

Interim Report 2016



洛陽樂川鉬業集團股份有限公司
China Molybdenum Co., Ltd.*

Stock Code: 3993

* For identification purposes only

SUMMARY OF 2016 INTERIM REPORT

- Net profit attributable to owners of the parent company amounted to RMB512 million, representing a year-on-year increase of 10.56% earnings per share were RMB0.0303 and net cash flow per share from operating activities amounted to RMB0.0317;
- The molybdenum and tungsten segments continuously reduced their costs through optimisation of mining and processing allocation, innovation of technology research and development and other measures. In the first half of the year, cash production cost of molybdenum concentrates and tungsten concentrates decreased by 2.03% and 18.81% as compared with the whole year, respectively;
- Entering into contracts for world-class strategic mining resources with reasonable costs during downturn will further enhance the profitability and risk resistance capability of the Company and promote the implementation of international development strategy;
- As the Company has continuously promoted the cost reduction and efficiency enhancement approach through adoption of various measures, the procurement rate of major materials has rapidly increased by 6.3 percentage points to 71.3%. The product structure of molybdenum and tungsten products and marketing strategy were actively adjusted to respond to the changes in the market in a timely manner; and
- Industrialized production of copper by-products recovery remained stable with an accumulated production of 1,687 tons of 20% copper concentrate, generating a revenue of RMB9.78 million; the industrialized production of rhenium by-products has commenced and 42 kilograms of ammonium perrhenate has been produced.

MAJOR FINANCIAL INDICATORS OF THE FIRST HALF OF 2016

(I) Major Accounting Data

Unit: Yuan Currency: RMB

| Major accounting data | During the current reporting period (January – June) | Same period last year | Increase/decrease for the reporting period as compared with the same period last year (%) |
|--|--|-------------------------|--|
| | Operating revenue | 2,259,851,575.32 | 2,269,257,230.22 |
| Net profit attributable to shareholders of the Company | 511,906,237.60 | 463,024,467.83 | 10.56 |
| Net profit attributable to shareholders of the Company after deduction of non-recurring profit or loss | 367,532,204.37 | 437,112,276.74 | -15.92 |
| Net cash flow from operating activities | 534,957,515.53 | 1,249,295,959.90 | -57.18 |
| | At the end of the reporting period | At the end of last year | Increase/decrease at the end of the reporting period as compared with the end of last year (%) |
| Net assets attributable to shareholders of the Company | 17,319,740,880.17 | 17,353,481,190.80 | -0.19 |
| Total assets | 34,334,396,510.28 | 30,880,528,485.14 | 11.18 |

(II) Major Financial Indicators

Unit: Yuan Currency: RMB

| Major financial indicators | During the current period (January – June) | Same period last year | Increase/decrease for the reporting period as compared with the same period last year (%) |
|---|--|-----------------------|---|
| Basic earnings per share (RMB/share) | 0.0303 | 0.0304 | -0.33 |
| Diluted earnings per share (RMB/share) | N/A | 0.0304 | N/A |
| Basic earnings per share excluded non-recurring profit or loss (RMB/share) | 0.0218 | 0.0287 | -24.04 |
| The Weighted Average Rate of Return on net assets (%) | 2.92 | 3.15 | Decreased by 0.23 percentage point |
| The Weighted Average Rate of Return on net assets excluded non-recurring profit or loss (%) | 2.10 | 2.97 | Decreased by 0.87 percentage point |

The explanation of major accounting data and financial indicators of the Company:

As the Company completed capitalisation of capital reserve in November 2015, and in accordance with rules of Regulations on the Preparation of Information Disclosure for Entities with Offering Securities to Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earning per Share (Revised in 2010), the Accounting Standard for Business Enterprises No. 34 – earnings per share 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), the Company has adjusted the earnings per share in the first half of 2015 from RMB0.09 to RMB0.0304 and restated the number of ordinary shares outstanding in the same period last year on the same basis.

PROSPECT AND DEVELOPMENT STRATEGY

The vision of China Molybdenum Co., Ltd. (“**CMOC**” or the “**Company**”) is to become a respected international resources group. The Company’s value is to implement the highest industrial standards in safety, environmental protection and occupational health, and to create lucrative returns for our shareholders, employees and the society.

The Company’s development strategy focuses on:

- strengthening and maintaining the most competitive cost advantage of the existing business, striving for continuous cost reduction, improvement of management, enhancement of efficiency, and identifying and exploiting of internal potentials;
- persistently managing and optimising balance sheet, disposing of non-core, low or inefficient assets, constructing multi-channels investing and financing platform; and
- based on scale, industry chains, technology, funds, market, management advantages and financing platform, by transforming structural adjustments and the way of growth, actively promoting the resources acquisition, and prioritizing mergers and acquisitions of or investment in such quality and mature resources projects which are located in a politically stable areas and have good cash flow.

MARKET REVIEW AND OUTLOOK

During the reporting period, the revenue of the Company mainly comes from the sales of molybdenum, tungsten and copper products including ferromolybdenum and other molybdenum products, tungsten concentrates and APT, and copper concentrates. Its operating results are largely subject to the fluctuations in the molybdenum, tungsten and copper markets. At the same time, the Company has certain ancillary business of sales of gold. Accordingly, the fluctuation of the prices of gold also produced a definite impact on results of the Company.

MARKET REVIEW

Comparison between average prices of the Company's principal products in the first half of 2016 and those in same period of 2015:

Domestic market price of relevant products of the Company

| Products | | First half of 2016 | First half of 2015 | Increase/decrease on a year-on-year basis (%) |
|------------|---|--------------------|--------------------|---|
| Molybdenum | Molybdenum concentrates (RMB/metric ton unit) | 861.57 | 1,122.1 | -23.22 |
| | Ferromolybdenum (RMB0'000/ton) | 6.44 | 7.82 | -17.65 |
| Tungsten | Black tungsten concentrates (RMB/metric ton unit) | 1,027.28 | 1,253.14 | -18.02 |

Note: The prices of molybdenum and tungsten are extracted from relevant domestic websites.

International market price of relevant products of the Company

| Products | | First half of 2016 | First half of 2015 | Increase/decrease on a year-on-year basis (%) |
|------------|-------------------------------|--------------------|--------------------|---|
| Molybdenum | Molybdenum oxide (US\$/pound) | 6.15 | 7.98 | -22.93 |
| Copper | Copper (US\$/ton) | 4,692 | 5,921 | -20.76 |
| Gold | Gold (US\$/ounce) | 1,220.28 | 1,206.02 | 1.18 |

Note: The prices of molybdenum and tungsten are extracted from the relevant international websites. The price of copper represented the price quoted by the London Metal Exchange ("LME"), and the price of gold represented the price quoted by the London Bullion Market Association ("LBMA").

Molybdenum market

Domestic market: in the first half of 2016, the domestic molybdenum market presented an upward trend followed by a decline, with prices fluctuating within a wider range. In the first quarter, the operations of domestic large-scale mines faced a bumpy start and medium-sized mining companies were plagued by the shortage of spot commodities, whilst the number of tender invitations from downstream steel plants did not fall, leading to the rebound of domestic molybdenum prices. In the second quarter, as supported by the rising domestic market prices of steel, the medium-scale and large-scale steel plants made an early purchase of goods and trading companies replenished the inventory in a frequent manner, and the trading was increasingly brisk on the molybdenum market. The supply of raw materials in molybdenum markets became limited and the international prices rose steadily at the same time, contributing to the significant upward trend on the domestic molybdenum market. Unfortunately, with the low season of consumption in the mid-June, there came a significant drop in the market prices of steel and the domestic steel plants made greater efforts to force down the prices in tender invitations, and small-sized and medium-sized ferromolybdenum companies were more willing to turn to profit-taking. All this, together with the weak international molybdenum prices, had exerted tremendous pressure on the molybdenum market, prompting the expedited fall in the prices. According to quoted price statistics on the relevant domestic websites, in the first half of 2016, the average price of molybdenum concentrates amounted to RMB861.57/metric ton unit, representing a decrease of 23.22% as compared with the same period last year. The lowest price was RMB730/metric ton unit and the highest price was RMB1,050/metric ton unit. The average price of ferromolybdenum (60% Mo) in the first half of the year amounted to RMB64,400/ton, representing a decrease of 17.65% as compared with the same period last year. The lowest price was RMB55,000/ton and the highest price was RMB78,000/ton.

International market: in the first half of 2016, as impacted by the factors like inadequate supply in the market, the trend of international molybdenum prices were basically the same as that of the domestic ones. The first quarter witnessed the fluctuations of the international molybdenum prices within a narrow range, and the prices temporarily rebounded in view of the more active trades from trading companies due to insufficient supply of spot commodities and the demand for supply on the international market from certain Chinese smelting companies. However, without effective demand as support, the market participants were increasingly cautious and their confidence in the market was dampened, resulting in the drop in the molybdenum prices. In the second quarter, the international molybdenum market presented a significant upward trend amidst fluctuations, and due to the tension in supply from large-scale mines as well as the limited inventory of trading companies, the international molybdenum prices vastly increased. In June, with the looming summer holiday, the market was in a slump as the market sentiment weakened and trading companies developed greater awareness of risk avoidance and was pessimistic towards making margin calls. According to the statistics of MW price, in the first half of 2016, the average price of molybdenum oxide amounted to US\$6.15/lb Mo, representing a decrease of 22.93% as compared with the same period last year. The lowest price was US\$5.10/lb Mo and the highest price was US\$8.75/lb Mo.

Tungsten market

Domestic market: in the first half of 2016, as supported by factors including the control over production and limits imposed on sales by large-scale tungsten producers and the implementation of the policy for the collection of tungsten as national reserves, and given that the domestic tungsten mines operated under considerably low utilization rates, there was a shortage of tungsten supply of spot commodities, resulting in a significant upward trend in the prices of the upstream and downstream tungsten products. In the first quarter, as the scenarios of low utilization rates in domestic tungsten mines resulting in the shortage of spot commodities unfolded, procurement and enquiry activities in the market were brisk under the rigid demand and the commodity prices slowly bounced back. In the second quarter, the tungsten market rebounded amidst favorable factors as the central government carried out two instances of collection for national reserves, whilst the tension on the supply of spot commodities in the market exacerbated as the tungsten producers insisted on exercising control over production and imposing limits on sales. As such, the market showed an upward trend, which continued up to mid-May. The demand thereafter was dampened in a gradual manner, and as the low season loomed on the horizon, the trade of spot commodities was slack and the market weakened. In late June, the market continued to make an abrupt landing amidst weak sentiment. According to quoted price statistics on the relevant domestic websites, in the first half of 2016, the average price of black tungsten concentrates in the PRC amounted to RMB66,800/ton (RMB1,027.28/metric ton unit), representing a decrease of 18.02% as compared with the same period last year. The lowest price was RMB61,000/ton (RMB938.46/metric ton unit) and the highest price was RMB76,000/ton (RMB1,169.23/metric ton unit). The average APT price was RMB105,300/ton, representing a decrease of 17.93% as compared with the same period last year. The lowest price was RMB95,000/ton and the highest price was RMB125,000/ton.

International market: since China accounts for over 80% market share of the world's tungsten market, the international tungsten market followed basically the trend of domestic tungsten market in the first half of 2016. In the first quarter, due to the Chinese New Year holidays, fluctuations in the international price of tungsten were not obvious. However, the international mark of tungsten prices jumped to a relatively high level in the second quarter owing to the surge of domestic tungsten prices, and the international prices lowered again in June due to the downturn of China's market. According to MB Data, the average APT price in the European market in the first half of the year was US\$189.03/metric ton unit, representing a decrease of 26.06% as compared with the same period last year. The highest price peaked at US\$225/metric ton unit and hit the lowest price at US\$150/metric ton unit.

Copper market

The Company is mainly engaged in copper business through NPM, therefore the operating performance of such segment is affected by fluctuations in the international copper price.

For the first half of 2016, LME copper spot settlement price was traded at the range between US\$4,300/tonne to US\$5,100/tonne (US\$1.95/pound to US\$2.31/pound) and the average trading price was US\$4,692/tonne (US\$2.13/pound).

The World Bank lowered its forecast, which was made at the beginning of the year, about annual global economic growth from 2.9% to 2.4% due to sluggish growth of developed economies, continued lowering of commodity prices, weak world trade and reduction in capital flow. Copper price decreased at the beginning of the year due to weak economic data and accelerated RMB depreciation of China, as well as significant drop in oil price. Afterwards, affected by various factors including the rebound in oil price, escalated expectation by the investors on the European Central Bank's additional monetary stimulus measures, lower expectation on the interest rate hike of the US Federal Reserve ("Fed") during the year and the growth of China's copper import, copper price rebounded in a short period. In May, a new round of the decline in copper price happened due to strengthening of US dollars as a result of the concern about China's economic position and hawkish attitude of the Fed. On 23 June, upon the announcement of the results of the U.K.'s referendum to quit the European Union, US dollar surged and the market was in a panic, further putting pressure on copper price. On the other hand, the heightened expectation on loosening policies of various central banks, rise of risk appetite, increase of bullish views in the futures market and increase in bulk commodity prices collectively, copper price was driven by long position and recovered to US\$4,800/tonne.

MARKET OUTLOOK

Molybdenum market

International market: in the second half of 2016, the key factors influencing the molybdenum market price were still the operating condition of iron and steel industry and the supply of molybdenum market under macroeconomic circumstances. As for the macro economy, the main objective of the macroeconomic control in 2016 is to stabilize growth with the following challenges: firstly, the structural reform of domestic supply side; secondly, clearance of debts and elimination of excess capacity; thirdly, fading in the bonus impacts from globalization, industrialization and institution and China's population currently, while the new industrial structure not being developed fully. As for the supply, with the release of capacities of re-operated mines and the inventory accumulation of mines in operation, as well as the completion of upgrade of certain capacities, the tight supply of raw material was eased; as for the demand, the operation of iron and steel industry is still difficult. Though there was certain increase in steel price, it was merely driven by short-term factors including policy expectation and market speculation. There was no fundamental change in supply-demand relation and the effect of elimination of outdated capacity and structural adjustment was not emerged. As for the current molybdenum market, there was not enough impetus to new demand and the market remained in an interval fluctuation. If the demand gets better, the market still has room to rise.

International market: in the second half of 2016, the recovery of the global economy remained slow and the growth was weak. Sluggish demand and insufficient confidence in the international market remained unchanged and the environment of international trade was severe with the emergence of trade protectionism. There was insufficient effective demand in developed countries and their pace of recovery were slowed down; the structural adjustment of developing countries was difficult and the downside pressure of such countries increased. The uncertainty of the world's economy will continue to result in sluggish demand in terminal market and the prices of bulk raw materials and commodities will remain at a low level. As for supply, quality issue of raw materials from the overseas major molybdenum producers would be unsolved temporarily and therefore no huge supply of molybdenum raw materials will show up in the market in the short run to have impact on the international market. As for the demand, upon the collective procurement of the European trader from late April to May and the completion of stock replenishment, the European iron and steel manufacturing industry was in the period of summer break since the third quarter with overall limited demand; though there was certain demand from the markets of Japan and South Korea, the effect of such markets to push the demand was limited due to relatively large molybdenum inventories at the earlier period and relatively less demand. As for the supply-demand relation, such relation in the international molybdenum market will be in a better position. It is expected that at the end of the third quarter, with the end of summer break of the European iron and steel manufacturing industry, the market demand will increase and the international molybdenum market will rebound with the demand growth of terminal market.

Tungsten market

Domestic market: in the second half of 2016, from the perspective of supply, as product prices have not reached the cost lines of most of tungsten mines, underemployment of tungsten mines will remain. The contradiction between supply and demand in the market will be relaxed and the supply pressure will not be elevated in the short term through stockpiling and replenishing inventories in the downstream segment; from the perspective of terminal demand, the synergies of the industries such as hard alloy, tungsten products and special steel have not improved obviously, downstream enterprises and traders were still concerned about the market condition and their activities may continue to decrease. It is expected that the trend of interval fluctuation in the tungsten market may continue in the second half of the year.

International market: in the second half of 2016, the international tungsten market will still be affected by the domestic market and the weak economy of the world will continue. Therefore, the market price of tungsten products would continue to fluctuate and consolidate in the short run. As for the supply-demand relation, the consumption of terminal market is weaker due to slowdown of the economic development. With the overcapacity in the world's tungsten market, the smaller trading volume of tungsten markets in Europe, Japan and South Korea, the increasing expansion of recycling and application of waste tungsten in the European market, the demand for raw materials is affected in a certain extent. Since the terminal markets of the domestic and overseas tungsten products are still in off season in the third quarter, despite of the support to tungsten price from the underemployment in mines, substantial price increase is under pressure. In September and October, with the gradual recovery of market demand in the domestic and overseas downstream markets, trading in tungsten product market would become active and the tungsten price is expected to increase.

Copper market

According to the latest forecast of SNL Metal and Mining Company, the production of copper metal mines in 2016 is estimated to be 19.60 million tonnes, representing an increase of 3.4% as compared with the previous year; the production of refined copper is estimated to increase by 2% to 22.50 million tonnes as compared with the previous year; the consumption of refined copper is estimated to increase by 1.8% to 22.20 million tonnes as compared with the previous year. It is expected that there is an excess supply of over approximately 0.3 million tonnes than demand in 2016.

Copper price will fluctuate in a relatively large range in the coming few months under the increasing uncertainty of the market. The range of the trading price will be US\$4,400/tonne to US\$5,100/tonne (US\$2.0/pound to US\$2.3/pound) in the event that no material suspension of production occurs.

BUSINESS REVIEW AND PROSPECTS

Comparable Table of Production Volume, Sales Volume and Unit Cash Production Cost of Major Products of the Company

| Name of Products | For the first half of 2016 | | | | | For the first half of 2015 | | |
|---|----------------------------|---|--------------------------|---|---|-------------------------------|--------------------------|--|
| | Production Volume (Ton) | | Sales Volume (Ton) | Unit cash production cost (RMB/Ton) | | Production Volume (Ton) | Sales Volume (Ton) | Unit cash production cost (RMB/Ton) |
| | Actually completed | Completed proportion in the estimated volume (%) | Actually completed | Actually completed | Increase/ decrease from the estimated volume (%) | | | |
| Molybdenum (100%) | 8,008 | 49.87 | 10,793 | 55,153 | -2.03 | 8,638 | 7,873 | 55,200 |
| Tungsten (100%) | 4,950 | 55.93 | 6,077 | 12,080 | -18.81 | 4,607 | 4,068 | 16,596 |
| Copper for sale (calculated based on 80% equity interests) (Note) | 19,063 | 48.42 | 19,282 | 0.69 | -10.39 | 20,215 | 21,066 | 0.61 |

Note: The unit cash generating cost of copper available for sale is US\$/pound. When calculating based on 80% equity interests, NPM recorded a capacity of 15,130 oz for gold available for sale for the first half of 2016.

During the reporting period, various metal markets mainly operated by the Company were stable and even rebounded. However, the overall market environment was still complicated and ever-changing with larger fluctuations. The overcapacity of the molybdenum and tungsten markets remained to alleviate in the short run. The upstream industries such as steel and hard alloy were experiencing in-depth structural adjustment, which was yet to come into effect, therefore the market demand was hard to witness a prominent increase. While copper market ended the trend of successive decline, affected by various factors including political and economic environment, its fluctuations intensified and the demand remained weak during the reporting period. Despite of the complicated and changing market environment, the management of the Company still ensure the carrying out of production and operating activities of the Company in an orderly manner through a series of effective measures such as accelerating the implementation of international strategies, enhancing the internal improvement and technological innovation, vigorously implementing cost reduction and efficiency promotion and strengthening internal management, thereby achieving distinct achievement of various works.

