged: Sales of nonferrous metals, black metals and non-metal mineral products (exclusive of coal)

The Company held the 4th extraordinary meeting of the fourth session of the Board by way of circulation on 11 August 2015, during which the Resolution in Relation to the Transfer of 100% Equity Interests in Luomu Group Precious Metals Co., Ltd. (《關於轉讓洛陽鉬業集團貴金屬有限公司100%股權的議案》) was considered and approved. On the same day, the Company and Dinglong Mining entered into the Equity Transfer Agreement of Luomu Group Precious Metals Co., Ltd. (《關於洛陽鉬業集團貴金屬有限公司之股權轉讓協議》), pursuant to which the 100% equity interests of Luomu Precious Metals held by the Company were transferred to Dinglong Mining in the sum of RMB10,000 as negotiated and confirmed by both parties. Luomu Precious Metals does not own other actual operations and material assets other than 0.61% equity interest in Yongning Gold & Lead.

Upon transfer of the above-mentioned equity interests, the Company no longer had any shareholding relationship with Luomu Precious Metals and Yongning Gold & Lead. Net profits attributable to shareholders of the listed company for the then year amounted to RMB161,890,460.16 due to the dual effect of equity transfer and debt restructuring.

(3) *Subsidiaries newly established*

- ① In January 2015, Schmocker (Shanghai) International Trading Co., Ltd. (施莫克 (上海) 國際貿易有限公司), a subsidiary of the Company, established Shanghai Ruichao Investment Co., Ltd. (上海睿朝投資有限公司) as its wholly-owned subsidiary in Shanghai with the registered capital of RMB250 million.
- ② In April 2015, Schmocker (Shanghai) International Trading Co., Ltd., a subsidiary of the Company, established Tibet Schmocker Investment Co., Ltd. (西藏施莫克投資有限公司) as its wholly-owned subsidiary in Tibet with the registered capital of RMB10 million.
- ③ In April 2015, China Molybdenum (Hong Kong) Company Limited, a subsidiary of the Company, established Upnorth Investment Limited as its wholly-owned subsidiary in the BVI with the registered capital of US\$1.
- ④ On 23 October 2015, the Company established Beijing Yongbo Resources Investments Holdings Co., Ltd. (北京永帛資源投資控股有限公司) as its wholly-owned subsidiary in Beijing with the registered capital of RMB500 million.

Resources and Reserves

As of 31 December 2015, the mineral resources and ore reserves of the Company were as follows:

(I) *Summary of molybdenum and tungsten resources and reserves of the Company*

1. *Summary of molybdenum and tungsten resources and reserves of Sandaozhuang Mine*

- 1) Estimation of mineral resources under JORC Code – (31 December 2015)

| Total <i>(million tonnes)</i> | Measured <i>(million tonnes)</i> | Indicated <i>(million tonnes)</i> | Inferred <i>(million tonnes)</i> | Mo % | WO₃ % |
|---|--|---|--|----------------|----------------------------|
| <u>551.36</u> | <u>321.17</u> | <u>226.32</u> | <u>3.87</u> | <u>0.10</u> | <u>0.09</u> |

2) Estimation of mineral reserves under JORC Code – (31 December 2015)

| Total (million tonnes) | Estimated proven reserves (million tonnes) | Estimated probable reserves (million tonnes) | Mo % | WO₃ % | Molybdenum metal (’000 tonnes) | WO₃ metal (’000 tonnes) |
|----------------------------------|--|--|----------------|----------------------------|--|--|
| <u>301.67</u> | <u>225.97</u> | <u>75.70</u> | <u>0.10</u> | <u>0.12</u> | <u>311.31</u> | <u>360.16</u> |

Notes: 1. At a 0.03% grade molybdenum cut-off;

2. The molybdenum and tungsten resources of Sandaozhuang Mine were estimated based on the independent technical review report issued by Minarco Asia Pacific Pty Limited appointed by the Company in 2007. The decrease in the molybdenum resources and reserves of the mine was attributable to the commencement of mining, while the data as at the end of the year had been confirmed by our own experts.

2. *Summary of molybdenum resources and reserves of Shangfanggou Mine*

1) Estimation of mineral resources under JORC Code – (31 December 2015)

| Total (million tonnes) | Measured (million tonnes) | Indicated (million tonnes) | Inferred (million tonnes) | Mo % |
|----------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|----------------|
| <u>463</u> | <u>14.59</u> | <u>291.41</u> | <u>156.83</u> | <u>0.139</u> |

2) Estimation of mineral reserves under JORC Code – (31 December 2015)

| Total (0’000 tonnes) | Molybdenum grade % | Measured reserves (0’000 tonnes) | Molybdenum grade % | Probable reserves (0’000 tonnes) | Molybdenum grade % |
|--------------------------------|----------------------------------|--|----------------------------------|--|----------------------------------|
| <u>4,122.38</u> | <u>0.181</u> | <u>356.262</u> | <u>0.243</u> | <u>3,766.12</u> | <u>0.175</u> |

Notes: 1. The molybdenum resources and reserves of Shangfanggou Mine were estimated based on the independent technical report on Shangfanggou Mine issued by Wardrop Engineering Inc appointed by the Company in 2010. The data of such resources and reserves of the molybdenum mine had been confirmed by our own experts. The molybdenum mine did not operate in 2014 and 2015 and its molybdenum resources and reserves remained the same as those disclosed in the annual report for 2013.