1. Entering into the contracts for the world-class quality mining resources and implementation of the international development strategies during downturn. During the reporting period, significant progress was made to the Company's overseas development strategies. On 27 April and 9 May 2016, the Company entered into significant asset acquisition agreements with the international mining giants, namely Anglo American Plc. and Freeport-McMoran Inc., respectively, to purchase the Brazilian Niobium and Phosphates Businesses and related assets from Anglo American Plc. by way of USD cash through Hong Kong CMOC, a wholly-owned Hong Kong subsidiary of the Company, and to purchase 56% interests in Tenke Fungurume mines of the Democratic Republic of Congo (DRC) from Freeport-McMoran Inc.. Tenke Fungurume mines of this acquisition are one of copper and cobalt mines with largest reserve and of highest ore grade globally, while Brazilian Niobium and Phosphates Businesses and related assets are one of the quality resources held by Anglo American Plc. The Company entered into contracts for world-class strategic mining resources with reasonable costs during the downturn will further strengthen its profitability and risk resistance ability, while diversifying the Company's assets and product portfolio and promoting its influence in the international market and its industry position.
2. Continuous facilitation of cost reduction and effectiveness enhancement with adoption of various measures. During the reporting period, the Company continued to optimize the technological indicators and reduced production costs with adoption of various measures, which further secured its leading position in terms of costs in the industry. Among which, (1) collective tender and procurement of materials were further enhanced and procurement rate of major materials reached 71.3%, representing an increase of 6.3 percentage points as compared with the end of last year; (2) optimization and control of technology indicators were upgraded steadily, protruding the leading position of the Company in terms of technology costs. The recovery rate of molybdenum, tungsten and copper was improved significantly as compared with the end of last year. During the reporting period, the production cost of domestic business of the Company was RMB41 million lower than its budget, representing a difference of RMB65.92 million as compared with the same period last year.
3. Remarkable achievement of comprehensive resources recovery project. During the reporting period, the industrialization layout of recovery of various metal resources showed an initial progress. In the first half of the year, a total of 1,687 tons of copper concentrate (20% grade) was recovered, realizing a revenue of RMB9.78 million from copper sales; industrialized production of recovery of by-products of rhenium has been materialized and 42 kg of ammonium perrhenate was produced; ancillary fluorite is currently in the stage of laboratory experiment on industrialization.
4. Continual enhancement of the internal management and employees' technical training. During the reporting period, through the implementation of integrated management, safety standardization management, equipment management, energy management, etc., the construction of standardization and informatization management of the Company has stepped up comprehensively, thereby strengthening the employees' technical training, improving the operating skills and continually implementing refined and standardized management. The Company comprehensively carried out the Ten Principal Standards for Safety, the Standards for Operations Safety and the Reward and Punishment Measures for Production Safety, fostering the safety management system in a solid manner.
5. Enhancement of investment in research and development of technology and facilitation of technology innovation. During the reporting period, the Company proactively pushed forward the innovation and reformation of technology, resulting in a stable progress of the research project on smart mining equipment and a preliminary formation of fully-automatic unmanned equipment system. The "Collective Mining Production Management of Open-pit Mine Digitization" (露天礦數字化採礦生產管理集成系統) and the "Technology and Industrialization of Recovery of Low-grade Scheelite from Molybdenum Flotation Tailing" (從鉬浮選尾礦中回收低品位白鎢資源的技術與產業化) obtained nomination awards of the Fourth China Industrial Award; the "Research on the Application of the Shortened Flotation Column in the Selection of Molybdenum" (浮選柱矮化在選鉬中的應用研究) and the "Development and Application of Energy Conservation and Environmental Protection of Roasting Molybdenum Concentrates in Multi-chamber Stoves" (多腔爐焙燒鉬精礦節能環保技術開發與應用) obtained second class awards in technology development in Luoyang City.

DOMESTIC INDUSTRY POLICIES

Resource Tax

On 30 April 2015, the Ministry of Finance and State Administration of Taxation promulgated the notice in relation to the innovation implementation of resources tax of rare minerals, tungsten and molybdenum levied on the ad valorem basis, which shifted the basis for the calculation of the resource tax of molybdenum and tungsten from the quantity to ad valorem. In particular, the taxable products of molybdenum and tungsten included raw ore and concentrate processed using self-served raw ore. As for the raw ore is processed to concentrate for sale by taxpayers, the resource tax is calculated and paid in accordance with concentrate sales volume (added-value tax exclusive) and applicable tax rate. As for the raw ore processed and sold by taxpayers, the resource tax is calculated and paid in accordance with raw ore sales volume (added-value tax exclusive) converted into concentrate sales volume. The formula of tax payable is: tax payable = concentrate sales volume × applicable tax rate; where the applicable tax rate of tungsten resource is 6.5% and the applicable rate of the molybdenum resource tax is 11%. Pursuant to the stipulations under the Notice in Relation to the Implementation of Reforms on the Calculation of Rare Earth, Tungsten and Molybdenum Resource Taxes Based on Price (Cai Shui [2015] No. 52) and Notice on the Detailed Policies on Resource Tax Reform (Cai Shui [2016] No. 54), the tungsten associated with other metals recovered by the Company shall not be subject to tungsten resource tax.

Norms for Tungsten Industry

In order to further strengthen the management of the tungsten industry, restrain duplication and redundant construction, regulate the discipline of production and operation in the existing tungsten industry, improve the integrated utilization level of resources and the energy conservation and environmental protection level, promote the transformation and upgrade and the sustainable development of the tungsten industry, according to the relevant laws and regulations and industry policies in the PRC, the Norms for Tungsten Industry published by commerce department and MIIT on 14 January 2016 had been implemented on 1 February 2016. The Norms requires that: the construction scale of tungsten mine companies and open-pit mines shall not be less than 150,000 tons of ores per year, the construction scale of underground mines shall not be less than 60,000 tons of ores per year and the term of service shall be more than ten years. The production capacity of newly-established and renovated ammonium paratungstate projects shall reach 5,000 tons per year or above, and the production capacity for tungsten metal shall reach 6,000 tons per year or above. For the newly-established, renovated and existing smelting projects for solely waste tungsten catalysts, the treatment capacity of a single type of materials shall reach 5,000 tons per year or above; for projects for solely waste tungsten alloys, the treatment capacity of a single type of materials shall reach 500 tons per year or above; other smelting projects for secondary resources that contain, among others, tungsten, the treatment capacity of a single type of materials shall reach 1,500 tons per year or above.

In addition, Norms also stipulates the detailed requirements for comprehensive utilization of resources and energy consumption, environmental protection, regulatory management, production safety, product quality, production skills and equipment.

Indicators for control over the aggregate mining volume of tungsten mines

In order to protect and reasonably develop the advantageous mining resources, pursuant to the relevant requirements regarding mining activities of certain protective mines, control over the aggregate mining volume of rare earth mines and tungsten mines have been remained in 2016. Indicators for control over the aggregate mining volume of rare earth mines and tungsten mines were issued in two batches. On 27 January 2016, the Ministry of Land and Resources issued the first batch of notice, "Notice on Indicators for Controlling the Aggregate Mining Volume of Rare Earth Mines and Tungsten Mines for the Year 2016 (First Batch) Issued by the Ministry of Land and Resources" (《國土資源部關於下達2016年度稀土礦鎢礦開採總量控制指標（第一批）的通知》). The notice for the whole year, "Notice on Indicators for Controlling the Aggregate Mining Volume of Rare Earth Mines and Tungsten Mines for the Year 2016 Issued by the Ministry of Land and Resources", was issued on 22 June 2016.

BUSINESS PROSPECTS

In the second half of 2016, the management of the Company will proactively respond to opportunities and challenges brought about by the fluctuations in market price with orientation on the market and grasp of the pace of sales, and endeavor to achieve a balance between production and sales as well as the maximization of profit; proactively promote the completion and smooth process of overseas acquisition projects; and proactively optimize the product structure with structural adjustments and changes in growth pattern which will serve as the main drivers for growth and support from construction of major projects in order to further enhance its comprehensive strengths and profitability to achieve better return to shareholders while enhancing the internal management. The following tasks will be mainly focused on:

1. To speed up and promote the completion and the transitional arrangement for the overseas acquisition projects to ensure the stable transfer of such projects and achieve the integration of such projects with the Company's existing business as soon as possible;
2. To push forward stably works related to non-public issuance of A shares of the Company in a bid to further lower the financial gearing ratio and continue to maintain a healthy position of the balance sheet of the Company;
3. To continuously consolidate the competitive advantages of cost of molybdenum and tungsten businesses, carry out further upgrade for the technologies in the existing mining and processing business, strength materials procurement and enhance the construction of automation, informationization, standardization;
4. To continue to strengthen the market research in order to promote sales and stabilize the domestic sales market according to the domestic and overseas market movement, while grasping opportunities for expanding exports; to elevate the proportion of contracts from quality clients to stabilize and boost sales and increase the Company's efficiency;
5. To vigorously promote the industrial layout of the resources recycling and reusing and improve and strengthen the production techniques of the resources recycling and reusing projects, while endeavoring in cost reduction and enhancement of production volume, so as to accelerate the formation of new profit growth point;
6. To enhance the management work including benchmarking management, standardization management, improving and strengthening quality management, cost management, informationization management, investment management, risk management, human resources management, standardization construction and corporate cultural construction to promote the upgrading of the Company's management; and
7. To strengthen the cultivation of and interaction with talents and leverage the management and techniques of operating business in Australia as a platform so as to establish an international management talent cultivating system.

MATERIAL EVENTS

1. *Purchase of Material Assets (Acquisition of Overseas Niobium and Phosphates Businesses)*

On 27 April 2016, Hong Kong CMOC and the Company (as the guarantor of Hong Kong CMOC) had executed the Sale and Purchase Agreement in relation to the acquisition of overseas niobium and phosphates businesses with the counterparties AMBRAS HOLDINGS SÁRL, ANGLO AMERICAN LUXEMBOURG SÁRL, ANGLO AMERICAN MARKETING LIMITED, ANGLO AMERICAN CAPITAL PLC, ANGLO AMERICAN CAPITAL LUXEMBOURG SÁRL according to the authorization from the Board upon the successful bid.

On 10 May 2016, the “Resolution on the Material Asset Acquisition of the Company (Acquisition of the Overseas Niobium and Phosphates Businesses)” and other matters were considered and approved at the sixth extraordinary meeting of the fourth session of the Board of the Company, and the proposal on Material Asset Acquisition of the Company (Acquisition of the Overseas Niobium and Phosphates Businesses) was published on the same date.

On 20 May 2016, the Company received from the SSE the “Letter of disclosure enquiry in relation to the proposal for China Molybdenum Co., Ltd.’s material assets acquisition of overseas niobium and phosphates businesses” (Shang Zheng Gong Han [2016] No. 0529) (《關於對洛陽樂川鋁業集團股份有限公司重大資產購買預案（收購境外鈮磷業務）的信息披露問詢函》（上證公函《2016》0529號））

On 25 May 2016, the Company published the China Molybdenum Co., Ltd.’s reply announcement in relation to “Letter of disclosure enquiry in relation to the proposal for China Molybdenum Co., Ltd.’s material assets acquisition of overseas niobium and phosphates businesses” of Shanghai Stock Exchange (洛陽鋁業關於上海證券交易所《關於對洛陽樂川鋁業集團股份有限公司重大資產購買預案（收購境外鈮磷業務）的信息披露問詢函》的回覆公告), and disclosed The proposal for China Molybdenum Co., Ltd.’s material assets acquisition of overseas niobium and phosphates businesses (revised draft) (《洛陽樂川鋁業集團股份有限公司重大資產購買預案（收購境外鈮磷業務）（修訂稿）》）.

On 21 June 2016, the Company received the Filing Acceptance Notification (Fagaibanwaizibei [2016] No. 292) (《項目備案通知書》（發改辦外資備[2016]292號）) from the National Development and Reform Commission, which filed the Company’s acquisition of the Niobium ore, Phosphates ore and Phosphates fertilizer businesses project under Anglo Group.

On 13 July 2016, the Company received the Filling Notification of Overseas Investment Enterprises (Yushangwaijinghan [2016] No. 169) (《境外投資企業備案通知書》[豫商外經函[2016]169號]) and the renewed “Enterprise Outbound Investment Certificate” (《企業境外投資證書》) from the Commerce Department of Henan Province, which agreed the Company to increase capital in the wholly-owned subsidiary Hong Kong CMOC that was set up in Hong Kong. The increased capital is mainly for Hong Kong CMOC to acquire niobium and phosphates businesses from Anglo American Plc and the copper and cobalt business from Freeport Minerals Corporation.

On 29 July 2016, the Company received the Notice of Not Implementing Further Review (Shangfanlongchushenhan [2016] No. 211) (《不實施進一步審查通知》（商反壟初審函[2016]第211號）) from MOFCOM Anti-Monopoly Bureau. MOFCOM Anti-Monopoly Bureau decided not to implement further review on the acquisition of niobium and phosphates businesses of the Company.

On 6 August 2016, the Company published the China Molybdenum Co., Ltd.’s announcement in relation to the execution of amendment agreement on the sale and purchase agreement for significant asset acquisition of the company (acquisition of the overseas niobium and phosphates businesses) (《洛陽樂川鋁業集團股份有限公司關於重大資產購買（收購境外鈮磷業務）之《出售與購買協議》簽署《修訂協定》的公告》), which mainly amended matters related to ANGLO AMERICAN CAPITAL LUXEMBOURG SÁRL’s Loans Closing Agreement and transaction timetable in the original agreement.

On 8 August 2016, the “Resolution in relation to the “Material Asset Acquisition Report (Acquisition of Overseas Niobium and Phosphates Businesses) (Draft) of China Molybdenum Co., Ltd.” (《關於〈洛陽樂川鋁業集團股份有限公司重大資產購買報告書（收購境外鈮磷業務）草案〉的議案》) and other matters were considered and approved at the 13th extraordinary meeting of the fourth session of the Board of the Company, and “Material Asset Acquisition Report (Acquisition of Overseas Niobium and Phosphates Businesses) (Draft) of China Molybdenum Co., Ltd.” (《洛陽樂川鋁業集團股份有限公司重大資產購買報告書（收購境外鈮磷業務）草案》) and relevant report were published on the same date. Meanwhile, the Company issued the notice of general meeting to be held on 23 September 2016 to convene the 2016 first extraordinary general meeting for the consideration of purchase of the material assets.

2. Purchase of Material Assets (Acquisition of Overseas Copper and Cobalt Businesses)

On 9 May 2016, Hong Kong CMOC and the Company (as the guarantor of Hong Kong CMOC) had executed the Stock Purchase Agreement in relation to the transaction with the counterparties Phelps Dodge Katanga Corporation and Freeport-McMoRan Inc. according to the authorization from the Board upon the consensus with Freeport.

On 15 May 2016, "Resolution in Relation to the Proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Copper and Cobalt Businesses" (《關於<洛陽樂川鋁業集團股份有限公司重大資產購買預案(收購境外銅鈷業務)>的議案》) and other matters were considered and approved at the 7th extraordinary meeting of the fourth session of the Board of the Company, and meanwhile "Proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Copper and Cobalt Businesses" (《洛陽樂川鋁業集團股份有限公司重大資產購買預案(收購境外銅鈷業務)》) was published on the same date.

On 20 May 2016, the Company received from the Shanghai Stock Exchange the "Letter of disclosure enquiry in relation to the proposal for China Molybdenum Co., Ltd.'s material assets acquisition of overseas copper and cobalt businesses" (Shang Zheng Gong Han [2016] No. 0528) (《關於對洛陽樂川鋁業集團股份有限公司重大資產購買預案(收購境外銅鈷業務)的信息披露問詢函》(上證公函《2016》0528號)).

On 25 May 2016, the Company published the China Molybdenum Co., Ltd.'s reply announcement in relation to "Letter of disclosure enquiry in relation to the proposal for China Molybdenum Co., Ltd.'s material assets acquisition of overseas copper and cobalt businesses" of Shanghai Stock Exchange (洛陽鋁業關於上海證券交易所《關於對洛陽樂川鋁業集團股份有限公司重大資產購買預案(收購境外銅鈷業務)的信息披露問詢函》的回覆公告), and disclosed The proposal for China Molybdenum Co., Ltd.'s material assets acquisition of overseas copper and cobalt businesses (revised draft) (《洛陽樂川鋁業集團股份有限公司重大資產購買預案(收購境外銅鈷業務)(修訂稿)》).

On 7 July 2016, the Company received the Filing Acceptance Notification (Fagaibanwaizibei [2016] No. 311) (《專案備案通知書》(發改辦外資備[2016]311號)) from the National Development and Reform Commission ("NDRC") and the Notice of Not Implementing Further Review (Shangfanlongchushenhan [2016] No. 192) (《不實施進一步審查通知》(商反壟初審函[2016]第192號)) from MOFCOM Anti-Monopoly Bureau, respectively. The National Development and Reform Commission file the Company's acquisition of the Tenke copper and cobalt ore project under the Freeport-McMoRan Inc.. Meanwhile, the MOFCOM Anti-Monopoly Bureau decided not to implement further review on the Company's acquisition of interest in Tenke Fungurume Mines.

On 13 July 2016, the Company received the Filing Notification of Overseas Investment Enterprises (Yushangwaijinghan [2016] No.169) (《境外投資企業備案通知書》豫商外經函[2016]169號) and the renewed "Enterprise Outbound Investment Certificate" (《企業境外投資證書》) from the Commerce Department of Henan Province, which agreed the Company to increase capital in the wholly-owned subsidiary Hong Kong CMOC that was set up in Hong Kong. The increased capital is mainly for Hong Kong CMOC to acquire niobium and phosphates businesses from Anglo American Plc and the copper and cobalt business from Freeport-McMoRan Inc..

On 26 July 2016, the Company published the update announcement of the purchase of material assets (acquisition of overseas copper and cobalt businesses). After the negotiation and agreement among Freeport-McMoRan Inc., Tenke Holding Ltd. (Bermuda) and the Company, term of first offer right for the equity interest in TF Holdings Limited indirectly held by Freeport-McMoRan Inc., which is enjoyed by Tenke Holding Ltd. (Bermuda), has been extended to 15 September 2016 at 11:59 p.m. (New York time).

On 8 August 2016, the "Resolution in relation to the "Material Asset Acquisition Report (Acquisition of Overseas Copper and Cobalt Businesses) (Draft) of China Molybdenum Co., Ltd." (《關於<洛陽樂川鋁業集團股份有限公司重大資產購買報告書(收購境外銅鈷業務)草案>的議案》) and other matters were considered and approved at the 13th extraordinary meeting of the fourth session of the Board of the Company, and "Material Asset Acquisition Report (Acquisition of Overseas Copper and Cobalt Businesses) (Draft) of China Molybdenum Co., Ltd." (《洛陽樂川鋁業集團股份有限公司重大資產購買報告書(收購境外銅鈷業務)草案》) and relevant report were published on the same date. Meanwhile, the Company issued the notice of general meeting to be held on 23 September 2016 to convene the 2016 second extraordinary general meeting for the consideration of purchase of material assets.

As of the date of the report, the Company also received a notification from the Competition Authority of Turkey that the Competition Management Committee of Turkey unconditionally approved the Company for acquisition of copper and cobalt projects of Tenke, a subsidiary of Freeport-McMoRan Inc., in accordance with relevant orders.

3. *Non-Public Issuance of A Shares*

On 20 May 2016, "Resolution in Relation to the Satisfaction of the Conditions of the Non-public Issuance of A Shares of the Company" (《關於公司符合非公開發行A股股票條件的議案》) and "Resolution in Relation to the Proposal of the Non-public Issuance of Shares of the Company" (《關於公司非公開發行股票方案的議案》) and other resolutions involved in non-public matters were considered and approved on the eighth extraordinary meeting of the fourth session of the Board of the Company; and "Resolution in relation to the Proposal on the Non-public Issuance of A Shares of China Molybdenum Co., Ltd.*" (《洛陽樂川鋁業集團股份有限公司非公開發行A股股票預案》) was published.

On 8 August 2016, the "Resolution in relation to the Adjustment of the Proposal on the Nonpublic Issuance of A Shares of the Company" (《關於調整公司本次非公開發行A股股票方案的議案》) and other matters in relation to non-public issuance of shares were considered and approved at the 13th extraordinary meeting of the fourth session of the Board of the Company, and "Resolution in relation to the Proposal on the Non-public Issuance of A Shares of China Molybdenum Co., Ltd.* (Revised Version)" (《洛陽樂川鋁業集團股份有限公司非公開發行A股股票預案(修訂稿)》) was disclosed. Meanwhile the Company issued the notice of general meeting to be held on 23 September 2016 to convene the 2016 third extraordinary general meeting, 2016 second of A shareholders' class meeting and 2016 second H shareholders' class meeting for the consideration of the matter of non-public issuance of A shares of the Company.

4. On 21 March 2016, the Company published the announcement of "Result of the Issuance of 2016 First Tranche Medium-Term Notes". On 21 March 2016, the Company successfully issued the 2016 first tranche Medium-term Notes in the amount of RMB2 billion, for a term of 5 years and an issuance interest rate of 4.22%. On 29 February 2016, the Company published the "Announcement of the Results of Issuance of the 2016 First Tranche Short-term Financing Instruments". On 26 February 2016, the Company successfully issued the 2016 first tranche of short-term financing instruments in the amount of RMB500 million for a term of one year at an issuance interest rate of 3.18%. The proceeds raised from the issue of the Medium-term Notes and short-term financing instruments were mainly used to repay a portion of the bank loans of the Company and replenish the working capital of the Company's headquarter.
5. On 24 May 2015, the Company published the announcement in relation to "the Cancellation of Remaining Registered Balance of Medium-Term Notes". On 24 May 2016, the Company received the "Letter in Relation to the Reduction of Registered Balance of Medium-Term Notes of China Molybdenum Co., Ltd.*" (Zhong Shi Xie Han [2016] MTN No. 427) (《關於核減洛陽樂川鋁業集團股份有限公司中期票據註冊金額的函》(中市協函[2016] MTN 427號)) from the National Association of Financial Market Institutional Investors on 18 May 2016, which approved to conduct the remaining registered balance of medium-term notes of RMB2 billion under the Notice of Acceptance for Registration (Zhong Shi Xie Zhu [2015] MTN No. 467) (中市協注[2015]MTN467號《接受註冊通知書》).
6. On 20 June 2016, the Company published the Announcement on External Guarantee of China Molybdenum Co., Ltd. (《洛陽樂川鋁業集團股份有限公司對外擔保公告》), which provided its wholly-owned subsidiary Hong Kong CMOC with the aggregate guarantee amount of RMB1.7 billion.

For the details of the aforementioned contents, please refer to the relevant announcements published by the Company on the websites of SSE (www.sse.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinamolyc.com).

FINANCIAL HIGHLIGHTS

1. CONSOLIDATED BALANCE SHEET

| Items | Closing balance | Opening balance | Increase (decrease) |
|---|--------------------------|-------------------|---------------------|
| Current assets: | | | |
| Bank balances and cash | 13,855,661,894.49 | 10,414,479,302.30 | 33.04% |
| Financial assets at fair value through profit or loss | – | 4,838,045.50 | -100.00% |
| Bills receivable | 1,386,442,286.84 | 602,079,822.07 | 130.28% |
| Accounts receivable | 499,420,106.87 | 744,253,181.48 | -32.90% |
| Prepayments | 485,959,801.21 | 227,105,140.15 | 113.98% |
| Interests receivable | 91,498,212.13 | 86,297,819.57 | 6.03% |
| Dividends receivable | 44,100,000.00 | – | 100% |
| Other receivables | 84,519,064.80 | 120,062,905.23 | -29.60% |
| Inventories | 466,280,517.59 | 592,503,598.48 | -21.30% |
| Other current asset | 1,554,472,475.66 | 2,940,139,813.99 | -47.13% |
| Total current assets | 18,468,354,359.59 | 15,731,759,628.77 | 17.40% |
| Non-current assets: | | | |
| Available-for-sale financial assets | 2,724,132,922.23 | 2,373,165,292.11 | 14.79% |
| Long-term equity investment | 1,220,892,785.67 | 1,260,507,394.45 | -3.14% |
| Fixed assets | 4,291,785,180.03 | 4,495,248,544.61 | -4.53% |
| Construction in progress | 670,645,733.10 | 478,679,498.42 | 40.10% |
| Inventories | 285,529,244.57 | 275,057,127.19 | 3.81% |
| Intangible assets | 3,845,283,879.58 | 3,836,026,995.53 | 0.24% |
| Long-term deferred expenses | 120,257,069.25 | 124,474,656.00 | -3.39% |
| Deferred tax assets | 378,297,040.32 | 412,936,675.15 | -8.39% |
| Other non-current assets | 2,329,218,295.94 | 1,892,672,672.91 | 23.07% |
| Total non-current assets | 15,866,042,150.69 | 15,148,768,856.37 | 4.73% |
| Total assets | 34,334,396,510.28 | 30,880,528,485.14 | 11.18% |

| Items | Closing balance | Opening balance | Increase (decrease) |
|---|--------------------------|-------------------|---------------------|
| Current liabilities: | | | |
| Short-term borrowings | 2,362,588,186.50 | 2,906,199,075.88 | -18.71% |
| Financial liabilities at fair value through profit or loss | 1,636,359,007.95 | 1,505,910,504.53 | 8.66% |
| Bills payable | 830,000,000.00 | 782,730,000.00 | 6.04% |
| Accounts payable | 167,357,852.93 | 237,376,385.26 | -29.50% |
| Receipts in advance | 59,866,150.22 | 37,781,869.32 | 58.45% |
| Employee benefits payable | 106,498,836.25 | 113,520,910.57 | -6.19% |
| Taxes payable | -93,155,711.12 | -123,612,410.35 | -24.64% |
| Interests payable | 150,876,310.53 | 53,942,855.95 | 179.70% |
| Dividends payable | 450,065,764.15 | 27,885,796.67 | 1,513.96% |
| Other payables | 247,610,640.40 | 208,404,265.84 | 18.81% |
| Non-current liabilities due within one year | 2,389,008,656.32 | 2,494,899,714.54 | -4.24% |
| Other current liabilities | 1,039,055,740.31 | 523,896,357.63 | 98.33% |
| Total current liabilities | 9,346,131,434.44 | 8,768,935,325.84 | 6.58% |
| Non-current liabilities: | | | |
| Long-term borrowings | 2,823,580,000.00 | 1,941,586,400.00 | 45.43% |
| Bonds payable | 4,000,000,000.00 | 2,000,000,000.00 | 100.00% |
| Provision | 313,581,505.28 | 290,908,169.51 | 7.79% |
| Other non-current liabilities | 78,162,557.29 | 62,407,518.53 | 25.25% |
| Total non-current liabilities | 7,215,324,062.57 | 4,294,902,088.04 | 68.00% |
| Total liabilities | 16,561,455,497.01 | 13,063,837,413.88 | 26.77% |
| Shareholders' equity: | | | |
| Share capital | 3,377,439,739.80 | 3,377,439,739.80 | - |
| Capital reserve | 10,720,306,602.38 | 10,720,306,602.38 | - |
| Other comprehensive income | -687,954,725.05 | -632,492,717.76 | 8.77% |
| Special reserve | 47,196,102.10 | 115,200,675.56 | -59.03% |
| Surplus reserve | 786,050,081.94 | 786,050,081.94 | - |
| Undistributed profits | 3,076,703,079.00 | 2,986,976,808.88 | 3.00% |
| Total equity attributable to the shareholders of the parent company | 17,319,740,880.17 | 17,353,481,190.80 | -0.19% |
| Minority interests | 453,200,133.10 | 463,209,880.46 | -2.16% |
| Total shareholders' equity | 17,772,941,013.27 | 17,816,691,071.26 | -0.25% |
| Total liabilities and shareholders' equity | 34,334,396,510.28 | 30,880,528,485.14 | 11.18% |

2. CONSOLIDATED INCOME STATEMENT

| Items | January to June 2016 | January to June 2015 | Increase (decrease) |
|--|-------------------------|----------------------|---------------------|
| I. Total operating revenue | 2,259,851,575.32 | 2,269,257,230.22 | -0.41% |
| Including: Operating revenue | 2,259,851,575.32 | 2,269,257,230.22 | -0.41% |
| Less: Operating costs | 1,407,946,095.18 | 1,328,954,741.17 | 5.94% |
| Business taxes and levies | 85,415,486.06 | 123,800,311.87 | -31.01% |
| Selling expenses | 37,344,923.64 | 43,385,266.51 | -13.92% |
| Administrative expenses | 181,225,218.65 | 152,765,412.13 | 18.63% |
| Financial expenses | 88,997,528.53 | 161,247,938.92 | -44.81% |
| Impairment losses of assets | 21,532,937.51 | 167,418,449.46 | -87.14% |
| Add: Gains (losses) from changes in fair values (loss is filled in column with "-") | 34,982,791.08 | 39,243,074.12 | -10.86% |
| Investment income (loss is filled in column with "-") | 139,481,395.26 | 101,845,462.24 | 36.95% |
| Including: Income from investments in associates and joint ventures | 3,954,227.60 | 24,645,102.66 | -83.96% |
| II. Operating profit (loss is filled in column with "-") | 611,853,572.09 | 432,773,646.52 | 41.38% |
| Add: Non-operating income | 3,539,816.10 | 16,446,283.45 | -78.48% |
| Including: Income from disposal of non-current assets | 26,495.02 | 365,515.38 | -92.75% |
| Less: Non-operating expenses | 19,931,697.43 | 57,766,138.50 | -65.50% |
| Including: Losses from disposal of non-current assets | 146,275.23 | 38,880,761.70 | -99.62% |
| III. Total profit (the total loss is filled in column with "-") | 595,461,690.76 | 391,453,791.47 | 52.12% |
| Less: Income tax expenses | 93,899,409.42 | -46,042,063.66 | -303.94% |
| IV. Net profit (the total loss is filled in column with "-") | 501,562,281.34 | 437,495,855.13 | 14.64% |
| Net profit attributable to owners of the parent company | 511,906,237.60 | 463,024,467.83 | 10.56% |
| Profit or loss attributable to minority interests | -10,343,956.26 | -25,528,612.70 | -59.48% |
| V. Other comprehensive income, net of tax | -55,462,007.29 | -255,043,605.72 | -78.25% |
| Other comprehensive income attributable to owners of the parent company, net of tax | -55,462,007.29 | -255,043,605.72 | -78.25% |
| (1) Other comprehensive income not to be reclassified subsequently to profit or loss | | | |
| (2) Other comprehensive income to be reclassified subsequently to profit or loss | -55,462,007.29 | -255,043,605.72 | -78.25% |
| 1. Exchange differences arising from translation of financial statements denominated in foreign currencies | 68,435,960.82 | -132,700,442.17 | -151.57% |
| 2. Gains or losses from changes in the fair value of available-for-sale financial assets | -123,897,968.11 | -122,343,163.55 | 1.27% |
| Other comprehensive income attributable to minority interests, net of tax | | | |
| VI. Total comprehensive income | 446,100,274.05 | 182,452,249.41 | 144.50% |
| Total comprehensive income attributable to owners of the parent company | 456,444,230.31 | 207,980,862.11 | 119.46% |
| Total comprehensive income attributable to minority interests | -10,343,956.26 | -25,528,612.70 | -59.48% |
| VII. Earnings per share | | | |
| (I) Basic earnings per share (Note) | 0.0303 | 0.0304 | -0.33% |
| (II) Diluted earnings per share | N/A | 0.0304 | - |

Note: As the Company completed capitalisation of capital reserve in November 2015, and in accordance with rules of Regulations on the Preparation of Information Disclosure for Entities with Offering Securities to public No. 9 – Calculation and Disclosure of Return on Net Assets and Earning per Share (Revised in 2010), the Accounting Standard for Business Enterprises No. 34 – earnings per share 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) the Company has adjusted the earnings per share in the first half of 2015 from RMB0.09 to RMB0.0304 and restated the number of ordinary shares outstanding in the same period last year on the same basis.

3. CONSOLIDATED CASH FLOW STATEMENT

| Items | January to June 2016 | January to June 2015 | Increase (decrease) |
|--|-------------------------|--------------------------|---------------------|
| I. Cash flow from operating activities: | | | |
| Cash received from sales of goods and provision of services | 1,968,502,345.40 | 2,864,466,931.85 | -31.28% |
| Refund of taxes | — | — | — |
| Other cash receipts relating to operating activities | 156,511,412.91 | 183,832,536.93 | -14.86% |
| Sub-total of cash inflows from operating activities | 2,125,013,758.31 | 3,048,299,468.78 | -30.29% |
| Cash payments for goods purchased and services received | 883,519,327.97 | 776,087,026.95 | 13.84% |
| Cash payments to and on behalf of employees | 289,974,963.67 | 352,196,714.92 | -17.67% |
| Payments of various types of taxes | 299,683,423.21 | 624,253,839.98 | -51.99% |
| Other cash payments relating to operating activities | 116,878,527.93 | 46,465,927.03 | 151.54% |
| Sub-total of cash outflows from operating activities | 1,590,056,242.78 | 1,799,003,508.88 | -11.61% |
| Net cash flow from operating activities | 534,957,515.53 | 1,249,295,959.90 | -57.18% |
| II. Cash flows from investing activities: | | | |
| Cash receipts from disposals and recovery of investments | 2,545,372,773.25 | 3,640,000,000.00 | -30.07% |
| Cash receipts from investment income | 169,950,889.87 | 122,891,000.41 | 38.29% |
| Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets | 174,040.06 | 3,561,335.18 | -95.11% |
| Cash receipts from acquisitions or disposals of subsidiaries and other business units | — | — | — |
| Other cash receipts relating to investing activities | — | — | — |
| Sub-total of cash inflows from investing activities | 2,715,497,703.18 | 3,766,452,335.59 | -27.90% |
| Cash payments for acquisitions or disposals of subsidiaries and other business units | — | 180,761.10 | -100.00% |
| Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets | 154,866,453.05 | 231,596,371.44 | -33.13% |
| Cash payments to acquire investments | 1,919,822,496.70 | 10,433,116,300.92 | -81.60% |
| Other cash payments relating to investing activities | 537,163.62 | — | 100.00% |
| Sub-total of cash outflows from investing activities | 2,075,226,113.37 | 10,664,893,433.46 | -80.54% |
| Net cash flow from investing activities | 640,271,589.81 | -6,898,441,097.87 | -109.28% |

| Items | January to June 2016 | January to June 2015 | Increase (decrease) |
|--|--------------------------|----------------------|---------------------|
| III. Cash flows from financing activities: | | | |
| Cash receipts from capital contributions | — | — | — |
| Including: cash receipts from capital contributions from minority shareholders of subsidiaries | — | — | — |
| Cash receipts from borrowings | 6,778,480,456.18 | 4,226,251,600.00 | 60.39% |
| Other Cash receipts relating to financing activities | 1,070,719,604.09 | 898,822,190.00 | 19.12% |
| Sub-total of cash inflows from financing activities | 7,849,200,060.27 | 5,125,073,790.00 | 53.15% |
| Cash repayments of indebtedness | 4,610,042,895.86 | 744,382,000.00 | 519.31% |
| Cash payments for distribution of dividends or profits and settlement of interests | 86,500,966.26 | 98,153,903.31 | -11.87% |
| Other cash payments relating to financing activities | 982,780,688.69 | 511,982,417.11 | 91.96% |
| Sub-total of cash outflows from financing activities | 5,679,324,550.81 | 1,354,518,320.42 | 319.29% |
| Net cash flow from financing activities | 2,169,875,509.46 | 3,770,555,469.58 | -42.45% |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | 16,419,977.39 | -16,422,554.67 | -199.98% |
| V. Net increase in cash and cash equivalents | 3,361,524,592.19 | -1,895,012,223.06 | -277.39% |
| Add: Opening balance of cash and cash equivalents | 8,982,162,302.30 | 5,625,581,044.71 | 59.67% |
| VI. Closing balance of cash and cash equivalents | 12,343,686,894.49 | 3,730,568,821.65 | 230.88% |

MANAGEMENT DISCUSSION AND ANALYSIS

Summary

For the six months ended 30 June 2016, the net profit of the Group increased from RMB437.5 million as at 30 June 2015 to RMB501.6 million, increased by RMB64.1 million or 14.7%. For the six months ended 30 June 2016, net profit attributable to the owners of the parent company was RMB511.9 million, representing an increase of RMB48.9 million or 10.6% from RMB463.0 million for the six months ended 30 June 2015, which was primarily because the Company consolidated its quality of assets through continuous stripping of non-core and low-efficient assets, and implemented various measures simultaneously to continuously promote cost reduction and efficiency increase measures, manifesting good results during the period.

The comparative analysis for the six months ended 30 June 2016 and the six months ended 30 June 2015 is as follows:

Operating Results

The operating revenue of the Group decreased by RMB9.4 million or by 0.4% from RMB2,269.3 million as of 30 June 2015 to RMB2,259.9 million as of 30 June 2016. For the six months ended 30 June 2016, the gross profit of the Group was RMB852.0 million, representing a decrease of RMB88.3 million or 9.4% from RMB940.3 million for the same period last year.

The table below sets out the operating income, operating costs, gross profit and gross profit margin of our products in the first half of 2016 and the same period of 2015:

| Product Name | First half of 2016 | | | | First half of 2015 | | | |
|---|------------------------------------|---------------------------------|-------------------------------|----------------------------|------------------------------------|---------------------------------|-------------------------------|----------------------------|
| | 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 | 1,399.7 | 792.4 | 607.3 | 43.4 | 1,265.6 | 723.8 | 541.8 | 42.8 |
| -Copper-related products | 139.1 | 104.7 | 34.4 | 24.7 | 99.2 | 57.9 | 41.3 | 41.6 |
| -Others | 136.5 | 87.7 | 48.8 | 35.7 | 167.9 | 116.1 | 51.9 | 30.9 |
| Sub-total | 1,675.3 | 984.8 | 690.5 | 41.2 | 1,532.7 | 897.8 | 634.9 | 41.4 |
| International market | | | | | | | | |
| -Molybdenum and tungsten-related products | 21.4 | 15.1 | 6.3 | 29.4 | 4.6 | 3.8 | 0.8 | 17.6 |
| -Copper-related products | 541.7 | 408.0 | 133.7 | 24.7 | 717.2 | 427.4 | 289.7 | 40.4 |
| -Others | 21.5 | 0.0 | 21.5 | 100.0 | 14.8 | | 14.8 | 100.0 |
| Sub-total | 584.6 | 423.1 | 161.5 | 27.6 | 736.6 | 431.1 | 305.4 | 41.5 |
| Total | 2,259.9 | 1,407.9 | 852.0 | 37.7 | 2,269.3 | 1,329.0 | 940.3 | 41.4 |

During the reporting period, due to various factors such as the fall of the prices of the main products of the Company, operating income of the Company decreased by 0.4% as compared with the same period last year. During the reporting period, the Company implemented various cost control measures through strengthening internal management so as to reduce production cost of molybdenum and tungsten products and partly offset the negative impact from the decline in prices of major products.

During the reporting period, gross profit of the Company was RMB852.0 million, representing a decrease by RMB88.3 million as compared with the same period last year. The overall gross profit margin decreased by 3.7 percentage points as compared with the same period last year.

BUSINESS TAXES AND LEVIES

For the six months ended 30 June 2016, the Group recorded business taxes and levies of RMB85.4 million, representing a decrease of RMB38.4 million or 31.0% from RMB123.8 million for the same period in 2015, mainly due to the adoption of tax levies at the ad valorem rate for the national tax policy of resources tax since 1 May 2015, resulting in a lower price of molybdenum products.

SELLING EXPENSES

For the six months ended 30 June 2016, the selling expenses of the Group amounted to RMB37.3 million, representing a decrease of RMB6.1 million or 14.1% from RMB43.4 million for the same period in 2015. Such decrease was mainly attributable to a decrease in selling expenses for the period.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2016, the administrative expenses of the Group were RMB181.2 million, representing an increase of RMB28.4 million or 18.6% from RMB152.8 million for the same period in 2015. Such increase was mainly attributable to the increase in advisory expenses and technology research and development expenses as compared with the same period last year.

For the six months ended 30 June 2016, the Group's administrative expenses included a technology development fee of RMB35.7 million. Main projects included: Experimental Research on High Concentration Flotation Processing of Wolframite (白鎢精選高濃度浮選法試驗研究), Experiment and Research on Impacts of Condensed Current before Processing on Molybdenum Processing Plants (廠前濃縮流水對鉬選礦影響的實驗研究), Development and Application Research on New Model of Copper-Molybdenum Separation Inhibitors (新型銅鉬分離抑制劑的開發應用研究), Experiment and Research on Enhancement of Processing Capacity of Overflow Mill (提高溢流型磨機處理量的實驗研究), Research on Applications of the Ten-thousand-tonne System for Comprehensive Recovery of Copper (萬噸系統銅綜合回收應用研究) and other technical research and development.