2. The Shangfanggou molybdenum mine is owned by Luoyang Fuchuan, a joint venture of the Company. Its shareholding structure as of date of this announcement is as follows: 10% equity interest of which is owned by Luanchuan Fuhai Business and Trading Company Limited* (欒川縣富凱商貿有限公司), a wholly-owned subsidiary of the Company and 90% equity interest of which is owned by Xuzhou Huanyu, a joint venture of the Company (the Company holds 50% equity interest of Xuzhou Huanyu and Luoyang Guoyuan Investment Management Consultancy Co., Ltd.* (洛陽國元投資管理諮詢有限公司) holds 50% equity interests in Xuzhou Huanyu).

3. Molybdenum resources and reserves of Xinjiang Mine

1) Estimation of mineral resources reserve under the PRC standards

| Mineral reserves (million tonnes) | Molybdenum metal (0'000 tonnes) | Molybdenum metal | | Molybdenum metal | | Molybdenum metal | | Average grade (%) |
|--------------------------------------|------------------------------------|----------------------|------------------------------|----------------------|------------------------------|----------------------|-------------------------|----------------------|
| | | Average grade (%) | (331+111b) (0'000 tonnes) | Average grade (%) | (332+122b) (0'000 tonnes) | Average grade (%) | (333) (0'000 tonnes) | |
| 441 | 50.8 | 0.115 | 12.94 | 0.134 | 8.34 | 0.128 | 29.53 | 0.106 |

2) Estimation of mineral reserve under the PRC standards

| Mineral reserves (million tonnes) | Molybdenum metal (0'000 tonnes) | Molybdenum metal | | Molybdenum metal | | Average grade (%) |
|--------------------------------------|------------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|
| | | Average grade (%) | (111b) (0'000 tonnes) | Average grade (%) | (122b) (0'000 tonnes) | |
| 141.58 | 19.98 | 0.141 | 12.23 | 0.142 | 7.75 | 0.139 |

Note: The molybdenum ore resources and reserves at the Xinjiang Mine were estimated based on the Opinions on the Examination of Mineral Resources and Reserves in the Molybdenum Exploration Report in East Gobi, Hami, Xinjiang* (《〈新疆哈密市東戈壁鉬礦勘探報告〉礦產資源儲量評審意見書》) (Xin Guo Tu Zi Chu Ping [2011] No. 016) issued by Xinjiang Uygur Autonomous Region Mineral Resources Evaluation Center (新疆維吾爾自治區礦產資源儲量評審中心) in January 2011. The data of such resources and reserves of the molybdenum mine had been confirmed by our own experts in compliance with the PRC Resources/Reserves Category (1999).

(II) Summary of copper, gold and silver resources and ore reserves of NPM of the Company

1) Copper, gold and silver mineral resources under the JORC Code

| | Measured resources | | | | Indicated resources | | | | Inferred resources | | | | Total resources | | | | Total metal | | |
|-----------------------|------------------------|-------------|-------------|------------------|------------------------|-------------|-------------|------------------|------------------------|-------------|-------------|------------------|------------------------|-------------|-------------|------------------|---------------------------|---------------------------|--------------|
| | As of 31 December 2015 | | | | As of 31 December 2015 | | | | As of 31 December 2015 | | | | As of 31 December 2015 | | | | Cu | Au | Ag |
| Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | (million tonnes) | (million O _z) | (million O _z) | |
| (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | | | | |
| Total volume from NPM | <u>21.13</u> | <u>0.50</u> | <u>0.28</u> | <u>2.02</u> | <u>350.17</u> | <u>0.56</u> | <u>0.18</u> | <u>1.76</u> | <u>126.56</u> | <u>0.56</u> | <u>0.17</u> | <u>1.69</u> | <u>497.86</u> | <u>0.56</u> | <u>0.18</u> | <u>1.75</u> | <u>2.78</u> | <u>2.86</u> | <u>28.05</u> |

2) Copper, gold and silver ore reserves under the JORC Code

| | Estimated proven reserves | | | | Estimated probable reserves | | | | Total ore reserves | | | | Total metal | | | | | |
|------------------|---------------------------|-------------|-------------|------------------|-----------------------------|-------------|-------------|------------------|------------------------|-------------|-------------|------------------|-------------|-------------|-------------|------------------|---------------------------|---------------------------|
| | As of 31 December 2015 | | | | As of 31 December 2015 | | | | As of 31 December 2015 | | | | Cu | Au | Ag | | | |
| Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | Tonnage | Cu grade | Au grade | Ag grade | (million tonnes) | (million O _z) | (million O _z) |
| (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | (million tonnes) | (%) | (g/t) | (g/t) | | | |
| Total metal | <u>8.22</u> | <u>0.40</u> | <u>0.24</u> | <u>2.19</u> | <u>94.06</u> | <u>0.61</u> | <u>0.26</u> | <u>2.21</u> | <u>102.28</u> | <u>0.60</u> | <u>0.26</u> | <u>2.21</u> | <u>0.61</u> | <u>0.85</u> | <u>7.27</u> | | | |

- Notes:*
1. NPM mineral resources and ore reserves as at 31 December 2015 were calculated by the NPM technical team based on the actual experience and knowledge in the operation of NPM mine, and had been confirmed by the qualified experts on the NPM mine.
 2. Mineral resources and reserves in the above table are 100% interest of the mineral resources and reserves of the NPM.

II. EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(I) Exploration

During the year, the Company had exploration projects in Sandaozhuang Mine and NPM. Details of the works are as follows:

- (1) Production and exploration were carried out in Sandaozhuang Mine in 2015, details of which are as follows: 1. Survey: Special geology survey (1:2000) actually completed 2.5091 km²; geological profile survey (1:1000) completed 22.76 km; engineering point survey completed 29 points; 2. Planned mechanical core drilling of 10,063 m was carried out and it actually completed 9,530.4 m; 3. Mine analysis: general mine analysis was 4,574, in which 111 are object samples, 50 are combination samples, 10 are full analysis of mineral chemicals and 2 are general water samples (full analysis).

- (2) As an important drive for the developing strategies of the NPM, the Company highly values and actively promotes the exploration works. Planned exploration of 13,918 meters in 2015 with 14,619 meters actually completed. In particular, 1. reverse circulation (RC): planned to complete 4,300 meters and actually completed 3,895 meters; 2. diamond core drilling (DD): planned to complete 9,618 meters and actually completed 10,724 meters.

Exploration results: resources exploration and examination results we received indicated that many exploration areas are highly prospective areas; mining, exploration and examination results we received indicated that potential mining projects are more feasible.

(II) Development

1. Sandaozhuang Mine

During the year, the Company did not have any significant development in Sandaozhuang Mine.

2. Shangfanggou Mine

During the year, the Company did not have any significant development in Shangfanggou Mine.

3. Xinjiang Mine

During the year, the Company did not have any significant development in Xinjiang Mine.

4. NPM Copper-Gold Mine

The production expansion project in mining area E48 was completed and commenced production at the end of March 2015. The schedule for completion of the construction is in line with the expectation. The construction of E26 two-stage sublevel caving mining project has commenced in April 2015 and will be completed and put into production in the third quarter of 2016. Estimated proven reserves, copper grade and gold grade of E26 two-stage sublevel caving mining project phase I are 2.9 million tonnes, 1.01% and 0.44g/t, respectively. The remaining reserves of phase II are 1.7 million tonnes with copper grade of 0.87% and gold grade of 0.35g/t. The development costs in 2015 amounted to US\$15.81 million.

(III) Mining

2015

| | |
|--|------------------------|
| Sandaozhuang molybdenum mine | |
| Production volume of open-pit mining (kilotonnes) | 18,186.90 |
| | |
| NPM Copper-Gold Mine | |
| Production volume of underground mining (kilotonnes) | <u><u>6,002.30</u></u> |

- Notes:*
1. The mining production volumes of Sandaozhuang Molybdenum Mine and NPM Copper-Gold Mine were calculated on basis of the statistics prepared by the Company and had been confirmed by our own experts.
 2. During the year, no mining activities were conducted in Xinjiang Mine and Shangfanggou Mine.

EXPLORATION, DEVELOPMENT AND MINING FEES OF THE COMPANY

For the year ended 31 December 2015, the summary of the expenditure of exploration, development and mining activities of the Company is as follows:

- (i) Exploration fees:
 - (1) Exploration fees of Sandaozhuang Mine in 2015 amounted to RMB6.43 million, which are mainly used for mechanical core drilling, geological profile survey, geological logging and mine analysis;
 - (2) Exploration fees of NPM Copper-Gold Mine in 2015 amounted to US\$3.52 million, which was mainly used in the exploration of diamond core drilling, reverse circulation drill exploration and logging and examination works.
- (ii) Development fees: the development fees of NPM Copper-Gold Mine amounted to US\$15.81 million.
- (iii) Mining fees: 1) The mining fees of Sandaozhuang Mine amounted to RMB487.08 million; 2) the mining fees of NPM Copper-Gold Mine amounted to US\$23.95 million.

(Note: the above fees exclude the fees of ore processing)

III. MARKET REVIEW

Molybdenum market

Domestic market: In 2015, the Chinese economic growth continued to decelerate and downside pressure was obvious. Affected by the macro-economy, the steel industry as a whole showed a situation of “Three Drop, Three Much” which was drop in prices, demand and production, and much shutdowns, losses and layoffs. The molybdenum industry was tied with the steel market and its operation also became very difficult. Due to the continued impact from the steel market and the imbalances in demand and supply in molybdenum market itself during the year, the molybdenum market went all the way down. The demand in the first quarter was in the doldrums. The market inventory was adequate but funds were not sufficient. Enterprises began to sell goods at low prices and molybdenum prices decreased slowly. In the second quarter, although a series of policies was implemented, such as reserve of molybdenum oxide, export tariffs abolishment and adjustments of resources tax, the molybdenum market was still in great difficulty. Imbalances of supply and demand caused the prices to hit record-lows. Since the third quarter, the factors for domestic economic downturn increased, operating environment of iron and steel industry even worsened. The production of the steel with molybdenum content continued to decline, resulting in weaker demand and frequent fall of molybdenum prices. At the end of the year, as mining enterprises stopped productions and the supply of raw materials tightened, enterprises stood firm on prices and finally molybdenum prices raised slightly.