FINANCE EXPENSES

For the six months ended 30 June 2016, the finance expenses of the Group amounted to RMB89.0 million, representing a decrease of RMB72.2 million or 44.8% from RMB161.2 million for the same period in 2015. Such decrease was mainly attributable to the interest amortisation of convertible corporate bonds in the corresponding period last year where there is no such impact during the period.

INVESTMENT INCOME

For the six months ended 30 June 2016, the investment income of the Group was RMB139.5 million, representing an increase of RMB37.7 million or 37.0% from RMB101.8 million for the same period in 2015, which was mainly attributable to the revenue generated from the disposal of available-for-sale financial assets by the Group during the period.

NON-OPERATING INCOME

For the six months ended 30 June 2016, the non-operating income of the Group amounted to RMB3.5 million, representing a decrease of RMB12.9 million or 78.7% from RMB16.4 million for the same period last year. Such decrease was mainly attributable to the significant decrease in government grants as compared with the same period last year.

NON-OPERATING EXPENSES

For the six months ended 30 June 2016, the non-operating expenses of the Group amounted to RMB19.9 million, representing a decrease of RMB37.9 million or 65.6% from RMB57.8 million for the same period last year. Such decrease was mainly attributable to the significant decrease in losses from disposal of non-current assets as compared with the same period last year.

INCOME TAX EXPENSES

For the six months ended 30 June 2016, the income tax expenses of the Group amounted to RMB93.9 million, representing an increase of RMB139.9 million or 304.1% from RMB-46.0 million for the same period last year, which was mainly attributable to the increase in total profit for the period.

NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

For the six months ended 30 June 2016, the net profit of the Group attributable to owners of the parent company represented an increase of RMB48.9 million or 10.6% from RMB463.0 million for the six months ended 30 June 2015, to RMB511.9 million for the six months ended 30 June 2016. Such increase was mainly attributable to an increase in the net profit for the six months ended 30 June 2016.

PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTERESTS

For the six months ended 30 June 2016, profit or loss attributable to the minority interests of the Group was RMB-10.3 million, representing an increase of RMB15.2 million or 59.6% from RMB-25.5 million for the same period last year, which was mainly attributable to the decrease in loss assumed by minority shareholders during this period.

FINANCIAL POSITION

For the six months ended 30 June 2016, the total assets of the Group amounted to RMB34,334.4 million, comprising non-current assets of RMB15,866.0 million and current assets of RMB18,468.4 million. Equity attributable to shareholders of the parent company as of 30 June 2016 decreased by RMB33.8 million or 0.2% to RMB17,319.7 million from RMB17,353.5 million as of 31 December 2015. Such decrease was mainly due to the declaration of final dividend for the year 2015 during the period.

CURRENT ASSETS

For the six months ended 30 June 2016, the current assets of the Group increased by RMB2,736.6 million or 17.4% to RMB18,468.4 million from RMB15,731.8 million for the year ended 31 December 2015. The increase in the current assets was mainly attributable to the increase in monetary funds through medium-term notes and short-term financing by the Company during the period.

NON-CURRENT ASSETS

For the six months ended 30 June 2016, the non-current assets of the Group amounted to RMB15,866.0 million, representing an increase of RMB717.2 million or 4.7% from RMB15,148.8 million for the year ended 31 December 2015. The increase in the non-current assets was mainly attributable to the increase in the foreign equity investment by the Group during the period.

CURRENT LIABILITIES

For the six months ended 30 June 2016, the current liabilities of the Group amounted to RMB9,346.1 million, representing an increase of RMB577.2 million or 6.6% from RMB8,768.9 million for the year ended 31 December 2015. The increase in the current liabilities was mainly attributable to the increase in short-term financing during the period and the declaration of final dividend for the year 2015.

NON-CURRENT LIABILITIES

For the six months ended 30 June 2016, the non-current liabilities of the Group amounted to RMB7,215.3 million, representing an increase of RMB2,920.4 million or 68.0% from RMB4,294.9 million for the year ended 31 December 2015. The increase in the non-current liabilities was mainly due to the increase in borrowings of financial institutes and medium-term notes during the period.

CONTINGENT LIABILITIES

The NPM business of the Group provided guarantees to government agencies of New South Wales, Australia through certain banks in relation to the operation of the business. The guarantees amounted to AUD28.66 million (equivalent to RMB141.7 million) as of 30 June 2016. The owners of the joint venture agreed with the enforcement of the guarantees arising from any obligations in relation to the business. As of 30 June 2016, no significant obligations for the guarantees occurred.

GEARING RATIO

The gearing ratio (total liabilities divided by total assets) of the Group increased to 48.2% for the year ended 30 June 2016 from 42.3% for the year ended 31 December 2015. The increase in the gearing ratio was mainly attributable to the increase in the medium-term notes and short-term financing of the Company during the period and the declaration of final dividend for the year 2015.

CASH FLOW

For the six months ended 30 June 2016, the Group had cash and cash equivalents of RMB12,343.7 million, representing an increase of RMB3,361.5 million or 37.4% from RMB8,982.2 million for the year ended 31 December 2015.

For the six months ended 30 June 2016, net cash inflow generated from operating activities was RMB535.0 million; net cash inflow generated from investment activities was RMB640.3 million; net cash inflow generated from financing activities was RMB2,169.9 million.

In 2016, the Group implemented strict internal management and cost saving measures, thus maintaining sound operation status and healthy financial position. As of 30 June 2016, the Company had sufficient 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 was 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 and 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 costs 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, there will be a relatively significant fluctuation in the operating results of the Company.

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 on 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, 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 happens such as heavy rain and debris flow.

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 from 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 RATE

The principal domestic business operations of the Company are denominated in RMB and the currency used in the accounts is also RMB, the lawful currency of the PRC. The subsidiaries of the Company located in Australia principally adopt AUD or USD as the basis for price calculations and settlement. As at the end of the reporting period, there were still outstanding loans denominated in foreign currency and the consideration of overseas acquisition projects announced by the Company during the reporting period was paid in USD, and thus, the exchange rate risks exposed are mainly associated with USD, HKD, AUD and EUR.

However, the exposure of the Company to the risks arising from changes in the exchange rates is not high and the foreign currency transactions of the Group are mainly the financing activities which are denominated and settled in USD and EUR and the AUD denominated assets held by the subsidiaries in Australia whose functional currency is USD. Currently, the Company has no corresponding formal hedging policy or derivative instruments in place to hedge against the Company's currency risks.

ANALYSIS OF MAJOR SUBSIDIARIES

(1) Major subsidiaries

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 |

Hong Kong CMOC, a wholly-owned subsidiary of the Company, holds 100% of the shares of this company. As of 30 June 2016, the total assets of this company amounted to RMB6,106.6533 million with net asset of RMB2,296.0471 million. Operating revenue of this company in the first half of 2016 amounted to RMB702.3338 million with operating profit of RMB90.3917 million and net profit of RMB58.5520 million.

(2) Newly-established subsidiaries

- ① In February 2016, the Company established Luoyang Yuehe Real Estate Company Limited as its wholly-owned subsidiary in Luanchuan, Henan with the registered capital of RMB3 million.
- ② In April 2016, Upnorth Investment Limited, a wholly-owned subsidiary of China Molybdenum (Hong Kong) Company Limited, established Long March No. 1 Investment Limited as its wholly-owned subsidiary in the BVI (British Virgin Islands) with the registered capital of US\$1.

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(I) Exploration

During the reporting period, the Company had exploration projects only in NPM. Details of the works are as follows:

Exploration is an important part of the development strategy of the Company and NPM. During the reporting period, NPM Copper Mine completed a total of 5,812.2 meters of exploration, including 285.1 meters of reverse circulation drilling and 5,527.1 meters of core drilling.

(II) Development

1. Sandaozhuang Mine: During the reporting period, the Company did not have any significant development in Sandaozhuang Mine.
2. Shangfanggou Mine: During the reporting period, the Company did not have any significant development in Shangfanggou Mine.
3. Xinjiang Mine: During the reporting period, the Company did not have any significant development in Xinjiang Mine.
4. NPM Copper Mine: The construction of E26 two-stage sublevel caving mining project has commenced in April 2015, and will be put into production in August 2016. In the first stage of E26 two-stage sublevel caving mining project, 2.9 million tonnes of ore can be mined, with 1.01% of copper grade and 0.44 gram/tonne of gold grade. In the second stage of E26 two-stage sublevel caving mining project, 1.7 million tonnes of ore are left to mine, with 0.87% of copper grade and 0.35 gram/tonne of gold grade. The development cost during the reporting period was USD9.09 million.

(III) Mining

First half of 2016

| | |
|--|-------|
| Sandaozhuang Molybdenum Mine Production volume of open-pit mining (<i>kilotonnes</i>) | 8,999 |
| NPM Copper Mine Production volume of underground mining (<i>kilotonnes</i>) | 3,108 |

Remarks:

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

(IV) Exploration, development and mining fees

For the reporting period, the summary of the expenditure of exploration, development and mining activities of the Company is as follows:

- (i) Exploration costs: the exploration fees for NPM Copper Mine amounted to US\$1.71 million.
- (ii) Development costs: the development costs of NPM Copper Mine amounted to US\$9.09 million.
- (iii) Mining costs: the mining costs of Sandaozhuang Mine amounted to RMB182.64 million; the mining costs of NPM Copper Mine amounted to USD12.70 million. (Note: the above costs exclude the costs of ore processing)

By Order of the Board
Li Chaochun
Chairman

Luoyang City, Henan Province, the People's Republic of China, 26 August 2016

DIRECTORS AND SUPERVISORS

As of the date of this report, the Board of the Company consisted of the following 8 directors (the "Directors"), and the supervisory committee consisted of the following 3 supervisors (the "Supervisors"). Pursuant to the Articles of Association, our Directors and Supervisors have a term of three years and are subject to re-election.

| | | |
|-------------------------------------|---|--|
| Executive Directors | : | Li Chaochun, Li Faben |
| Non-Executive Directors | : | Ma Hui, Yuan Honglin, Cheng Yunlei |
| Independent Non-Executive Directors | : | Bai Yanchun, Xu Shan, Cheng Gordon. |
| Supervisors | : | Kou Youmin, Zhang Zhenhao, Wang Zhengyan |

EMPLOYEES

As of 30 June 2016, the Group had approximately 6,428 full-time employees, classified by function and department as follows:

| Department | Employees | Proportion |
|---|-----------|------------|
| Management & administration | 604 | 9.4% |
| Quality control, research and development | 995 | 15.5% |
| Production | 4,239 | 65.9% |
| Finance, sales and other support | 590 | 9.2% |
| Total | 6,428 | 100% |

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 evaluation of performance remuneration is evaluated in connection with the overall economic effect of the Company and the individual result, 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 19%, 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.

SHARE CAPITAL

| | As at 30 June 2016 | |
|--|--------------------|------------------|
| | Number of shares | Amount RMB |
| A Shares at a nominal value of RMB0.20 per share | 12,953,730,699 | 2,590,746,139.80 |
| H Shares at a nominal value of RMB0.20 per share | 3,933,468,000 | 786,693,600.00 |
| Total | 16,887,198,699 | 3,377,439,739.80 |

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

To the best knowledge of all the Directors and Supervisors, as at 30 June 2016, the persons or companies (other than Directors, the chief executives or Supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are as follows:

| Name | Number of shares held | Capacity | Class of Share | Approximate percentage of shareholding in relevant class of shares |
|---------------------------------|-----------------------|------------------------------------|----------------|--|
| LMG | 5,329,780,425 | Beneficial owner | A Share | 41.14% |
| Guohong Group | 5,329,780,425 | Interest in controlled corporation | A Share | 41.14% |
| CFC | 5,030,220,000 | Beneficial owner | A Share | 38.83% |
| | 303,000,000(L) | Interest in controlled corporation | H Share | 7.70% |
| Cathay Hong Kong ⁽¹⁾ | 303,000,000(L) | Beneficial owner | H Share | 7.70% |
| Yu Yong ⁽²⁾ | 5,030,220,000 | Interest in controlled corporation | A Share | 38.83% |
| | 303,000,000(L) | Interest in controlled corporation | H Share | 7.70% |

(L) – Long position

Notes:

(1) Cathay Hong Kong is a wholly-owned subsidiary of CFC in Hong Kong.

(2) Mr. Yu Yong held 99% interest in CFC.

Save as disclosed above, during the reporting period, the Directors were not aware of any other person (other than Directors, chief executives or Supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

DIRECTORS', CHIEF EXECUTIVES', MANAGEMENT AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 7 July 2016, certain Directors and Supervisors and management of the Company have completed the second round of increase in shareholding of the Company's A shares, the details of which are as follows:

| Name | Number of A shares held prior to the second round of increase in shareholding (Share) | Number of increase in shareholding in the second round (Share) | Average purchase price (RMB/share) | Number of shares transferred (Share) | Number of shares held after the scheme of increase in shareholding (Share) | Amount of shares acquired (RMB'000) | Percentage of shareholding in the total issued share capital (%) |
|------------------|---|--|------------------------------------|--------------------------------------|--|-------------------------------------|--|
| Li Chaochun | 434,064 | 95,500 | 10.57 | 1,059,128 | 1,588,692 | 100.95 | 0.009 |
| Li Faben | 291,500 | 63,300 | 10.60 | 709,600 | 1,064,400 | 67.12 | 0.006 |
| Yuan Honglin | 286,900 | 63,300 | 10.60 | 700,400 | 1,050,600 | 67.13 | 0.006 |
| Zhang Zhenhao | 291,100 | 63,400 | 10.57 | 709,000 | 1,063,500 | 66.97 | 0.006 |
| Wang Qinxi | 151,600 | 32,700 | 10.40 | 368,600 | 552,900 | 33.99 | 0.003 |
| Gu Meifeng | 146,200 | 31,000 | 10.50 | 354,400 | 531,600 | 32.54 | 0.003 |
| Yang Jianbo | 145,900 | 32,000 | 10.41 | 355,800 | 533,700 | 33.28 | 0.003 |
| Wang Bin | 145,000 | 31,700 | 10.50 | 353,400 | 476,000 | 33.24 | 0.003 |
| Jiang Zhongqiang | 146,000 | 31,500 | 10.55 | 355,000 | 532,500 | 33.21 | 0.003 |
| Zhang Xinhui | 145,000 | 31,100 | 10.58 | 352,200 | 528,300 | 32.88 | 0.003 |
| Total | 2,183,264 | 475,500 | 10.53 | 5,317,528 | 7,922,192 | 501.81 | 0.047 |

Notes:

- The implementation of the plan of increase in shareholdings has been completed, and Directors, Supervisors and management who participated in the increase in shareholdings of the Company's A shares holds 7,922,192 shares of the Company (including transferred shares), representing approximately 0.047% of the Company's total issued share capital.
- On 26 January 2016, the Board of the Company received resignation reports submitted by Mr. Wang Qinxi, the standing vice general manager, and Mr. Yang Jianbo and Mr. Wang Bin, the vice general managers, due to other work commitments. The Company convened the fourth meeting of the fourth session of the Board on the same day, considering and approving the resolution in relation to the appointment of deputy general manager of the Company and agreeing to appoint Mr. Jing Shigun and Mr. Wang Yonghong to be deputy general managers of the Company with effect from the date of passing the resolution by the Board to the expiration of the term of the fourth session of the Board.
- On 12 April 2016, the Board received the resignation report submitted by Mr. Zhang Xinhui, secretary to the Board, due to personal reason. Before the appointment of the new secretary to the Board, Mr. Li Chaochun, the chairman of the Board of the Company, would assume the duties of the secretary to the Board.
- Mr. Wang Bin, the former senior management, defaulted on reduction in shareholding of the Company by decreasing his holding of the Company's shares of 54,100 shares in his share account through the secondary market of the Shanghai Stock Exchange from 28 March 2016 to 16 June 2016 with an aggregate transaction amount of RMB230,626.00. After the event happened, Mr. Wang Bin proactively cooperated with the Company's investigation, and voluntarily surrendered the proceeds of RMB46,884.37 generated from the decrease in shareholding of A Shares to the Company on 14 July 2016. The Company has confirmed receipt the above-mentioned payment. (please refer to the relevant announcement of the Company dated 14 July 2016 for details).

For details, please refer to the relevant announcements of the Company published on 7 July and 8 July 2015, and 14 July 2016 on the China Securities Journal, Shanghai Securities News, and the websites of the SSE (www.sse.com.cn), the Hong Kong Exchange and Clearing Limited (www.hkexnews.hk) and the Company (www.chinamoly.com).

Save as disclosed above, so far as was known to the Directors, during the reporting period, none of the Directors, chief executives, management and Supervisors and their respective associates had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO, which required the Company and the Stock Exchange to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Hong Kong Listing Rules.

DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the six months ended 30 June 2016, no rights to acquire benefits by means of the acquisition of shares or debentures of the Company were granted to any Directors, chief executives, Supervisors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors, chief executives or Supervisors of the Company to acquire such rights in any other body corporate.

DIVIDENDS

At the seventh meeting of the fourth session of the Board held on 26 August 2016, no interim dividend was resolved to declare for the six months ended 30 June 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company for the six months ended 30 June 2016.

CORPORATE GOVERNANCE

The Group has strived to uphold high standard of corporate governance to safeguard the interests of shareholders, to enhance corporate value and implement the accountability for the Group. During the six months ended 30 June 2016, save as disclosed below, in the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code ("**Code Provisions**") set out in Appendix 14 to the Hong Kong Listing Rules.

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 Remuneration Committee and the Audit Committee were unable to attend the annual general meeting of the Company held on 29 June 2016 due to other business commitments. The attendance of vice chairman of the Nomination Committee of the Board, the chairmen of the Strategic Committee of the Board and 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 will strive to optimize 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 at general meetings such that all Directors will be able to attend future annual general meetings of the Company.

BOARD OF DIRECTORS

The Board of the Company consists of 8 Directors, including 2 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors. For the six months ended 30 June 2016, the Board convened a total of nine meetings (with an attendance rate of 100%).

SUPERVISORY COMMITTEE

The Company has a supervisory committee comprising 3 Supervisors to exercise supervision over the Board and its members as well as members of the senior management; and to prevent them from abusing their powers and authorities and jeopardizing the legal interests of the shareholders, the Company and its employees. The supervisory committee convened a total of six meetings in all for the six months ended 30 June 2016 (with an attendance rate of 100%).

MODEL CODE FOR SECURITIES TRANSACTIONS MADE BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code as set out in Appendix 10 of the Hong Kong Listing Rules. Specific enquiry has been made on all Directors and they have confirmed that the required standards set out in the Model Code have been complied with throughout the six months ended 30 June 2016. The Company has also formulated written guidelines equally stringent as the Model Code (the “**Employees Written Guidelines**”) 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.

AUDIT COMMITTEE REVIEW

The Terms of Reference and Operation Rules of the Audit Committee mainly based on “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants have been adopted by the Board. The Audit Committee provides an important connection between the Board and the Company’s auditors in matters falling within the scope of the audit of the Group. The Audit Committee will review the effectiveness of the external audit, and risk management and internal control systems, evaluate risks and provide advice and guidance to the Board. The current Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Xu Shan (chairman of the committee), Mr. Cheng Gordon and Mr. Yuan Honglin. The Audit Committee has reviewed the unaudited financial statements of the Company for the six months ended 30 June 2016 and considered that the statements complied with relevant accounting standards and that the Company has made adequate disclosures.

NON-COMPETE AGREEMENTS

On 6 September 2006, non-compete agreements were entered into between the Company and each of CFC and LMG, respectively. CFC and LMG agreed not to compete with the Company in businesses and granted the Company certain options and rights of first refusal pursuant to the non-compete agreements. Details of the non-compete agreements have already been disclosed under the section headed “Relationship with Controlling Shareholders – Non-Compete Agreements” in the prospectus of the Company dated 13 April 2007.