The average price of molybdenum concentrates for 2015 was RMB960/metric tonne unit (“mtu”), with a year-on-year decrease of 28.94%; the lowest price was RMB680/mtu and the highest price was RMB1,260/mtu. The average price of ferromolybdenum for 2015 was RMB67,900/tonne, with a year-on-year decrease of 27.07%; the lowest price was RMB51,000/tonne and the highest price was RMB87,000/tonne.

International market: In 2015, affected by the global economy downturn, the international molybdenum market was constantly under pressure, and the price of products dropped continuously. In the first quarter, the European manufacturing industry was sluggish and the iron and steel industry was bleak. The demand of molybdenum market was weak continuously, and the international price of molybdenum oxide went down with fluctuation. In the second quarter, no sign of recovery in European economy was shown, the downstream demand further shrank with the Chinese abolishment of tariff, the international market was in a panic and low prices were seen in the molybdenum market with molybdenum oxide prices hitting new lows repeatedly. In the third quarter, due to the sluggish demand coupled with European summer holidays, the international molybdenum market was further worsened. In the fourth quarter, bulk commodity prices generally dropped, bearish trend appeared in non-ferrous metal market, together with the depreciation of RMB and the shrink of Chinese imports, the international molybdenum market was further struck, especially some foreign mines jointly clearing their inventories to sell their products in October, which resulted in a plunge of the international molybdenum price and the price of molybdenum oxide fell to nearly US\$4/pound of molybdenum. Afterwards, the larger international producer of molybdenum oxide started negotiations in 2016 and large mines were suspended or stopped operations. Since the suppliers had less inventories and were unwilling to see products in low price, the price of molybdenum oxide started to fluctuate in a narrow range.

The average international MW price of molybdenum oxide for 2015 was US\$6.65/pound of molybdenum, with a year-on-year decrease of 41.62%; the lowest price was US\$4.20/pound of molybdenum and the highest price was US\$9.45/pound of molybdenum.

Tungsten market

Domestic market: In 2015, as Chinese economy entered the new normal with a slowdown in the growth of economy while commodities were generally decreasing under pressure, tungsten market could not stay unaffected. The demand was weak and stock became slow-moving. The market went all the way down with the raw materials falling to the level of ten years ago. Although the tungsten concentrate prices went close to its costs, the downstream demand was still rigid. The fluctuations of the market was slight and occasional. Starting from the second half of the year, however, overall domestic and international economic situations were even worse and demand was further weakened. Fund shortage faced by the enterprises was increasingly severe. The sudden change in the tungsten market caused the trend and speed of falling prices amplified.

In 2015, the average price of 65% of domestic black tungsten concentrates was RMB71,400/tonne, with a year-on-year decrease of 31.25%; the lowest price was RMB49,000/tonne and the highest price was RMB87,000/tonne. Ammonium Paratungstate (APT) average price was RMB112,900/tonne, with a year-on-year decrease of 31.49%; the lowest price was RMB80,000/tonne and the highest price was RMB135,000/tonne.

International market: In 2015, the market price of tungsten in Europe experienced a larger decline. On one hand, the slow economic recovery in European market caused a lack of demand of tungsten. On the other hand, the Chinese abolishment of tungsten export tariff caused a rather great impact to the European tungsten market and the price decline in tungsten market was obvious. Chinese tungsten production accounts for more than 80% of global production, due to the severe domestic overcapacity, after the lift of tariff, domestic companies were expanding their export channels. Although the rise in annual volume of export was not much as compared to last year, the volume of export after May increased rather significantly than as compared with that as compared with of the first quarter. The tungsten price posted a unilateral decline in the international market.

According to data shown on Metal Bulletin of the U.K., the average price of Ammonium Paratungstate (APT) in the European market for 2015 was US\$227/mtu, representing a year-on-year decrease of 35%; the highest price was US\$315/mtu and the lowest price was US\$165/mtu.

Copper market

The Company operated its copper business mainly through NPM and thus the operational performance of the segment was subject to the impact caused by the fluctuation of international copper price.

According to a report from Wood Mackenzie, the copper demand grew by approximately 2% in 2015 as compared with 2014. However, SNL Metals and Mining reported that world copper production reached 18.80 million tonnes in 2015, which grew by 2.8% as compared with 2014. This resulted in copper surplus of 285,000-350,000 tonnes. Nevertheless, these surpluses, together with the existing stock, could only meet the world's consumption for 70-75 days. In addition, the shutdown in world copper production, whether planned or unplanned, the degree of production being affected were higher than normal.

The spot price of the copper traded on the London Metal Exchange (LME) for 2015 fluctuated between US\$4,700/tonne-US\$6,300/tonne (or US\$2.13/pound-US\$2.86/pound) and the average trading price for the year was US\$5,493/tonne (or US\$2.49/pound), decreased by approximately 20% compared with the average trading price for 2014, which was US\$6,859/tonne (or US\$3.1/pound).

IV. BUSINESS REVIEW

Molybdenum Sector

For 2015, the Company realized production volume of molybdenum concentrates (with metal equivalents of 100% MO metal) of 16,999 tonnes, the production cost in unit cash of RMB53,906/tonne and the recovery rate of molybdenum metal of 85.13%.

Tungsten Sector

For 2015, the Company realized production volume of tungsten concentrates (with metal equivalents of 100% WO₃) of 9,825 tonnes (excluding Luoyang Yulu Mining Co., Ltd.), the production cost in unit cash of RMB14,925/tonne and the recovery rate of tungsten metal of 78.25%.