CFC and LMG issued Non-competition Undertaking Letters (《避免同業競爭承諾函》) to the Company on 30 January 2011 and 18 May 2011 respectively, and undertook not to compete in the businesses that the Company operates or further develops. Details of the Non-competition Undertaking Letters had been disclosed under Section VII headed “Peer Competition and Connected Transactions” in the prospectus of A Shares dated 8 October 2012.

CFC (together with its party acting in concert, Cathay Hong Kong) and Guohong Group issued the Acquisition Report of China Molybdenum Co., Ltd.* on 23 January 2014 and 29 November 2013, respectively, pursuant to which each of them undertook not to compete with the Company in the businesses the Company operated. Details of the Acquisition Reports were disclosed in the announcements of the Company dated 23 January 2014 and 27 January 2014.

FINANCIAL REPORT

I. AUDIT REPORT

Applicable Not Applicable

II. FINANCIAL STATEMENT

CONSOLIDATED BALANCE SHEET

30 June 2016

Represented by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

| Item | Note | Closing Balance | Opening Balance |
|---|--------|--------------------------|-------------------|
| Current assets: | | | |
| Bank and cash balance | VII.1 | 13,855,661,894.49 | 10,414,479,302.30 |
| Settlement deposits | | — | — |
| Placements with banks and non-bank financial institutions | | — | — |
| Financial assets at fair value through profit or loss | VII.2 | — | 4,838,045.50 |
| Derivative financial assets | | — | — |
| Notes receivable | VII.3 | 1,386,442,286.84 | 602,079,822.07 |
| Accounts receivable | VII.4 | 499,420,106.87 | 744,253,181.48 |
| Prepayments | VII.5 | 485,959,801.21 | 227,105,140.15 |
| Premiums receivable | | — | — |
| Due from reinsurance companies | | — | — |
| Reserves for insurance contracts ceded | | — | — |
| Interest receivable | VII.6 | 91,498,212.13 | 86,297,819.57 |
| Dividends receivable | VII.7 | 44,100,000.00 | — |
| Other receivables | VII.8 | 84,519,064.80 | 120,062,905.23 |
| Financial assets held under resale agreements | | — | — |
| Inventories | VII.9 | 466,280,517.59 | 592,503,598.48 |
| Assets classified as held for sale | | — | — |
| Non-current assets due within one year | | — | — |
| Other current assets | VII.10 | 1,554,472,475.66 | 2,940,139,813.99 |
| Total current assets | | 18,468,354,359.59 | 15,731,759,628.77 |

| Item | Note | Closing Balance | Opening Balance |
|--|--------|--------------------------|-------------------|
| Non-current assets: | | | |
| Loans and advances | | — | — |
| Available-for-sale financial assets | VII.11 | 2,724,132,922.23 | 2,373,165,292.11 |
| Held-to-maturity investments | | — | — |
| Long-term receivables | | — | — |
| Long-term equity investments | VII.12 | 1,220,892,785.67 | 1,260,507,394.45 |
| Investment properties | | — | — |
| Fixed assets | VII.13 | 4,291,785,180.03 | 4,495,248,544.61 |
| Construction in progress | VII.14 | 670,645,733.10 | 478,679,498.42 |
| Construction materials | | — | — |
| Inventories | VII.9 | 285,529,244.57 | 275,057,127.19 |
| Fixed assets to be disposed of | | — | — |
| Bearer biological assets | | — | — |
| Oil and gas assets | | — | — |
| Intangible assets | VII.15 | 3,845,283,879.58 | 3,836,026,995.53 |
| Development costs | | — | — |
| Goodwill | | — | — |
| Long-term deferred expenses | VII.16 | 120,257,069.25 | 124,474,656.00 |
| Deferred income tax assets | VII.17 | 378,297,040.32 | 412,936,675.15 |
| Other non-current assets | VII.18 | 2,329,218,295.94 | 1,892,672,672.91 |
| Total non-current assets | | 15,866,042,150.69 | 15,148,768,856.37 |
| Total assets | | 34,334,396,510.28 | 30,880,528,485.14 |
| Current liabilities: | | | |
| Short-term borrowings | VII.19 | 2,362,588,186.50 | 2,906,199,075.88 |
| Borrowings from central banks | | — | — |
| Deposits from customers and from banks and non-bank financial institutions | | — | — |
| Placements from banks and non-bank financial institutions | | — | — |
| Financial liabilities at fair value through profit or loss | VII.20 | 1,636,359,007.95 | 1,505,910,504.53 |
| Derivative financial liabilities | | — | — |
| Notes payable | VII.21 | 830,000,000.00 | 782,730,000.00 |
| Accounts payable | VII.22 | 167,357,852.93 | 237,376,385.26 |
| Receipts in advance | VII.23 | 59,866,150.22 | 37,781,869.32 |
| Financial assets sold under repurchase agreements | | — | — |
| Brokerage and commission payable | | — | — |
| Employee benefits payable | VII.24 | 106,498,836.25 | 113,520,910.57 |
| Taxes payables | VII.25 | -93,155,711.12 | -123,612,410.35 |
| Interest payable | VII.26 | 150,876,310.53 | 53,942,855.95 |
| Dividends payable | VII.27 | 450,065,764.15 | 27,885,796.67 |
| Other payables | VII.28 | 247,610,640.40 | 208,404,265.84 |
| Reinsurance payable | | — | — |
| Reserves for insurance contracts | | — | — |
| Accounts payable to customers for securities trading | | — | — |
| Funds payable to securities issuers | | — | — |
| Liabilities classified as held for sale | | — | — |
| Non-current liabilities due within one year | VII.29 | 2,389,008,656.32 | 2,494,899,714.54 |
| Other current liabilities | VII.30 | 1,039,055,740.31 | 523,896,357.63 |
| Total current liabilities | | 9,346,131,434.44 | 8,768,935,325.84 |

| Item | Note | Closing Balance | Opening Balance |
|---|--------|--------------------------|-------------------|
| Non-current liabilities: | | | |
| Long-term borrowings | VII.31 | 2,823,580,000.00 | 1,941,586,400.00 |
| Bonds payables | VII.32 | 4,000,000,000.00 | 2,000,000,000.00 |
| Including: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Long-term payables | | — | — |
| Long-term employee benefits payable | | — | — |
| Special payables | | — | — |
| Provisions | VII.33 | 313,581,505.28 | 290,908,169.51 |
| Deferred income | | — | — |
| Deferred tax liabilities | | — | — |
| Other non-current liabilities | VII.34 | 78,162,557.29 | 62,407,518.53 |
| Total non-current liabilities | | 7,215,324,062.57 | 4,294,902,088.04 |
| Total liabilities | | 16,561,455,497.01 | 13,063,837,413.88 |
| Owners' equity | | | |
| Share capital | VII.35 | 3,377,439,739.80 | 3,377,439,739.80 |
| Other equity instruments | | — | — |
| Including: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Capital reserve | VII.36 | 10,720,306,602.38 | 10,720,306,602.38 |
| Less: Treasury shares | | — | — |
| Other comprehensive income | VII.37 | -687,954,725.05 | -632,492,717.76 |
| Specific reserve | VII.38 | 47,196,102.10 | 115,200,675.56 |
| Surplus reserve | VII.39 | 786,050,081.94 | 786,050,081.94 |
| Provision for ordinary risks | | — | — |
| Retained profit | VII.40 | 3,076,703,079.00 | 2,986,976,808.88 |
| Total equity attributable to shareholders of parent Company | | 17,319,740,880.17 | 17,353,481,190.80 |
| Minority interests | | 453,200,133.10 | 463,209,880.46 |
| Total owners' equity | | 17,772,941,013.27 | 17,816,691,071.26 |
| Total liabilities and owners' equity | | 34,334,396,510.28 | 30,880,528,485.14 |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

BALANCE SHEET OF PARENT COMPANY

30 June 2016

Presented by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

| Item | Note | Closing Balance | Opening Balance |
|---|-------|--------------------------|-------------------|
| Current assets: | | | |
| Bank and cash balance | | 11,713,633,824.18 | 9,085,473,539.48 |
| Financial assets at fair value through profit or loss | | — | 4,838,045.50 |
| Derivative financial assets | | — | — |
| Notes receivable | | 1,297,090,360.64 | 422,159,476.44 |
| Accounts receivable | XVI.1 | 36,811,236.08 | 696,964,006.43 |
| Prepayments | | 24,933,344.00 | 35,303,919.61 |
| Interest receivable | | 160,250,501.13 | 120,396,496.24 |
| Dividends receivable | | 88,106,084.08 | 44,006,084.08 |
| Other receivables | XVI.2 | 6,354,323,203.61 | 2,998,451,298.55 |
| Inventories | | 181,942,293.39 | 252,447,758.24 |
| Assets classified as held for sale | | — | — |
| Non-current assets due within one year | | — | — |
| Other current assets | | 1,704,626,467.26 | 2,836,496,887.78 |
| Total current assets | | 21,561,717,314.37 | 16,496,537,512.35 |
| Non-current assets: | | | |
| Available-for-sale financial assets | | 200,004,928.00 | 200,004,928.00 |
| Held-to-maturity investments | | — | — |
| Long-term receivables | | — | — |
| Long-term equity investments | XVI.3 | 4,555,246,297.31 | 4,569,894,237.61 |
| Investment properties | | — | — |
| Fixed assets | | 1,338,396,254.86 | 1,422,952,643.52 |
| Construction in progress | | 108,787,279.96 | 86,435,550.73 |
| Construction materials | | — | — |
| Fixed assets to be disposed of | | — | — |
| Bearer biological assets | | — | — |
| Oil and gas assets | | — | — |
| Intangible assets | | 457,118,877.27 | 478,941,390.39 |
| Development costs | | — | — |
| Goodwill | | — | — |
| Long-term deferred expenses | | 105,115,124.29 | 116,160,854.90 |
| Deferred tax assets | | -30,800,708.80 | 432,924.10 |
| Other non-current assets | | 1,895,645,479.64 | 1,808,343,604.41 |
| Total non-current assets | | 8,660,314,241.33 | 8,683,166,133.66 |
| Total assets | | 30,222,031,555.70 | 25,179,703,646.01 |

| Item | Note | Closing Balance | Opening Balance |
|--|--------|--------------------------|-------------------------|
| Current liabilities: | | | |
| Short-term borrowings | | 1,946,478,000.00 | 2,549,051,075.88 |
| Financial liabilities at fair value through profit or loss | | 1,636,359,007.95 | 1,505,910,504.53 |
| Derivative financial liabilities | | — | — |
| Notes payable | | 680,000,000.00 | — |
| Accounts payable | | 100,706,578.19 | 106,388,314.07 |
| Receipts in advance | | 786,134.09 | 786,134.09 |
| Employee benefits payable | | 37,508,663.15 | 50,525,328.01 |
| Taxes payables | | -29,315,746.94 | -68,281,438.92 |
| Interest payable | | 148,020,013.42 | 51,310,846.32 |
| Dividends payable | | 422,179,967.48 | — |
| Other payables | | 1,771,293,984.57 | 996,389,979.57 |
| Accounts payable to customers for securities trading | | — | — |
| Non-current liabilities due within one year | | 9,313,067.79 | 4,302,381.78 |
| Other current liabilities | | 1,075,450,923.09 | 560,387,774.40 |
| Total current liabilities | | 7,798,780,592.79 | 5,756,770,899.73 |
| Non-current liabilities: | | | |
| Long-term borrowings | | 1,000,000,000.00 | — |
| Bonds payables | VII.32 | 4,000,000,000.00 | 2,000,000,000.00 |
| Including: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Long-term payables | | — | — |
| Long-term employee benefits payable | | — | — |
| Special payables | | — | — |
| Provisions | | 47,570,371.67 | 47,570,371.67 |
| Deferred income | | — | — |
| Deferred tax liabilities | | — | — |
| Other non-current liabilities | | 18,551,960.60 | 18,744,753.50 |
| Total non-current liabilities | | 5,096,923,041.07 | 2,066,315,125.17 |
| Total liabilities | | 12,895,703,633.86 | 7,823,086,024.90 |

| Item | <i>Note</i> | Closing Balance | Opening Balance |
|--|-------------|--------------------------|-------------------|
| Owners' equity | | | |
| Share capital | VII.35 | 3,377,439,739.80 | 3,377,439,739.80 |
| Other equity instruments | | — | — |
| Including: Preference shares | | — | — |
| Perpetual bonds | | — | — |
| Capital reserve | VII.36 | 10,720,306,602.38 | 10,720,306,602.38 |
| Less: Treasury shares | | — | — |
| Other comprehensive income | | — | — |
| Specific reserve | | 46,501,246.50 | 114,853,670.04 |
| Surplus reserve | VII.39 | 786,050,081.94 | 786,050,081.94 |
| Retained profit | | 2,396,030,251.22 | 2,357,967,526.95 |
| Total equity attributable to shareholders of parent Company | | 17,326,327,921.84 | 17,356,617,621.11 |
| Total liabilities and owners' equity | | 30,222,031,555.70 | 25,179,703,646.01 |

Legal representative:
Li Chaochun

*Person in charge
of accounting:*
Gu Meifeng

*Person in charge
of accounting department:*
Zhang Hongwei

CONSOLIDATED INCOME STATEMENT

From January to June 2016

Unit: Yuan Currency: RMB

| Item | Note | Amount of Current Period | Amount of Prior Period |
|---|--------|-----------------------------|---------------------------|
| I. Total operating income | VII.41 | 2,259,851,575.32 | 2,269,257,230.22 |
| Including: Operating income | VII.41 | 2,259,851,575.32 | 2,269,257,230.22 |
| Interest income | | - | - |
| Premiums earned | | - | - |
| Fee and commission income | | - | - |
| II. Total operating costs | | 1,822,462,189.57 | 1,977,572,120.06 |
| Including: Operating costs | VII.41 | 1,407,946,095.18 | 1,328,954,741.17 |
| Interest expenses | | - | - |
| Fee and commission costs | | - | - |
| Surrenders payment | | - | - |
| Net expenditure for compensation payment | | - | - |
| Net provision for insurance deposits | | - | - |
| Policy dividend expenses | | - | - |
| Reinsurance costs | | - | - |
| Business taxes and levies | VII.42 | 85,415,486.06 | 123,800,311.87 |
| Selling expenses | VII.43 | 37,344,923.64 | 43,385,266.51 |
| Administrative expenses | VII.44 | 181,225,218.65 | 152,765,412.13 |
| Finance expenses | VII.45 | 88,997,528.53 | 161,247,938.92 |
| Impairment loss of assets | VII.46 | 21,532,937.51 | 167,418,449.46 |
| Add: Gains from changes in fair value (total losses are indicated by "-") | VII.47 | 34,982,791.08 | 39,243,074.12 |
| Investment income (total losses are indicated by "-") | VII.48 | 139,481,395.26 | 101,845,462.24 |
| Including: Income from investments in associates and joint ventures | | 3,954,227.60 | 24,645,102.66 |
| Foreign exchange gains (total losses are indicated by "-") | | - | - |
| III. Operating profit (total losses are indicated by "-") | | 611,853,572.09 | 432,773,646.52 |
| Add: Non-operating income | VII.49 | 3,539,816.10 | 16,446,283.45 |
| Including: Gains from disposal of non-current assets | | 26,495.02 | 365,515.38 |
| Less: Non-operating expenses | VII.50 | 19,931,697.43 | 57,766,138.50 |
| Including: Losses from disposal of non-current assets | | 146,275.23 | 38,880,761.70 |
| IV. Total profit (total losses are indicated by "-") | | 595,461,690.76 | 391,453,791.47 |
| Less: Income tax expenses | VII.51 | 93,899,409.42 | -46,042,063.66 |
| V. Net profit (net losses are indicated by "-") | | 501,562,281.34 | 437,495,855.13 |
| Net profit attributable to owners of the parent company | | 511,906,237.60 | 463,024,467.83 |
| Profit or loss attributable to Minority interest | | -10,343,956.26 | -25,528,612.70 |

| Item | Note | Amount of Current Period | Amount of Prior Period |
|--|--------|-----------------------------|---------------------------|
| VI. Other comprehensive income (net of tax) | VII.52 | -55,462,007.29 | -255,043,605.72 |
| Other comprehensive income (net of tax) attributable to owners of the parent company | | -55,462,007.29 | -255,043,605.72 |
| (I) Other comprehensive income that will not reclassified subsequently into the profit or loss | | - | - |
| 1. Change arising from re-measurement of net liabilities or net assets in defined benefit plans | | - | - |
| 2. Share of other comprehensive income of the investees accounted for using the equity method that cannot be reclassified to profit or loss | | - | - |
| (II) Other comprehensive income that will be reclassified subsequently into the profit or loss | | -55,462,007.29 | -255,043,605.72 |
| 1. Share of other comprehensive income of the investees accounted for using the equity method that will be subsequently reclassified to profit or loss | | - | - |
| 2. Fair value gain (loss) on available-for-sale financial assets | | -123,897,968.11 | -122,343,163.55 |
| 3. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets | | - | - |
| 4. Effective portion of profit or loss on cash flow hedge | | - | - |
| 5. Exchange difference on translation of financial statements in foreign currency | | 68,435,960.82 | -132,700,422.17 |
| 6. Others | | - | - |
| Other comprehensive income (net of tax) attributable to the minority interests | | - | - |
| VII. Total comprehensive income | | 446,100,274.05 | 182,452,249.41 |
| Attributable to owners of the parent Company | | 456,444,230.31 | 207,980,862.11 |
| Attributable to Minority interests | | -10,343,956.26 | -25,528,612.70 |
| VIII. Earnings per share | | | |
| (I) Basic earnings per share (<i>Yuan/Share</i>) | XVII.2 | 0.0303 | 0.0304 |
| (II) Diluted earnings per share (<i>Yuan/Share</i>) | XVII.2 | - | 0.0304 |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

INCOME STATEMENT OF PARENT COMPANY

From January to June 2016

Unit: Yuan Currency: RMB

| Item | Note | Amount of Current Period | Amount of Prior Period |
|---|-------|-----------------------------|---------------------------|
| I. Operating income | XVI.4 | 1,150,482,198.09 | 1,148,672,613.97 |
| Less: Operating cost | XVI.4 | 561,853,785.59 | 523,731,714.02 |
| Business taxes and levies | | 82,599,695.26 | 119,891,911.24 |
| Selling expenses | | 729,527.52 | 6,353.53 |
| Administrative expenses | | 96,801,960.80 | 88,072,605.42 |
| Financial expenses | | -36,601,692.68 | 18,790,188.95 |
| Impairment loss of assets | | 1,372,676.25 | 94,354,057.51 |
| Add: Gains from changes in fair values (total losses are indicated by "-") | | 34,982,791.08 | 39,243,074.12 |
| Investment income (total losses are indicated by "-") | XVI.5 | 55,570,420.86 | 211,389,149.42 |
| Including: income from investments in associates and joint ventures | | 8,920,896.08 | 30,364,762.16 |
| II. Operating profit (total losses are indicated by "-") | | 534,279,457.29 | 554,458,006.84 |
| Add: Non-operating income | | 3,448,808.88 | 16,211,367.89 |
| Including: Gains from disposal of non-current assets | | 26,495.02 | - |
| Less: Non-operating expense | | 19,486,192.79 | 16,493,884.67 |
| Including: Losses from disposal of non-current assets | | 146,275.23 | 5,689.60 |
| III. Total profit (total losses are indicated by "-") | | 518,242,073.38 | 554,175,490.06 |
| Less: Income tax expenses | | 57,999,381.63 | 73,860,924.20 |
| IV. Net profit (total losses are indicated by "-") | | 460,242,691.75 | 480,314,565.86 |
| V. Other comprehensive income (net of tax) | | - | - |
| (I) Items that will not be reclassified to profit or loss | | - | - |
| 1. Remeasurement of defined benefit plan liability | | - | - |
| 2. Share of other comprehensive income of the equity-accounted investee | | - | - |
| (II) Items that may be reclassified to profit or loss: | | - | - |
| 1. Share of other comprehensive income of the equity-accounted investee | | - | - |
| 2. Gains or losses arising from changes in fair value of available-for-sale financial assets | | - | - |
| 3. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets | | - | - |
| 4. Effective hedging portion of gains or losses arising from cash flow hedging instruments | | - | - |
| 5. Translation differences arising on translation of foreign currency financial statements | | - | - |
| 6. Others | | - | - |

| Item | Note | Amount of Current Period | Amount of Prior Period |
|--|------|-----------------------------|---------------------------|
| VI. Total comprehensive income | | 460,242,691.75 | 480,314,565.86 |
| VII. Earnings per share: | | | |
| (I) Basic earnings per share (<i>RMB/share</i>) | | - | - |
| (II) Diluted earnings per share (<i>RMB/share</i>) | | - | - |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CONSOLIDATED CASH FLOW STATEMENT

From January to June 2016

Unit: Yuan Currency: RMB

| Item | Note | Amount of Current Period | Amount of Prior Period |
|--|------------|-----------------------------|---------------------------|
| I. Cash flow from operating activities: | | | |
| Cash receipts from sales of goods and rendering of services | | 1,968,502,345.40 | 2,864,466,931.85 |
| Net increase in customer deposits and deposits in other banks | | — | — |
| Net increase in borrowings from central bank | | — | — |
| Net increase in advances from other financial institutions | | — | — |
| Cash received from original insurance policy premium | | — | — |
| Net cash received from reinsurance operations | | — | — |
| Net increase in policyholders' deposits and investment | | — | — |
| Net increase in disposal of financial assets at fair value through profit or loss | | — | — |
| Cash received from interests, fees and commission | | — | — |
| Net increase in contributions received | | — | — |
| Net increase in cash from repurchase operations | | — | — |
| Receipts of tax refund | | — | — |
| Other cash receipts relating to operating activities | VII.53.(1) | 156,511,412.91 | 183,832,536.93 |
| Subtotal of cash inflows from operating activities | | 2,125,013,758.31 | 3,048,299,468.78 |
| Cash payments for goods purchased and services received | | 883,519,327.97 | 776,087,026.95 |
| Net increase in loans and advances to client | | — | — |
| Net increase in deposits in central bank and other banks | | — | — |
| Cash payments in respect of claims under original insurance contracts | | — | — |
| Cash payments for interests, fees and commission | | — | — |
| Cash payments for bonus paid on insurance policy | | — | — |
| Cash payments to and behalf of employees | | 289,974,963.67 | 352,196,714.92 |
| Payments of various types of taxes | | 299,683,423.21 | 624,253,839.98 |
| Other cash payments relating to operating activities | VII.53.(2) | 116,878,527.93 | 46,465,927.03 |
| Subtotal of cash outflows from operating activities | | 1,590,056,242.78 | 1,799,003,508.88 |
| Net cash flows from operating activities | | 534,957,515.53 | 1,249,295,959.90 |
| II. Cash flow from investing activities: | | | |
| Cash receipts from disposal or withdrawal of investments | | 2,545,372,773.25 | 3,640,000,000.00 |
| Cash receipts from investment income | | 169,950,889.87 | 122,891,000.41 |
| Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets | | 174,040.06 | 3,561,335.18 |
| Net cash receipts from disposal of subsidiaries and other business units | | — | — |
| Other cash receipts relating to investing activities | | — | — |
| Subtotal of cash inflows from investing activities | | 2,715,497,703.18 | 3,766,452,335.59 |

| Item | Note | Amount of Current Period | Amount of Prior Period |
|---|------------|-----------------------------|---------------------------|
| Cash payments to acquire or construction of fixed assets, intangible assets, and other long-term assets | | 154,866,453.05 | 231,596,371.44 |
| Cash payments for investments | | 1,919,822,496.70 | 10,433,116,300.92 |
| Net increase in secured loans | | - | - |
| Net cash payments for acquisition of subsidiaries and other business units | | - | 180,761.10 |
| Other cash payments relating to investment activities | VII.53.(3) | 537,163.62 | - |
| Subtotal of cash outflows from investment activities | | 2,075,226,113.37 | 10,664,893,433.46 |
| Net cash flows from investment activities | | 640,271,589.81 | -6,898,441,097.87 |
| III. Cash flows from financing activities: | | | |
| Cash receipts from capital contributions | | - | - |
| Including: Cash receipts from capital contribution by absorbing investments of minority by subsidiaries | | - | - |
| Cash receipts from borrowings | | 6,778,480,456.18 | 4,226,251,600.00 |
| Cash receipts from issue of debentures | | - | - |
| Other cash receipts relating to financing activities | VII.53.(4) | 1,070,719,604.09 | 898,822,190.00 |
| Subtotal of cash inflows from financing activities | | 7,849,200,060.27 | 5,125,073,790.00 |
| Cash repayments of borrowings | | 4,610,042,895.86 | 744,382,000.00 |
| Cash payments for distribution of dividends, profits or payment of interest expenses | | 86,500,966.26 | 98,153,903.31 |
| Including: Dividends and profit payments to minority shareholders by subsidiaries | | - | - |
| Other cash payments relating to financing activities | VII.53.(5) | 982,780,688.69 | 511,982,417.11 |
| Subtotal of cash outflows from financing activities | | 5,679,324,550.81 | 1,354,518,320.42 |
| Net cash flows from financing activities | | 2,169,875,509.46 | 3,770,555,469.58 |
| IV. Effect of exchange rate changes on cash and cash equivalents | | | |
| | | 16,419,977.39 | -16,422,554.67 |
| V. Net increase in cash and cash equivalents | | | |
| Add: Opening Amount of cash and cash equivalents | VII.54.(4) | 3,361,524,592.19 | -1,895,012,223.06 |
| | | 8,982,162,302.30 | 5,625,581,044.71 |
| VI. Closing Amount of cash and cash equivalents | | | |
| | VII.54.(4) | 12,343,686,894.49 | 3,730,568,821.65 |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CASH FLOW STATEMENT OF PARENT COMPANY

From January to June 2016

Unit: Yuan Currency: RMB

| Item | Note | Amount of Current Period | Amount of Prior Period |
|---|------|-----------------------------|---------------------------|
| I. Cash flow from operating activities: | | | |
| Cash receipts from sales of goods or the rendering of services | | 1,089,645,945.57 | 1,739,856,255.70 |
| Receipts of tax refunds | | - | - |
| Other cash receipts related to operating activities | | 130,398,172.17 | 126,529,441.86 |
| Subtotal of cash inflows from operating activities | | 1,220,044,117.74 | 1,866,385,697.56 |
| Cash payments for goods purchased and services received | | 376,008,802.08 | 271,689,882.33 |
| Cash payments to and on behalf of employees | | 146,732,864.57 | 190,272,330.66 |
| Payments of various type of taxes | | 231,588,223.92 | 356,653,588.28 |
| Other cash payments relating to operating activities | | 167,251,017.80 | 32,190,340.18 |
| Subtotal of cash outflows from operating activities | | 921,580,908.37 | 850,806,141.45 |
| Net cash flows from operating activities | | 298,463,209.37 | 1,015,579,556.11 |
| II. Cash flow in investing activities: | | | |
| Cash receipts from disposals or withdrawal of investments | | 1,735,000,000.00 | 3,640,000,000.00 |
| Cash receipts from investment income | | 158,554,311.48 | 230,784,032.21 |
| Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets | | - | 2,683,919.56 |
| Net cash receipts from the disposal of subsidiaries and other operating units | | - | - |
| Other cash receipts relating to investing activities | | 809,241,221.38 | 3,169,256,197.02 |
| Subtotal of cash inflows from investing activities | | 2,702,795,532.86 | 7,042,724,148.79 |
| Cash payments from the acquire or construct fixed assets, intangible assets, and other long-term assets | | 20,067,208.93 | 54,030,665.82 |
| Cash payments from acquire investments | | 1,188,000,000.00 | 8,785,399,000.00 |
| Net cash payments from subsidiaries and other opening units | | - | - |
| Other cash payments relating to investing activities | | 2,680,531,163.62 | 5,660,384,821.17 |
| Subtotal of cash outflows from investing activities | | 3,888,598,372.55 | 14,499,814,486.99 |
| Net cash flows from investing activities | | -1,185,802,839.69 | -7,457,090,338.20 |

| Item | Note | Amount of Current Period | Amount of Prior Period |
|---|------|-----------------------------|---------------------------|
| III. Cash flows from financing activities: | | — | — |
| Cash receipts from capital contributions | | — | — |
| Cash receipts from borrowings | | 6,346,644,750.00 | 3,981,759,600.00 |
| Other cash receipts relating to financing activities | | 1,070,634,840.00 | 2,115,306,671.47 |
| Subtotal of cash inflows from financing activities | | 7,417,279,590.00 | 6,097,066,271.47 |
| Cash repayment of borrowings | | 3,476,380,680.65 | 500,000,000.00 |
| Cash payments for distribution of dividends or profits or payment of interest expenses | | 26,191,081.13 | 49,661,218.83 |
| Other cash payments relating to financing activities | | 982,780,688.69 | 1,804,093,295.18 |
| Subtotal of cash outflows from financing activities | | 4,485,352,450.47 | 2,353,754,514.01 |
| Net cash flow from financing activities | | 2,931,927,139.53 | 3,743,311,757.46 |
| IV. Effect of exchange rate changes on cash and cash equivalents | | -6,085,224.51 | -20,593,696.50 |
| V. Net increase in cash and cash equivalents | | 2,038,502,284.70 | -2,718,792,721.13 |
| Add: Opening Amount of cash and cash equivalents | | 8,163,156,539.48 | 5,066,902,280.21 |
| VI. Closing Amount of cash and cash equivalents | | 10,201,658,824.18 | 2,348,109,559.08 |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

From January to June 2016

Unit: Yuan Currency: RMB

| Item | The period | | | | | | | | | | | | Total owners' equity |
|--|------------------|-------------------|---|--------|-------------------|-----------------------|----------------------------|------------------|-----------------|------------------------------|------------------|--------------------|----------------------|
| | Share capital | Preference shares | Other equity instruments Perpetual bonds | Others | Capital reserve | Less: Treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Provision for ordinary risks | Retained profit | Minority interests | |
| I. Balance at the end of last year | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | -632,492,717.76 | 115,200,675.56 | 786,050,081.94 | - | 2,986,976,808.88 | 463,209,880.46 | 17,816,691,071.26 |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Correction of prior year errors | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business combination under common control | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| II. Balance at the beginning of the year | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | -632,492,717.76 | 115,200,675.56 | 786,050,081.94 | - | 2,986,976,808.88 | 463,209,880.46 | 17,816,691,071.26 |
| III. Increase/decrease in the period (decrease is represented by "-") | - | - | - | - | - | - | -55,462,007.29 | -68,004,573.46 | - | - | 89,726,270.12 | -10,009,747.36 | -43,750,057.99 |
| (I) Total comprehensive income | - | - | - | - | - | - | -55,462,007.29 | - | - | - | 511,906,237.60 | -10,343,956.26 | 446,100,274.05 |
| (II) Owners' contribution and decrease in capital | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Ordinary shares combination from shareholders | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Capital contribution from holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Dividends payments recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (III) Profit contribution | - | - | - | - | - | - | - | - | - | - | -422,179,967.48 | - | -422,179,967.48 |
| 1. Appropriation to Surplus reserve | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Appropriation to provision for ordinary risks | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Distribution to owners (or shareholders) | - | - | - | - | - | - | - | - | - | - | -422,179,967.48 | - | -422,179,967.48 |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (IV) Transfer within owners' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Capital reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Surplus reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Surplus reserve made up for losses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (V) Specific reserve | - | - | - | - | - | - | - | -68,004,573.46 | - | - | - | 334,208.90 | -67,670,364.56 |
| 1. Appropriation in the period | - | - | - | - | - | - | - | 56,007,183.63 | - | - | - | 796,916.05 | 56,804,099.68 |
| 2. Usage in the period | - | - | - | - | - | - | - | 124,011,757.09 | - | - | - | 462,707.15 | 124,474,464.24 |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IV. Balance at the end of the period | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | -687,954,725.05 | 47,196,102.10 | 786,050,081.94 | - | 3,076,703,079.00 | 453,200,133.10 | 17,772,941,013.27 |

| Item | Share capital | Other equity instruments | | | Owners' Equity Attributable to Parent Company | | | | | Provision for ordinary risks | Retained profit | Minority interests | Total owners' equity |
|--|------------------|--------------------------|-----------------|--------|---|-----------------------|---|------------------|-----------------|------------------------------|-------------------|--------------------|----------------------|
| | | Preference shares | Perpetual bonds | Others | Capital reserve | Less: Treasury shares | Prior period Other comprehensive income | Specific reserve | Surplus reserve | | | | |
| I. Balance at the end of last year | 1,015,234,105.00 | - | - | - | 9,529,866,110.21 | - | -208,549,984.41 | 271,924,909.24 | 704,898,171.11 | - | 3,320,200,571.47 | 510,959,763.65 | 15,144,533,646.27 |
| Add: | | | | | | | | | | | | | |
| Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Correction of prior year errors | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Business combination under common control | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| II. Balance at the beginning of the year | 1,015,234,105.00 | - | - | - | 9,529,866,110.21 | - | -208,549,984.41 | 271,924,909.24 | 704,898,171.11 | - | 3,320,200,571.47 | 510,959,763.65 | 15,144,533,646.27 |
| III. Increase/decrease in the period (decrease is represented by "-") | 13,711,438.40 | - | - | - | 426,804,719.17 | - | -255,043,605.72 | -58,448,232.49 | - | - | -560,207,454.11 | -25,241,352.42 | -448,424,487.17 |
| (I) Total comprehensive income | - | - | - | - | - | - | -255,043,605.72 | - | - | - | 463,024,467.83 | -25,528,612.70 | 182,452,249.41 |
| (II) Owners' contribution and decrease in capital | 13,711,438.40 | - | - | - | 426,804,719.17 | - | - | - | - | - | - | - | 440,516,157.57 |
| 1. Ordinary shares combination from shareholders | 13,711,438.40 | - | - | - | 426,804,719.17 | - | - | - | - | - | - | - | 440,516,157.57 |
| 2. Capital contribution from holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Dividends payments recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (III) Profit contribution | - | - | - | - | - | - | - | - | - | - | -1,013,231,921.94 | - | -1,013,231,921.94 |
| 1. Appropriation to Surplus reserve | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Appropriation to Provision for ordinary risks | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Distribution to owners (or shareholders) | - | - | - | - | - | - | - | - | - | - | -1,013,231,921.94 | - | -1,013,231,921.94 |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (IV) Transfer within owners' equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1. Capital reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Surplus reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Surplus reserve made up for losses | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (V) Specific reserve | - | - | - | - | - | - | - | -58,448,232.49 | - | - | - | 287,260.28 | -58,160,972.21 |
| 1. Appropriation in the period | - | - | - | - | - | - | - | 124,350,237.86 | - | - | - | 843,219.51 | 125,193,457.37 |
| 2. Usage in the period | - | - | - | - | - | - | - | 182,798,470.35 | - | - | - | 555,959.23 | 183,354,429.58 |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - | - | - |
| IV. Balance at the end of the period | 1,028,945,543.40 | - | - | - | 9,956,670,829.38 | - | -463,593,590.13 | 213,476,676.75 | 704,898,171.11 | - | 2,769,993,117.36 | 465,718,411.23 | 14,696,109,159.10 |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

From January to June 2016

Unit: Yuan Currency: RMB

| Item | The Period | | | | | | | | | | Total owners' equity |
|---|------------------|--------------------------|-----------------|--------|-------------------|-----------------------|----------------------------|------------------|-----------------|------------------|----------------------|
| | Share capital | Other equity instruments | | | Capital reserve | Less: Treasury shares | Other comprehensive income | Specific reserve | Surplus reserve | Retained profit | |
| | | Preference shares | Perpetual bonds | Others | | | | | | | |
| I. Balance at the end of last year | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | - | 114,853,670.04 | 786,050,081.94 | 2,357,967,526.95 | 17,356,617,621.11 |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - |
| Correction of prior year errors | - | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | - | - | - | - | - |
| II. Balance at the beginning of the year | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | - | 114,853,670.04 | 786,050,081.94 | 2,357,967,526.95 | 17,356,617,621.11 |
| III. Increase/decreased in the period (decrease is represented by "-") | - | - | - | - | - | - | - | -68,352,423.54 | - | 38,062,724.27 | -30,289,699.27 |
| (I) Total comprehensive income | - | - | - | - | - | - | - | - | - | 460,242,691.75 | 460,242,691.75 |
| (II) Owners' contribution and decrease in capital | - | - | - | - | - | - | - | - | - | - | - |
| 1. Ordinary shares combination from shareholders | - | - | - | - | - | - | - | - | - | - | - |
| 2. Capital contribution from holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - |
| 3. Dividends payments recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - |
| (III) Profit contribution | - | - | - | - | - | - | - | - | - | -422,179,967.48 | -422,179,967.48 |
| 1. Appropriation to Surplus reserve | - | - | - | - | - | - | - | - | - | - | - |
| 2. Distribution to owners (or shareholders) | - | - | - | - | - | - | - | - | - | -422,179,967.48 | -422,179,967.48 |
| 3. Others | - | - | - | - | - | - | - | - | - | - | - |
| (IV) Transfer within owners' equity | - | - | - | - | - | - | - | - | - | - | - |
| 1. Capital reserve transferred capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - |
| 2. Surplus reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - |
| 3. Surplus reserve made up for losses | - | - | - | - | - | - | - | - | - | - | - |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - |
| (V) Specific reserve | - | - | - | - | - | - | - | -68,352,423.54 | - | - | -68,352,423.54 |
| 1. Appropriation in the period | - | - | - | - | - | - | - | 39,609,406.27 | - | - | 39,609,406.27 |
| 2. Usage in the period | - | - | - | - | - | - | - | 107,961,829.81 | - | - | 107,961,829.81 |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - |
| IV. Balance at the end of the period | 3,377,439,739.80 | - | - | - | 10,720,306,602.38 | - | - | 46,501,246.50 | 786,050,081.94 | 2,396,030,251.22 | 17,326,327,921.84 |

| Item | Share capital | Other equity instruments | | | Prior period | | | Other comprehensive income | Specific reserve | Surplus reserve | Retained profit | Total owners' equity |
|---|------------------|--------------------------|-----------------|--------|------------------|-----------------------|---|----------------------------|------------------|-------------------|-------------------|----------------------|
| | | Preference shares | Perpetual bonds | Others | Capital reserve | Less: Treasury shares | | | | | | |
| I. Balance at the end of last year | 1,015,234,105.00 | - | - | - | 9,529,866,110.21 | - | - | 271,924,909.24 | 704,898,171.11 | 2,640,832,251.39 | 14,162,755,546.95 | |
| Add: Changes in accounting policies | - | - | - | - | - | - | - | - | - | - | - | |
| Effects of correction of prior year errors | - | - | - | - | - | - | - | - | - | - | - | |
| Others | - | - | - | - | - | - | - | - | - | - | - | |
| II. Balance at the beginning of the year | 1,015,234,105.00 | - | - | - | 9,529,866,110.21 | - | - | 271,924,909.24 | 704,898,171.11 | 2,640,832,251.39 | 14,162,755,546.95 | |
| III. Increase/decreased in the period (decrease is represented by "-") | 13,711,438.40 | - | - | - | 426,804,719.17 | - | - | -58,747,217.67 | - | -532,917,356.08 | -151,148,416.18 | |
| (I) Total comprehensive income | - | - | - | - | - | - | - | - | - | 480,314,565.86 | 480,314,565.86 | |
| (II) Owners' contribution and decrease in capital | 13,711,438.40 | - | - | - | 426,804,719.17 | - | - | - | - | - | 440,516,157.57 | |
| 1. Ordinary shares combination from shareholders | 13,711,438.40 | - | - | - | 426,804,719.17 | - | - | - | - | - | 440,516,157.57 | |
| 2. Capital contribution from holders of other equity instruments | - | - | - | - | - | - | - | - | - | - | - | |
| 3. Dividends payments recognized in shareholders' equity | - | - | - | - | - | - | - | - | - | - | - | |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | |
| (III) Profit contribution | - | - | - | - | - | - | - | - | - | -1,013,231,921.94 | -1,013,231,921.94 | |
| 1. Appropriation to Surplus reserve | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Distribution to owners (or shareholders) | - | - | - | - | - | - | - | - | - | -1,013,231,921.94 | -1,013,231,921.94 | |
| 3. Others | - | - | - | - | - | - | - | - | - | - | - | |
| (IV) Transfer within owners' equity | - | - | - | - | - | - | - | - | - | - | - | |
| 1. Capital reserve transferred capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | |
| 2. Surplus reserve transferred to capital (or share capital) | - | - | - | - | - | - | - | - | - | - | - | |
| 3. Surplus reserve made up for losses | - | - | - | - | - | - | - | - | - | - | - | |
| 4. Others | - | - | - | - | - | - | - | - | - | - | - | |
| (V) Specific reserve | - | - | - | - | - | - | - | -58,747,217.67 | - | - | -58,747,217.67 | |
| 1. Appropriation in the period | - | - | - | - | - | - | - | 121,632,106.14 | - | - | 121,632,106.14 | |
| 2. Usage in the period | - | - | - | - | - | - | - | 180,379,323.81 | - | - | 180,379,323.81 | |
| (VI) Others | - | - | - | - | - | - | - | - | - | - | - | |
| IV. Balance at the end of the period | 1,028,945,543.40 | - | - | - | 9,956,670,829.38 | - | - | 213,177,691.57 | 704,898,171.11 | 2,107,914,895.31 | 14,011,607,130.77 | |

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

III. BASIC INFORMATION ABOUT THE COMPANY

1. Company profile

China Molybdenum Co., Ltd. (the “**Company**”) was incorporated in the PRC on 25 August 2006 as a joint-stock limited company in preparation for the listing of the Companies on the Hong Kong Stock Exchange by Luoyang Mining Group Co., Ltd. (“**LMG**”) and Cathay Fortune Corporation (“**CFC**”).