Copper Sector (Including Gold and Silver)

For 2015, NPM realized production volume of saleable copper metal of 39,964 tonnes calculated based on 80% equity interests, C1 cash cost of US\$0.64 per pound, the recovery rate of copper of 88.03%; it realized production volume of 36,305 oz for saleable gold.

BUSINESS REVIEW

During the reporting period, notwithstanding various adverse conditions such as the complicated and ever-changing metal market, the pressure of continued decline in the market price of molybdenum, the gradual decrease in the price of upstream and downstream products under the pressure of weakening demand for tungsten and difficulties in lowering inventory level and intense fluctuation of copper price which resulted in the continuous weak pattern in the industry, the management of the Company, under the leadership of the Board, overcame difficulties, drew on collective wisdom and ideas, and through adopting a series of effective measures including the active promotion of low-efficiency asset stripping, implementing cost reduction and efficiency increase measures, speeding up the promotion of industrial layout of comprehensive recovery of resources, continually strengthening the internal management and paying more efforts on employees' technical training and so forth. As such, the Company attained outstanding results in production operation and related works.

1. Stable promotion of development strategy. During the reporting period, the Company continued to strip off non-core and low-efficient assets, simplify the corporate structure, focus on investing resources in the core business of the Company, and entered into the Capital Injection Agreement in relation to Yongning Gold & Lead and the Equity Transfer Agreement in relation to Luomu Precious Metals to complete the strip-off of Yongning Gold & Lead, and further optimize the balance sheet, which provided better conditions to the sustainable, rapid and healthy development of the Company.
2. Active promotion of costs reduction and efficiency enhancement. During the reporting period, the Company actively upgraded technology, optimized technological indicators, implemented streamline management, and reduced all non-production expenditure to further enhance cost management. Various measures were adopted to lower production costs by tapping into the potential of the Company and increasing revenue while controlling costs, which created a good environment of costs reduction and efficiency enhancement throughout the Company and attained satisfactory results. The Company strengthened the centralized tender and procurement of bulk materials with centralized procurement rate of major materials exceeding 65%. 268 major materials realize zero inventory, effectively controlling the costs of material procurement. In respect of the technical indicators, the recovery rates of copper and tungsten were improved as compared to the same period last year. For 2015, the Company's total production cost of domestic mining decreased by RMB225.00 million as compared to that of the same period last year; the total costs of molybdenum concentrates decreased by RMB31.78 million; the total processing costs of ferromolybdenum decreased by RMB24.86 million as compared to that of the same period last year; the total production costs of tungsten concentrates decreased by RMB32.07 million as compared to that of the same period last year; and the above production costs in aggregate decreased by RMB313.71 million as compared to that of the same period last year.

3. Accelerated promotion of the industrial layout of comprehensive recovery of resources. During the reporting period, the comprehensive recovery of resources of the Company continuously made new breakthroughs. The industrial pattern of comprehensive recycling of various metal resources was significantly accelerated. The industrialization of the ancillary business of copper recovery has been fully realized, with the production volume of 1,580 tonnes of 20% copper concentrates. The recovery system for by-products of rhenium has been established and entered the phase of trial production, by which products have been made. The recovery of by-products of fluorite has been entered the phase of laboratory experiment.
4. Continual enhancement of the internal management and employees' technical training. During the reporting period, through the implementation of integrated management, safety standardized management, equipment management, energy management, etc., standardized management and information construction of the Company have stepped up comprehensively. It has strengthened the employees' technical training, improved the operating skills and continually implemented refined and standardized management. The Company formulated the Ten Standards for Safety Conduct based on its actual situation and revised and optimized the Regulations for Safety Operations and Rewards and Punishments Measures for Safety Production of the Company with reference to safety standards of the Australian NPM copper and gold mine, firmly promoting the construction of safety and management system.
5. Management integration. The management of the Australian NPM was improved continuously and the overall operations was efficient and stable. The Company will continue to promote the advanced management experience of Australian mining enterprises and adhere to the corporate culture and operational concepts of the Company to accelerate the implementation of management integration.
6. Upgrade of credit ratings and strong capital structure, and its financial strength stands at the forefront amongst its industry peers. The Company is recognized for its advantages in its rich resources, solid position in the industry and technological capabilities. China Chengxin International Credit Rating Co., Ltd., a member of Moody's Investors Service, Inc., issued the 2015 Credit Rating Tracking Report of China Molybdenum Co., Ltd. on 24 June 2015, and according to which, the credit rating of the Company has been upgraded from AA+ to AAA, the credit rating outlook is stable and the bond credit rating of "12 CMOC MTN1" has been upgraded from AA+ to AAA. The upgrade of the credit ratings allows the Company to expand its financing channels while lowering the finance costs in its future operations, in turn fostering the development strategies of the Company.

7. Strengthening the market value management and safeguarding the investors' interests. During the irrational decline of the securities market in July 2015, for the sake of safeguarding investors' interests, the Company stabilized the secondary market price through all kinds of active and effective measures including acquisition of A Shares by directors, supervisors, senior management, and the proposed interim profit distribution of the issue of bonus shares on the basis of 20 bonus shares for every 10 shares of the Company during the irrational sell-off of the Company's shares. The Company safeguarded the investors' interests with practical actions, which strengthened investors' confidence, established a positive image in capital markets and highlighted the Company's strong confidence in the expectations of future development. The annual growth rate of the total market value of the Company's A shares reached 70%. The shares of the Company maintained high liquidity.

V. PROSPECTS

1. Molybdenum market

Domestic market: In terms of supply, production plans of domestic large mines are undoubtedly the key factor for the market trend in the first half of 2016. Many large-medium scale mines that stopped production are attentive to the molybdenum market trend, wherein some of them are previously forced to stop production due to pressures from shortage of funds or so, it is expected that production plans will only be restarted after the second quarter of 2016.

In terms of demand: In 2016, there might not be much difference in the trend of the iron and steel industry, especially for that the situation of survival of steel enterprises is unlikely to improve significantly. As China's economy has entered a new stage of development, China's steel consumption has entered the peak period. The contraction in the downstream market demand intensifies and the contradiction between supply and demand is obvious. The iron and steel industry is in its winter, and for now it seems that there is still a long way to go. At this point, lowering production will be one of the necessary choices to seek a way out of survival, but based on long-term growth and prospects for special steel and stainless steel, the production of steel with molybdenum content might not experience considerable changes compared with 2015.

In general, the molybdenum market might not have substantial improvement in 2016, but since the molybdenum price has fallen below the cost of the enterprises for the year, the room and pressure for further decrease are relatively weak. Chances of turning might come next year.

International market: In 2016, the world molybdenum market will still face the problem of reduced production of the iron and steel industry and the rise in supplies of ancillary molybdenum mine, yet in the low-price environment some enterprises will reduce or pause production to preserve their strength, to a certain extent alleviating the demand and supply. The trend of molybdenum price will still go up.

2. Tungsten market

Considering that the development of domestic and international environment remains complex, and China is still in the stage of dynamic transition, in 2016 the pressure for domestic tungsten market will continue to rise. However, after the fastening drop of price, the production of tungsten may be now below the line of costs, it is expected that the sell-off at low price will be retained. After more enterprises stopped production, the stock available to the market will continuously decrease, there is a hope that the speed of price decline will be controlled. In addition, following a series of policies to stabilize growth has been gradually implemented and in effect, the economy is expected to achieve a turnaround in performance, and by that time favorable factors will start to show in tungsten market.

3. Copper market

As new projects such as Las Bambas in Peru are gradually reaching their expected production, in addition to the slowing growth in production of the Chinese economy, there will still be oversupply in the copper market in 2016. As a major consumer of copper, China's economy was in a transition period from exports and investments oriented to consumption oriented. The People's Bank of China forecasts the Chinese economic growth will be only 6.8% in 2016, while it was 6.9% in 2015. However, the Chinese Academy of Social Sciences affirms the Chinese economic growth in 2016 will be 6.6-6.8%, which is called the "New Normal" of the Chinese economic growth. According to the forecasts by SNL Metals and Mining, the production volume and consumption of copper concentrates will reach 22.6 million tonnes and 22.30 million tonnes respectively in 2016. Both investment banks and relevant research institutes agree that the oversupply of copper will alleviate in 2017, and the demand would exceed the supply as cuts in the investment inputs in mines will result in lower grades of copper produced from mines that are already under production.

VI. PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

On 26 July 2013, the Company received a notice of acceptance of registration (Zhong Shi Xie Zhu [2013] PPN No. 189) from the NAFMII, confirming the acceptance of the registration of the debt financing instruments through private placement in the registered amount of RMB5 billion, which will be valid for a period of two years from the registration date. Since the interest rate in the market did not meet with the Company's expectation, the Company did not issue debt financing instruments through private placement. At present, the authorization period would expire soon. In order to meet the development strategy of the Company and increase financing channels, at the annual general meeting for the year 2013 held on 9 May 2014, the shareholders of the Company have approved to extend the authorization for the issuance of debt financing instruments through private placement to the date of the annual general meeting to be held in 2016.

A Share convertible corporate bonds

On 24 October 2014, the application for issuance of A Share convertible corporate bonds of the Company has been approved by the Main Board Issuance Examination Committee of the CSRC. The Company issued a total of 49,000,000 A Share convertible corporate bonds with a nominal value of RMB100 each (the "**Convertible Bonds**"), amounting to RMB4.9 billion in aggregate. The Convertible Bonds would be issued at nominal value and the initial conversion price shall be RMB8.78 per A Share. The Convertible Bonds had a term of six years from the date of the issuance, which commence from 2 December 2014 and end on 1 December 2020 and the conversion period would start from the first trading day after the expiry of six months from the date of completion of the issuance of the Convertible Bonds until the maturity date. The Convertible Bonds would bear an interest at the rate of 0.50% in the first year, 0.70% in the second year, 0.90% in the third year, 1.20% in the fourth year, 1.80% in the fifth year and 2.40% in the sixth year on a per annum basis. Within five trading days upon the maturity of the Convertible Bonds, the Company would redeem all outstanding Convertible Bonds which have not been converted from holders of the Convertible Bonds at a price of 108% (including the interest for the last interest accrual year) of the nominal value of the Convertible Bonds issued hereunder. The issued Convertible Bonds has been listed and traded on the Shanghai Stock Exchange (the "**SSE**") from 16 December 2014 (SSE Convertible Bond Code: 113501). The net proceeds (after deducting all expenses incidental to the issuance) raised from the Convertible Bonds, which amounted to RMB4,843,547,956.20, are all used in the acquisition of the 80% interest in Northparkes Joint Venture and certain associated rights and assets held by North Mining Limited.