On 3 December 2006, the Extraordinary General Assembly resolutions and the China Securities Supervision and Administration Commission Guo He Zi [2007] No.7, approved to issue not more than 1,246.1 million shares of overseas listed shares (including the over-allotment of 162.5 million shares), with a par value of Renminbi (“**RMB**”) 0.2 each ordinary share. On 25 April 2007 the company issued 1,083.6 million shares of overseas listed shares with a par value of RMB0.2 each ordinary share on 26 April 2007. After the public offering of H Share on the Hong Kong Stock Exchange, the company’s share capital totaled 4,767.81 million shares.

On 4 May 2007, the Company issued 108.36 million shares of the over-allotment shares with a par value RMB0.2, after the over-allotment, the Company’s share capital totaled 4,876.17 million shares.

On 16 July 2012, according to Commission License [2012] No. 942 “The initial public offering (IPO) on the approval of Luoyang Molybdenum Co., Ltd.” issued by China Securities Regulatory Commission (the “**CSRC**”) the Company was approved to issue no more than 542 million RMB ordinary shares (A share). Up to 26 September 2012, the Company had issued 200,000,000 shares of RMB ordinary shares (A share) with a nominal value of RMB0.20 per share. Those shares are traded on the Shanghai Stock Exchange from 9 October 2012. The Company’s share capital totaled 5,076.17 million shares after the issuance of A shares.

On 24 November 2014, China Securities Regulatory Commission approved a total public offering of RMB4,900,000,000.00 of A Share convertible corporate bonds by the Company with ZJXK[2014] No. 1246 Paper On Reply of Public Offering of Convertible Company Bonds by China Molybdenum Co., Ltd., and the Company completed issuance on 8 December 2014.

On 23 June 2015, since early redemption option events were triggered, the Company, upon the resolution of the Board of the Company, decided to exercise the early redemption option after the market closed on 9 June 2015. As of 9 July 2015, the total par value of RMB4,854,442,000 of the convertible corporate bonds had been converted to the Company’s shares, representing 99.07% of the overall convertible corporate bonds issued by the company. After the conversion, the total share capital of the Company increased to 5,629,070,000 shares.

On 28 August 2015, the second meeting of the fourth session of the Board of Directors of the Company considered and approved an additional 20 bonus shares per ten existing shares by way of conversion of capital reserve to all shareholders of the Company, which had been completed on 12 November 2015. After the conversion, the total share capital of the Company is 1,688,720 shares.

The Company together with its subsidiaries (collectively as “**the Group**”) is an integrated producer of molybdenum in the People’s Republic of China (“**PRC**”). its operations consists of molybdenum mining, floating, smelting and refining to produce molybdenum and other related products, including molybdenum oxide, ferromolybdenum, molybdenum concentrate, tungstenconcentrate, mining and exploring to produce copper, gold and silver and sulfuric acid.

The registered office and principle and principal place of business is North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, PRC.

2. Scope of Consolidated Financial Statement

Two new subsidiaries were established during the Period. For details of consolidation scope, please refer to 1 in Appendix VIII and Appendix IX.

IV. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Group adopts the Accounting Standards for Business Enterprises (included in the new and revised Accounting Standards for Business Enterprises issued in 2014) and relevant regulations issued by the Ministry of Finance. The Group also discloses relevant financial information in accordance with the "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports" (revised in 2014). In addition, the financial statements also include relevant disclosure required under the Companies Ordinance of Hong Kong and the Listing Rules.

2. Going Concern

The Group evaluated the ability of the Group to continue as a going concern for the six months started from 30 June 2016, and no events or circumstances which may cast significant doubt about the Group's ability to continue as a going concern were found. As a result, this financial statement was prepared based on the going-concern assumption.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and indications of accounting estimates: No change in accounting policies and accounting estimated compared with the last period.

VI. TAXATION

1. Major categories of taxes and tax rates

| Category of tax | Basis of tax computation | Tax rate |
|---------------------------------------|---|--|
| VAT | The Company is an ordinary Value-Added Tax payer. Value-added Tax ("VAT") on sales is paid after deducting input VAT on purchases. | Output VAT on sales is calculated at 17% on revenue according to the relevant requirement of tax laws. Gold related products are exempt from VAT |
| Business tax | Taxable revenue | 5% |
| City maintenance and construction tax | Actual turnover tax | For city urban area tax rate is 7%; For county town, tax rate is 5%; For other, tax rate is 1% |
| Income tax | The income tax provision is calculated based on the accounting results for the year as adjusted in accordance with the relevant tax laws. | Note 3 |
| Price adjustment fund | Actual turnover tax | 1% (note 1) |
| Resource tax | Raw ore production or sales volume of concentrate (raw ore converted into concentrate) | RMB12/ton or 6.5%, 11% collection on ad valorem basis (note 2) |
| Mineral resources compensation fee | Mineral sales revenue at current period | 2% (note 1) |
| Educational surtax and surcharge | Actual turnover tax | 3% |

| Category of tax | Basis of tax computation | Tax rate |
|---|--|---|
| Regional educational surtax and surcharge | Actual turnover tax | 2% |
| Tariff | Export sales of the molybdenum iron, molybdenum oxide and rolling molybdenum plate, etc. during the current period. | Molybdenum-iron 20%; molybdenum oxide, ammonium molybdate, molybdate, molybdenum powder and unwrought molybdenum 5%–15%; Molybdenum ores and concentrates Molybdenum waste and scrap 15% (note 4) |
| Australia goods and services tax ("GST") | Charge on selling price of most goods, services and other items sold or consumed in Australia. Companies can generally claim a credit for any GST included in the price they pay for things for their business. When companies export their goods, they do not need to charge GST, but they can claim back their GST paid. | Calculated at 10% on sales price of goods and services |
| Australia mining royalty | Royalties on minerals are either charged on a quantum or ad valorem basis. Quantum Royalty: Quantum royalties are levied on a production basis (i.e. a flat rate royalty is charge per unit of mineral recovered). Ad Valorem Royalty: Ad valorem royalties are levied at 4% of the total value of minerals recovered, or the ex-mine value. | 4% ex-mine value |

The Group's Rock gold ore is subject to RMB3 per ton or RMB5 per ton in accordance with the production of different level of crude ore.

Note 1: Pursuant to the Notice on Matters Related to Disposal of Fund Concerning Charges for Rare Earth, Tungsten and Molybdenum (Cai Shui [2015] No. 53) issued by the Ministry of Finance and State Administration of Taxation, the rate of mineral resources compensation fees in respect to rare earth, tungsten and molybdenum shall be decreased to zero on and after 1 May 2015 on a national basis and collection of price regulation fund in respect to rare earth, tungsten and molybdenum shall be ceased.

Note 2: Pursuant to the Notice on Implementation of the Reform of Resource Tax of Rare Earth, Tungsten and Molybdenum Featured by Price-based Tax Calculation and Collection (Cai Shui [2015] No. 52) issued by the Ministry of Finance and State Administration of Taxation, the implementation of calculation and collection of molybdenum resources tax shall be changed from volume-based tax to price-based tax on and after 1 May 2015. The applicable tax rate of tungsten resources tax is 6.5%. The applicable tax rate of molybdenum resources tax is 11%. The Company's by-product mines applicable to tungsten concentrate are temporarily exempt from resources tax stipulated by relevant requirements.

Note 3: Applicable tax rate:

The applicable enterprise income tax rate for the Company and its domestic subsidiaries was 25%.

China Molybdenum (Hong Kong) Company Limited and CMOC Co., Ltd was incorporated in Hong Kong, thus was subject to Income Tax levied at a rate of 16.5%.

CMOC Mining Pty Limited and CMOC Mining Services Pty. Limited was incorporated in Australia in 2013, thus was subject to Income Tax levied at a rate of 30% in 2014.

Note 4: Pursuant to the Notice of the Customs Tariff Commission of the State Council on the Adjustment to Tariff of certain Products issued by the Customs Tariff Commission of the State Council (Shui Wei Hui [2015] No. 3), tariff of molybdenum products is removed on and after 1 May 2015.

The applicable income tax rate of different tax entities are disclosed as follows

Applicable Not Applicable

| Name of tax entities | Income tax rate |
|--|------------------------|
| China Molybdenum (Hong Kong) Company Limited | 16.50% |
| CMOC Co., Ltd | 16.50% |
| CMOC Mining Pty Limited | 30% |
| CMOC Mining Services Pty. Limited | 30% |

2. Tax incentive

Pursuant to the "Notification about the comprehensive utilization of resources Corporate Income Tax Discount Directory (2008 version)" (No. 117 [2008] of the State Administration of Taxation) jointly issued by Ministry of Finance, State Administration of Taxation and National Development and Reform Commission on 28 August 2008, powdered tungsten (scheelite concentrates) the product of company is produced by using industrial wastes and are thus able to enjoy a favorable tax policy of a reduction of 10% on total taxable income.

Pursuant to the "Circular of the National Development and Reform Commission, the Ministry of Finance and the State Administration of Taxation concerning Printing and Distributing the Administrative Measures for the Determination of Resources Comprehensive Utilization Encouraged issued by the State (Fa Gai Huan Zi [2006] No. 1864) on 7 September 2006. On 1 July 2009, the Company was awarded a certificate by Henan Development and Reform Committee for producing powdered tungsten (scheelite concentrates), an act that was recognized as utilizing industrial waste. The certificate was valid from 1 July 2009 to 30 June 2013. On 26 June 2013, in accordance with the Notice from Henan Development and Reform Committee in relation to the issuance of List of Enterprises in Henan Province Engaging in Comprehensive Utilization of Resources in 2013 (First Batch), List of Enterprises Producing New Types of Wall Materials in 2013 (First Batch) and List of Enterprises Entitled to the Re-issuance of Certificates Due to Name Change (Yu Fa Gai Huan Ji [2013] No. 862) issued by Henan Development and Reform Committee, the certificate for recognizing the foregoing industrial product of the Company as a way of comprehensive unitization of resources which was supported by the National government was renewed. The renewed certificate is valid from 1 July 2013 to 30 June 2015.

On 10 May 2015, the Decision of the State Council on Cancelling Non-Administrative Licensing Approval Items Guo Fa [2015] No. 27 cancelled the recognition process of enterprise of comprehensive utilization of resources. However, the company sold powdered tungsten (scheelite concentrates) is still within the scope of catalogue of income tax preferential program of enterprise of comprehensive utilization of resources. Therefore, the company still recognized 90% of sales of powdered tungsten (scheelite concentrates) to taxable income during 1 January 2016 to 30 June 2016.

Pursuant to the "Notice of Recognition of the 2014 First Batch of New and High Technology Enterprises in Henan Provinces" (Yuke [2015] No. 19) dated 25 February 2015, jointly issued by the Science and Technology Department of Henan Province, Finance Department of Henan Province, State Tax Bureau of Henan Province and Provincial Tax Bureau of Henan Province, the Company has passed the re-examination for new and high technology enterprises, the certificate number is GF201441000001. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the applicable income tax rates of the Company during 1 January 2014 to 31 December 2016 are 15%.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Bank and Cash balance

Unit: Yuan Currency: RMB

| Item | Closing Amount | | | Opening Amount | | |
|------------------------------|----------------------------|---------------|-------------------|----------------------------|---------------|-------------------|
| | Amount in Foreign Currency | Exchange Rate | Amount in RMB | Amount in Foreign Currency | Exchange Rate | Amount in RMB |
| Cash: | | | 403,897.79 | | | 274,735.66 |
| RMB | - | - | 376,847.71 | - | - | 237,196.00 |
| AUD | 5,493.15 | 4.92 | 27,050.08 | 5,448.98 | 4.74 | 25,851.18 |
| USD | - | - | - | 1,800.00 | - | 11,688.48 |
| Bank deposit: | | | 12,343,282,996.70 | | | 8,981,887,566.64 |
| RMB | - | - | 11,270,670,795.84 | - | - | 6,941,254,051.11 |
| USD | 153,912,775.83 | 6.67 | 1,026,587,159.87 | 283,780,851.23 | 6.49 | 1,845,484,378.16 |
| HKD | 5,924,608.15 | 0.85 | 5,063,584.86 | 5,360,914.42 | 0.84 | 4,493,884.78 |
| AUD | 6,244,883.76 | 4.92 | 30,751,863.77 | 10,974,201.66 | 4.74 | 52,064,072.66 |
| CAD | 1,983,628.98 | 5.15 | 10,209,592.36 | 29,411,505.97 | 4.71 | 138,578,771.02 |
| EUR | - | - | - | 1,759.58 | 7.09 | 12,408.91 |
| Other bank balances and cash | | | 1,511,975,000.00 | | | 1,432,317,000.00 |
| RMB | - | - | 1,511,975,000.00 | - | - | 1,432,317,000.00 |
| Total | | | 13,855,661,894.49 | | | 10,414,479,302.30 |

Other Statements

At the end of the year, the Group's other cash and cash equivalents include structured deposits of RMB590,000,000.00, the restricted deposits for bank acceptance bills of RMB390,000,000.00 and loan deposits of RMB531,975,000.00. The above structured deposits cannot be withdrawn in advance during the deposit period.

At the end of the year, the Group had deposits equivalent to RMB1,665,000,345.97 placed in bank account opened in Hong Kong, deposits equivalent to RMB55,730,407.72 placed in bank account opened in Macao, deposits equivalent to RMB81,229,527.14 placed in bank account opened in Singapore and deposits equivalent to RMB184,544,814.32 placed in bank account opened in Australia.

2. Financial assets at fair value through profit or loss

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing Balance | Opening Balance |
|--|-----------------|-----------------|
| Designated at fair value through profit or loss | - | 4,838,045.50 |
| Among which: Investment in Financial instruments | - | - |
| Investment in equity instruments | - | - |
| Others | - | 4,838,045.50 |
| Total | - | 4,838,045.50 |

3. Notes receivable

(1) Categories of notes receivable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing Balance | Opening Balance |
|-----------------------|-------------------------|-----------------|
| Bank acceptances | 1,364,442,286.84 | 492,861,742.27 |
| Commercial acceptance | 22,000,000.00 | 109,218,079.80 |
| Total | 1,386,442,286.84 | 602,079,822.07 |

(2) No notes receivable pledged by the Company at the end of period

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Amount Not Yet Derecognised at the End of the Period |
|-----------------------|--|
| Bank acceptances | 706,878,228.86 |
| Commercial acceptance | - |
| Total | 706,878,228.86 |

(3) *Notes receivable endorsed or discounted by the Company but outstanding at the end of the period in the balance sheet*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Amount derecognized at the end of the period | Amount not derecognized at the end of the period |
|-----------------------|--|--|
| Bank acceptances | 1,092,392,254.73 | - |
| Commercial acceptance | - | - |
| Total | 1,092,392,254.73 | - |

Other Statements

Since major risks including the interest rate risks related to such bank acceptance as well as the remuneration have been substantially transferred to the bank or another party, the Group ceased to recognize discounted or endorsed bank acceptances. As at 30 June 2016, the group has no commercial acceptances discounted at year end which have not yet expired on the balance sheet date.

4. Accounts receivable

(1) *Disclosure of accounts receivable by types*

Unit: Yuan Currency: RMB

| Category | Book Balance | | Closing Balance | | | Book Balance | | Opening Balance | | |
|---|-----------------------|----------------|----------------------|----------------------------|-----------------------|----------------|----------------|-----------------|----------------------------|----------------|
| | Amount | Proportion (%) | Amount | Ratio of the provision (%) | Carrying value | Amount | Proportion (%) | Amount | Ratio of the provision (%) | Carrying value |
| Accounts receivable that are individually significant and for which bad debts are provided for individually | 466,998,017.48 | 85.58 | 29,088,826.76 | 6.23 | 437,909,190.72 | 693,278,126.99 | 88.71 | 18,704,815.89 | 2.70 | 674,573,311.10 |
| Accounts receivable for which bad debts are provided based on credit risk characteristics portfolio | 78,712,277.82 | 14.42 | 17,201,361.67 | 21.85 | 61,510,916.15 | 88,213,873.03 | 11.29 | 18,534,002.65 | 21.01 | 69,679,870.38 |
| Total | 545,710,295.30 | / | 46,290,188.43 | / | 499,420,106.87 | 781,492,000.02 | / | 37,238,818.54 | / | 744,253,181.48 |

The Group recognises 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.

Accounts receivable that are individually significant and for which bad debts are provided for individually at the end of the period:

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Closing Amount | Closing Balance | | Ratio of the provision | Reason of the provision |
|----------------|---------------------|--------------------|------------------------|-------------------------|
| | Accounts receivable | Bad Debt Provision | | |
| UnitA | 8,669,251.49 | 4,439,624.93 | 51.21% | Bad Debt Risk |
| UnitB | 24,649,201.84 | 24,649,201.84 | 100.00% | Bad Debt Risk |
| Total | 33,318,453.33 | 29,088,826.77 | / / | |

Accounts receivable for bad debt provision of portfolios using aging analysis:

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Aging | Closing Balance | | Ratio of the provision |
|----------------|---------------------|--------------------|------------------------|
| | Accounts receivable | Bad Debt Provision | |
| Within 2 years | 61,510,916.15 | — | — |
| Above 2 years | 17,201,361.67 | 17,201,361.67 | 100.00% |
| Total | 78,712,277.82 | 17,201,361.67 | 21.85% |

Accounts receivable for bad debt provision of portfolios using balance percentage:

Applicable Not Applicable

(2) *Provision for bad debts made, recovered or reversed for the period*

Bad debt reserve for the current period amounts to RMB14,685,187.68 and the withdrawn or reversed bad debt reserve totals RMB5,633,817.79.

Significant amounts of provision for bad debt recovered or reversed for the period:

Applicable Not Applicable

(3) *The condition of accounts receivable actually written off*

Applicable Not Applicable

(4) *Accounts receivable collected with a Closing Amount ranking top five based on defaulters*

| Name of Unity | Relation with the Company | Amount | As a percentage of total receivables (%) | Bad Debt Provision Closing Balance |
|---------------|---------------------------|----------------|--|------------------------------------|
| UnitC | Third Party | 89,720,233.08 | 16.44 | – |
| UnitD | Third Party | 69,244,008.16 | 12.69 | – |
| UnitE | Third Party | 29,377,311.72 | 5.38 | – |
| UnitF | Third Party | 27,079,599.08 | 4.96 | – |
| UnitG | Third Party | 26,555,811.76 | 4.87 | – |
| Total | – | 241,976,963.80 | 44.34 | – |

(5) *Accounts receivable derecognized by transfer of financial assets*

No accounts receivable were involved in derecognition of the Group in the reporting period.