The closing prices of the shares of the Company for the consecutive 15 trading days from 2 June 2015 to 23 June 2015 were not lower than 130% of the prevailing conversion price (RMB8.78 per share). Pursuant to the provisions stipulated in the “Prospectus in relation to Public Issuance of A Shares Convertible Corporate Bonds” of the Company, the conditional redemption provisions of CMOC Convertible Bonds were first triggered. On 23 June 2015, the “Resolution in respect of the Early Redemption of CMOC Convertible Bonds” was considered and approved at the twenty-ninth extraordinary meeting of the third session of the Board of the Company. The Company decided to exercise its right of conditional redemption for the CMOC Convertible Bonds to redeem all outstanding CMOC Convertible Bonds which appeared on the register of bonds as at the “redemption record date”, i.e. 9 July 2015.

After trading hours of SSE on 9 July 2015, the balance of all CMOC Convertible Bonds registered at the China Securities Depository and Clearing Corporation Limited Shanghai Branch was RMB45,558,000 (455,580 convertible bonds), representing 0.93% of the total issued convertible bonds of the Company, i.e. RMB4.9 billion (49 million convertible bonds). The aggregate number of convertible bonds amounted to 552,895,708 shares, representing 10.89% of the total issued shares of 5,076,170,525 shares of the Company prior to the conversion of “CMOC Convertible Bonds”, which resulted in an increase in the total share capital of the Company to 5,629,066,233 shares. From 10 July 2015, trading of CMOC Convertible Bonds (113501) and the conversion of CMOC Convertible Shares (191501) was suspended. From 16 July 2015, CMOC Convertible Bonds (113501) and CMOC Convertible Shares (191501) of the Company were delisted from the SSE. For details, please refer to the relevant announcements published by the Company on China Securities Journal, Shanghai Securities News, and websites of the SSE (www.sse.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinamoly.com).

Save as disclosed above, for the year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company.

VII. CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group has strived to uphold high standards of corporate governance to safeguard the interests of shareholders, to enhance corporate value and to implement accountability for the Group.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) (the “**Listing Rules**”).

The Company adopted revised Terms of Reference and Operation Rules of the Audit Committee on 28 August 2015 in compliance with and to address the new provisions in the Corporate Governance Code dealing with risk management and internal control systems and effective for the accounting period beginning on 1 January 2016.

In the opinion of the Board, the Company has complied with the code provisions throughout the period from 1 January 2015 to 31 December 2015, save as the deviation from the code provision E.1.2 of the Corporate Governance Code.

Pursuant to the code provision E.1.2, the chairman of the Board should invite the chairmen of its Board committees to attend the annual general meeting. In their absence, the chairman of the Board should invite another committee member (or failing this his duly appointed delegate) to attend. All members of the Audit Committee of the third session of the Board were unable to attend the annual general meeting of the Company held on 26 June 2015 due to other business arrangements. The attendance of the Chairmen of the Remuneration Committee, Nomination Committee, Strategic Committee of third session of the Board and third session of the Supervisory Committee and chief financial officer at such annual general meeting was sufficient for (i) answering the questions raised by the shareholders who attended the annual general meeting and (ii) effectively communicating with shareholders who attended the annual general meeting. The Company has optimized the planning and procedures of annual general meetings, give adequate time to all Directors to accommodate their work arrangement and provide all necessary support for their presence and participation in annual general meetings such that all Directors will be able to attend future annual general meetings of the Company.

The Company reviews its corporate governance practices regularly to ensure compliance with the Corporate Governance Code.

VIII. THE BOARD

During the year ended 31 December 2015, the Board held 15 Board meetings in total for reviewing and approving the financial affairs and usual course of business, considering and approving the annual budgets and the overall strategies and policies of the Company, and considering and approving relevant matters in relation to the issuance of A Share Convertible Corporate Bonds by the Company and the conversion thereof into shares and processing the issue of bonus shares by way of capitalisation of capital reserve.

BOARD COMMITTEES

The Board has established four specialized committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategic Committee.

AUDIT COMMITTEE

The Terms of Reference and Operation Rules of the Audit Committee are based primarily on “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee provides an important link between the Board and the Company’s auditors in matters falling within the Group’s scope of the audit.

The Audit Committee has reviewed the effectiveness of the external audit and internal controls, evaluated risks, and provided comments and advice to the Board. As at the date of this announcement, the Audit Committee comprises two independent non-executive Directors of the Company, namely Mr. Xu Shan and Mr. Cheng Gordon, and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Xu Shan as the chairman of the committee. The Audit Committee has reviewed, with the management and external auditors, the audited consolidated results of the Group for the year ended 31 December 2015, including the accounting principles and practices adopted by the Group, and discussed auditing, internal controls and financial reporting matters.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee and set out its specific Terms of Reference. As at the date of this announcement, the Remuneration Committee comprises two independent non-executive Directors, namely Mr. Bai Yanchun and Mr. Cheng Gordon, and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Bai Yanchun as the chairman. The majority of members of the Remuneration Committee are independent non-executive Directors.

The roles and functions of the Remuneration Committee are set out in its Terms of Reference. Its primary functions include: to make recommendations to the Board on the Company's remuneration policy and structure for all Directors and the senior management and to establish transparent procedures for developing such remuneration policy; to make recommendations to the Board on the remuneration packages of individual executive and non-executive Directors and the senior management; and to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The primary goal of the Company's remuneration policy on executive Directors' packages is to enable the Company to retain and motivate executive Directors by linking their remuneration with performance and measured against corporate objectives. The remuneration policy of the Company for non-executive Directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company. In determining guidelines for each element of the remuneration package, the Company refers to the remuneration surveys conducted by independent external consultants on companies operating in similar businesses.

In order to motivate the senior management of the Company in a scientific and reasonable way so that they can maximize the value for the shareholders and the Company, the Remuneration Committee has taken into account the market-oriented principles including the determination of remuneration based on the performance, responsibilities, faults and attitude, the enhancement of rewards and punishment, the comparison with similar overseas and domestic listed companies in the industry, and consideration of granting special awards regarding the special projects and contributions, as well as referring to the advice from the professional intermediaries.

NOMINATION COMMITTEE

The roles and functions of the Nomination Committee are set out in its Terms of Reference and Operation Rules, and it is mainly responsible for advising the Board as to the scale, structure, and composition (including skills, knowledge, experience and terms of office) of the Board in light of the business activities, size of assets, shareholding structure and the policy on Board diversity of the Company, researching on the criteria and procedures for the selection or appointment of Directors, the general manager and other senior management members and making recommendations to the Board. It is also responsible for extensively seeking suitable candidates for Directors and general manager and making recommendations to the Board, advising the current session of the Board as to the candidates for the next session of the Board during elections of members for the next session of the Board, advising the Board as to the appointment of candidates electing for general manager upon expiry of the term of office of the general manager, evaluating the work progress of Directors, the general manager and other senior management members and providing advice or recommendations

on the change of Directors, the general manager or other senior management members with reference to the results of evaluation as and when necessary, and assessing the independence of independent non-executive Directors.

As at the date of this announcement, the Nomination Committee comprises the following four directors: Mr. Bai Yanchun (independent non-executive Director), Mr. Li Chaochun (executive Director), Mr. Xu Shan (independent non-executive Director) and Mr. Cheng Gordon (independent non-executive Director), with Mr. Bai Yanchun as the chairman and Mr. Li Chaochun as vice chairman of the Nomination Committee.

STRATEGIC COMMITTEE

The Strategic Committee is responsible for formulating the overall development plans and investment decision-making procedures of the Group. As at the date of this announcement, the members of the Strategic Committee comprise two executive Directors, namely Mr. Li Chaochun and Mr. Li Faben, and one independent non-executive Director, namely Mr. Bai Yanchun, and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Li Chaochun as the chairman of the committee.

IX. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules in respect of dealings in the Company’s securities by Directors. Having made specific enquiries, all Directors confirmed that the required standards set out in the Model Code have been complied with throughout the year ended 31 December 2015. The Company has also formulated written guidelines (the “**Employees Written Guidelines**”) on terms no less exacting than the Model Code for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance against the Employees Written Guidelines by the employees has been noted by the Company after making reasonable enquiry.

X. FURTHER ANNOUNCEMENT ON THE DATE OF ANNUAL GENERAL MEETING AND 2016 FIRST CLASS MEETING OF H SHAREHOLDERS (“H SHAREHOLDERS’ CLASS MEETING”) AND THE CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The Board of the Company authorized Mr. Li Chaochun, the Chairman, to determine the date of the forthcoming annual general meeting (“AGM”) and H Shareholders’ Class Meeting and the closure of register of members of H shares of the Company pursuant to the relevant laws, regulations and Articles of Association.

Upon determination of the date of the meetings and the closure of register of members of H shares, the Company will publish relevant notices and despatch the circular containing further information to H shareholders as soon as possible.

XI. DIVIDEND

In order to maintain the continuity and stability of the Company’s dividend policy and to adhere to the commitment of providing shareholders with cash return, in accordance with the Company’s principle of profit distribution and cash dividend policy, the Board recommended the payment of a final dividend of RMB0.25 for each ten existing shares (tax inclusive) for the year ended 31 December 2015. This distribution of cash dividend amounted to RMB422,179,967.48 in aggregate (tax inclusive). Final dividend for the year ended 31 December 2015 is subject to the approval of shareholders of the Company at the forthcoming AGM.

The Company will dispatch a circular containing, among other matters, further information relating to the proposed distribution of final dividend as soon as practicable.

XII. AUDITOR’S OPINIONS

The consolidated financial statements of the Company for the year ended 31 December 2015 were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership). The financial report for the year 2015 prepared in accordance with the PRC Accounting Standards by the Company has been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) and an auditor’s report with unqualified opinions has been issued.

XIII. PUBLICATION OF DETAILS OF THE ANNUAL RESULTS

This results announcement is published on the websites of the Hong Kong Stock Exchange at (www.hkexnews.hk), the SSE at (www.sse.com.cn) and the Company at (www.chinamoly.com).

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

Luoyang City, Henan Province, the People's Republic of China, 24 March 2016

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

* *For identification purposes only*