5. Prepayments

(1) *Prepayments presented by age*

Unit: Yuan Currency: RMB

| Aging | Closing Balance | | Opening Balance | |
|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | Proportion (%) | Amount | Proportion (%) |
| Within 1 years | 282,016,136.00 | 58.03% | 224,257,788.38 | 98.75% |
| 1 to 2 years | 202,446,678.44 | 41.66% | 405,793.08 | 0.18% |
| 2 to 3 years | 96,380.00 | 0.02% | 2,355,249.09 | 1.04% |
| Above 3 years | 1,400,606.77 | 0.29% | 86,309.60 | 0.03% |
| Total | 485,959,801.21 | 100% | 227,105,140.15 | 100% |

(2) *Prepayments collected with a Closing Amount ranking top five based on prepaying subject*

Unit: Yuan Currency: RMB

| Unit | Amount | As a percentage of prepayments |
|--------|----------------|--------------------------------|
| Unit H | 425,038,935.03 | 87.46% |
| Unit I | 10,000,000.00 | 2.06% |
| Unit J | 4,980,000.00 | 1.02% |
| Unit K | 3,980,000.00 | 0.82% |
| Unit L | 1,140,000.00 | 0.23% |

6. Interests receivable

Applicable Not Applicable

(1) *Catagroary of Dividends receivable*

Unit: Yuan Currency: RMB

| Item | Closing Balance | Opening Balance |
|---------------------|-----------------|-----------------|
| Time deposits | 60,002,414.38 | 64,568,765.46 |
| Structural deposits | 31,495,797.75 | 21,729,054.11 |
| Total | 91,498,212.13 | 86,297,819.57 |

7. Dividends receivable

Applicable Not Applicable

(1) *Dividends receivable*

Unit: Yuan Currency: RMB

| Project (or Investee entity) | Closing Balance | Opening Balance |
|--|-----------------|-----------------|
| Luoyang Yulu Mining Co., Ltd. ("Yulu Company") | 44,100,000.00 | – |
| Total | 44,100,000.00 | – |

8. Other receivables

(1) Other receivables disclosed by type

Unit: Yuan Currency: RMB

| Category | Book Balance | | Closing Balance Bad Debt Provision | | Book value | Book Balance | | Opening Balance Bad Debt Provision | | Book value |
|---|----------------------|----------------|---------------------------------------|----------------------------|----------------------|----------------|----------------|---------------------------------------|----------------------------|----------------|
| | Amount | Proportion (%) | Amount | Ratio of the provision (%) | | Amount | Proportion (%) | Amount | Ratio of the provision (%) | |
| Accounts receivable that are individually significant and for which bad debts are provided for individually | 45,756,521.60 | 46.23 | - | - | 69.24 | 93,135,521.60 | 69.24 | - | - | 93,135,521.60 |
| Other receivables for which bad debt are provided based on credit risk characteristics portfolio | 53,227,310.08 | 53.77 | 14,464,766.88 | 27.18 | 38,762,543.20 | 41,380,239.62 | 30.76 | 14,452,855.99 | 34.93 | 26,927,383.63 |
| Total | 98,983,831.68 | | 14,464,766.88 | | 84,519,064.80 | 134,515,761.22 | | 14,452,855.99 | | 120,062,905.23 |

An other receivable that exceeds RMB5,000,000 is recognised as an individually significant receivable by the Group.

Other receivables that are individually significant and for which bad debts are provided for individually at the end of the period.

Applicable Not Applicable

Other receivable for bad debt provision of portfolios using aging analysis

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Aging | Other receivables | Closing Balance Bad Debt Provision | Ratio of the provision |
|-------------------|----------------------|---------------------------------------|------------------------|
| Within 2 years | 38,762,543.20 | - | - |
| More than 2 years | 14,464,766.88 | 14,464,766.88 | 100.00% |
| Total | 53,227,310.08 | 14,464,766.88 | 27.18% |

Other receivable for bad debt provision of portfolios using the percentage of total receivables outstanding approach:

Applicable Not Applicable

Other receivable for bad debt provision of portfolios using other methods

Applicable Not Applicable

(2) *The recovery or withholding of the provision for bad debts*

Provision for bad debts for the current period is RMB54,628.80; the recovery or withholding of the provision for bad debts is RMB42,717.91.

The recovery or withholding of the provision for bad debts

Applicable Not Applicable

(3) *The receivables of the Group actually written off in current period*

Applicable Not Applicable

(4) *Other receivables listed by nature of amount*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Nature of other receivables | Closing Book Balance | Opening Book Balance |
|--|----------------------|----------------------|
| Refund of land-transferring fee receivable | 7,000,000.00 | 8,000,000.00 |
| Deposit | 8,000,000.00 | 8,500,000.00 |
| Receivables from reduce of registered | — | 45,000,000.00 |
| Others | 83,983,831.68 | 73,015,761.22 |
| Total | 98,983,831.68 | 134,515,761.22 |

(5) *Other receivables collected with a Closing Amount ranking top five based on debtors*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Name of Unit | Nature of Amount | Closing Balance | Aging | Total rate of Other receivable payment Closing Amount (%) | Bad Debt Provision Closing Book Balance |
|---------------------|------------------|-----------------|----------------|---|---|
| Yongning | | 23,581,311.07 | Within 2 years | 23.90 | — |
| Individual M (Note) | | 10,175,210.53 | Within 2 years | 10.31 | — |
| UnitN | | 7,000,000.00 | Within 2 years | 7.10 | — |
| UnitO | | 5,000,000.00 | Within 2 years | 5.07 | — |
| UnitP | | 4,222,483.20 | Within 2 years | 4.28 | — |
| Total | / | 49,979,004.80 | / | 50.66 | — |

Note: Such amount is the debt of original shareholders of Huqi.

(6) *In related to government fund receivable amount*

Applicable Not Applicable

9. Inventories

(1) Categories of inventories

Unit: Yuan Currency: RMB

| Item | Book Balance | Closing Balance Provision for decline in value | Book Value | Book Balance | Opening Balance Provision for decline in value | Book Value |
|--------------------------------|-----------------------|--|-----------------------|-----------------------|--|-----------------------|
| Current: | | | | | | |
| Raw materials | 207,880,868.44 | - | 207,880,868.44 | 185,310,385.88 | - | 185,310,385.88 |
| Work-in-progress | 71,733,061.35 | - | 71,733,061.35 | 91,358,181.15 | - | 91,358,181.15 |
| Consigned processing materials | 189,758,405.43 | 3,091,817.63 | 186,666,587.80 | 322,851,589.28 | 7,016,557.83 | 315,835,031.45 |
| Total | 469,372,335.22 | 3,091,817.63 | 466,280,517.59 | 599,520,156.31 | 7,016,557.83 | 592,503,598.48 |
| Non-current: | | | | | | |
| Raw materials (Note) | 303,329,461.44 | 17,800,216.87 | 285,529,244.57 | 292,206,309.72 | 17,149,182.53 | 275,057,127.19 |
| Inventories Total | 772,701,796.66 | 20,892,034.50 | 751,809,762.16 | 891,726,466.03 | 24,165,740.36 | 867,560,725.67 |

Note: The sulphide ore exploited and reserved under Australian Northparkes copper and gold business. According to the estimation of the management, it is expected that these ore material reserves will not be sold before the end of the mining period of E48 mine shaft, which is 2024, and therefore are presented as non-current assets. During the Period, the management provision for decline in value is RMB17,800,216.87 in accordance with loss recognized when market value of long-term investments below their costs under the lower of cost or market valuation method.

(2) Provision for decline in value of inventories

Unit: Yuan Currency: RMB

| Item | Opening Balance | Increase for the current period Provision | Others | Decrease for the current period Reversal or write-off | Others | Closing Balance |
|--------------------------------|----------------------|---|-------------------|---|----------|----------------------|
| Current: | | | | | | |
| Raw materials | - | - | - | - | - | - |
| Work-in-progress | - | - | - | - | - | - |
| Consigned processing materials | 7,016,557.83 | 11,669,848.26 | 15,594,588.46 | 3,091,817.63 | - | 3,091,817.63 |
| Total | 7,016,557.83 | 11,669,848.26 | - | 15,594,588.46 | - | 3,091,817.63 |
| Non-current: | | | | | | |
| Raw materials (Note) | 17,149,182.53 | 651,034.34 | 17,800,216.87 | - | - | 17,800,216.87 |
| Inventories Total | 24,165,740.36 | 11,669,848.26 | 651,034.34 | 15,594,588.46 | - | 20,892,034.50 |

Note: the increase in the provision for the inventory impairment for the non-current raw materials for the period was the differences in the foreign currency translation.

10. Other current assets

Unit: Yuan Currency: RMB

| Item | Closing Balance | Opening Balance |
|--|-------------------------|-------------------------|
| Wealth management products of banks (Note 1) | 413,474,952.05 | 312,160,000.00 |
| Other wealth management entrusted by non-banking financial institutions (Note 2) | 904,206,739.73 | 2,491,052,876.71 |
| Loan receivable from third party (Note 3) | 190,000,000.00 | 100,000,000.00 |
| Others | 46,790,783.88 | 36,926,937.28 |
| Total | 1,554,472,475.66 | 2,940,139,813.99 |

Other notes:

Note 1: The Group purchase the bank-initiated structured financial plan within 1 year. The management is of the view that the value of these banks wealth investment product and its risk of the Group are not significant with its carrying amount.

Note 2: Wealth management plans entrusted by non-banking financial institutions purchased by the Group with terms within one year. The management of the Company considers that the difference between the value of the Company's interests in and risk exposures to these bank wealth management products as compared to their book value is not significant.

Note 3: Pledge loans receivable from a third party. The loan period is one year and agreed interest rate determined with reference to the loan interest rate of the same period specified by PBOC, with pledge of equity interest of a non-listed entity held by the third party.

(1) Other entrusted financial products by non-bank financial institutions

Unit: Yuan Currency: RMB

| Cooperating parties | Entrusted financial product types | The amount for the entrusted financial management | Opening Date of entrusted financial management | Closing Date of entrusted financial management | Payment methods | Projected income | Income recognition | actual income | Whether it is through the legal procedure | Related transaction or not | Involved in appeal or not | Sources of funding and whether it aims at fund-raising or not | Incidence or not relation |
|------------------------------------|-----------------------------------|---|--|--|-----------------------|------------------|--------------------|---------------|---|----------------------------|---------------------------|---|---------------------------|
| Shenwan Hongyuan Securities (note) | break-even floating proceeds | 200,000,000.00 | 2015/6/6 | 2018/6/5 | payments quarterly | 39,000,000.00 | 356,164.38 | 13,469,444.44 | Y | N | N | Equity Fund | other |
| China Merchants Securities | break-even floating proceeds | 300,000,000.00 | 2015/1/28 | 2016/7/28 | payment in due course | 28,375,890.41 | 26,926,027.40 | - | Y | N | N | Equity Fund | other |
| China Merchants Securities | break-even floating proceeds | 300,000,000.00 | 2015/2/13 | 2016/8/15 | payment in due course | 28,479,452.06 | 26,097,534.25 | - | Y | N | N | Equity Fund | other |
| Ping An Hui Tong (note) | break-even floating proceeds | 350,000,000.00 | 2015/5/18 | 2018/5/18 | payments quarterly | 61,432,000.00 | 504,000.00 | 22,711,111.12 | Y | N | N | Equity Fund | other |
| Ping An Hui Tong | break-even floating proceeds | 250,000,000.00 | 2015/7/29 | 2016/7/29 | payments quarterly | 13,171,780.82 | 323,013.70 | 11,935,555.56 | Y | N | N | Equity Fund | other |
| Total | / | 1,400,000,000.00 | / | / | / | 170,459,123.29 | 54,206,739.73 | 48,116,111.12 | / | / | / | / | / |

Note: the principal of financial products whose duration are more than one year is reclassified into other non-current assets based on the years of entrusted financial management

11. Available-for-sale financial assets

Applicable Not Applicable

(1) Details of available-for-sale financial assets

Unit: Yuan Currency: RMB

| Item | Closing Balance | | | Opening Balance | | |
|---------------------------------------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| | Book Balance | Provision for Impairment | Book Value | Book Balance | Provision for Impairment | Book Value |
| Available-for-sale equity instruments | 2,724,132,922.23 | 2,724,132,922.23 | 2,373,165,292.11 | 2,373,165,292.11 | - | 2,373,165,292.11 |
| Measured as a fair value | 1,042,706,800.29 | 1,042,706,800.29 | 1,222,119,073.11 | 1,222,119,073.11 | - | 1,222,119,073.11 |
| Measured as a cost | 1,681,426,121.94 | 1,681,426,121.94 | 1,151,046,219.00 | 1,151,046,219.00 | - | 1,151,046,219.00 |
| Total | 2,724,132,922.23 | - | 2,724,132,922.23 | 2,373,165,292.11 | - | 2,373,165,292.11 |

(2) Available-for-sale financial assets measured as a fair value

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Catagory of Available-for-sale Financial Assets | Target Asset Management Plans | Equity Interest Investment Funds (Note 1) | Specific Limit Asset Management Plans (Note 2) | Total |
|---|-------------------------------|--|---|------------------|
| Equity cost/financial liabilities are subsequently measured at amortised costs | 1,308,295,431.83 | 27,296,988.47 | 100,000,000.00 | 1,435,592,420.30 |
| Fair Value | 916,570,298.82 | 25,465,360.53 | 100,671,140.94 | 1,042,706,800.29 |
| Amount of changes in fair value accumulatively included in other comprehensive income | -391,725,133.01 | -1,831,627.94 | 671,140.94 | -392,885,620.01 |
| Amount of impairment provision provided | - | - | - | - |

Note 1: The investment is measured at fair value subsequently.

Note 2: is a derivative purchased in non-commercial and bank company by the Group in the period, Specific Limit Asset Management Plans are measured at fair value.

(3) *Available-for-sale financial assets measured as a cost*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Unit Under Investment | Opening Amount | Increase for the Period | Book Balance Including: Foreign Currency Exchange Differences | | Closing Amount | Provision for Impairment | | | Closing Amount | Proportion of Shareholding (%) | Cash Dividends of the Period |
|--|-------------------------|-------------------------|---|-------------------------|-------------------------|--------------------------|-------------------------|-------------------------|----------------|--------------------------------|------------------------------|
| | | | Increase for the Period | Decrease for the Period | | Opening Amount | Increase for the Period | Decrease for the Period | | | |
| Non-listed entity A (Note 1) | 400,000,000.00 | - | - | - | 400,000,000.00 | - | - | - | - | 5.30% | - |
| Non-listed entity B (Note 1) | 100,000,000.00 | - | - | - | 100,000,000.00 | - | - | - | - | 2.38% | - |
| Equity investment of partnership entity C (Note 2) | 50,000,000.00 | - | - | - | 50,000,000.00 | - | - | - | - | 12.20% | - |
| Equity investment of partnership entity D (Note 2) | 240,000,000.00 | 60,000,000.00 | - | - | 300,000,000.00 | - | - | - | - | 11.27% | - |
| Equity investment of partnership entity D (Note 3) | 334,902,555.00 | 6,751,777.50 | 6,751,777.50 | - | 341,654,332.50 | - | - | - | - | N/A | - |
| Equity investment of partnership entity E (Note 2) | 26,138,736.00 | 526,968.00 | 526,968.00 | - | 26,665,704.00 | - | - | - | - | 25.39% | - |
| Equity investment of partnership entity F (Note 2) | - | 460,204,882.00 | - | - | 460,204,882.00 | - | - | - | - | 16.45% | - |
| Non-public Company G (Note 1) | - | 2,896,275.44 | - | - | 2,896,275.44 | - | - | - | - | 0.73% | - |
| Others | 4,928.00 | - | - | - | 4,928.00 | - | - | - | - | - | - |
| Total | 1,151,046,219.00 | 530,379,902.94 | 7,278,745.50 | - | 1,681,426,121.94 | - | - | - | - | / | - |

Note 1: Equity of non-listed companies invested by the Group within the period; the Group does not control, hold under common control or have significant influence on relevant investees. In the year end, for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, thus they are measured at cost.

Note 2: Equity of Limited partnership companies invested by the Group within the period, according to the agreements, the group participate the business as a limited partner. The Group does not control, hold under common control or have significant influence on relevant investees. In the year end, for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, thus they are measured at cost.

Note 3: Interests of equity investment funds invested by the Group within the period; the Group does not control, hold under common control or have significant influence on relevant investees. In the year end, for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, thus they are measured at cost.

(4) *Changes of available-for-sale financial assets impairment in the Reporting Period*

Applicable Not Applicable

(5) *Relevant details of the significant decline or non-temporary decline in the fair value of available-for-sale equity instruments without any provision for impairment*

Applicable Not Applicable

12. Long-term equity investments

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Unit Under Investment | Opening Balance | Additional Investment | Decreased Investment | Investment Income Determined under Equity Method | Changes for the Period Adjustments | | | Declared Cash Dividends or Profits | Provision for Impairment | Others | Closing Balance | Closing Balance of Provision for Impairment |
|---|-------------------------|-----------------------|----------------------|--|------------------------------------|-------------------------|-----------------------|------------------------------------|--------------------------|----------|-------------------------|---|
| | | | | | to Other Comprehensive Income | Other Changes In Equity | | | | | | |
| I. Joint ventures | | | | | | | | | | | | |
| Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. (" High-Tech ") (Note 1) | 101,886,824.95 | 531,163.62 | - | -6,847,832.92 | - | - | - | - | - | - | 95,570,155.65 | - |
| Xuzhou Huanyu Molybdenum Co., Ltd. (" Huanyu ") (Note 2) | 1,081,710,710.56 | - | - | -23,343,341.85 | - | - | - | - | - | - | 1,058,367,368.71 | - |
| Sub-total | 1,183,597,535.51 | 531,163.62 | - | -30,191,174.77 | - | - | - | - | - | - | 1,153,937,524.36 | - |
| II. Associates | | | | | | | | | | | | |
| Luoyang Yulu Mining Co., Ltd. (" Yulu Mining ") (Note 3) | 76,909,858.94 | - | - | 34,145,402.37 | - | - | -44,100,000.00 | - | - | - | 66,955,261.31 | - |
| Caly Nanomoly Development, Inc. (" Nanomoly Development ") (Note 4) | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total | 76,909,858.94 | - | - | 34,145,402.37 | - | - | -44,100,000.00 | - | - | - | 66,955,261.31 | - |
| Total | 1,260,507,394.45 | 531,163.62 | - | 3,954,227.60 | - | - | -44,100,000.00 | - | - | - | 1,220,892,785.67 | - |

Note 1: The Company acquired 0.25% equity interests in Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. ("**Luoyang High-Tech**") and its shareholding was increased to 50.25%. Pursuant to the agreement entered into with Oriental Tejin Hong Kong Co., Ltd. (東方特金香港有限公司), the disposing party, there is no change in the corporate governance structure of the Company upon the transaction save for the changes in the shareholdings. The transaction had no adverse impact on the control and rights of the disposing party over and in the Company in any aspect.

Note 2: Huanyu, a joint venture of the Group, holds 90% of stake in Luoyang Fuchuan Mining Co., Ltd. ("**Fuchuan**"). Meanwhile, the Group holds indirectly by its subsidiary, Fu Kai, 10% of stake in Fuchuan. Therefore, the Group holds directly and indirectly by Huanyu 55% of stake in Fuchuan in total.

The mining rights of Shangfanggou Mine is legally owned by Fuchuan, but there were disputes in its mining. During the 2012, the production and operation of those disputing parities were all suspended. According to the notification issued by Luoyang Municipal People's Government in March 2013, Fuchuan and the disputing party reached intent of acquisition and the disputing party agreed to leave the Shangfanggou Mine. Fuchuan was undergoing preparation for resumption of the production as of the date of this report.

According to the agreement with local government, the local government is entitled to 8% of the dividend rights of Fuchuan. Thus, according to equity method, the Group actually holds 47% of the profit or loss of Fuchuan.

Note 3: As resolved at Yulu Mining's 2007 annual general meeting, both investors would share its net profit in the proportion of 1: 1 since 2008. Therefore, although the Group holds 40% equity interest in Yulu Mining, it recognises investment income in the proportion of 50%.

Note 4: The Group holds 40% of Nanomoly Development's equity and accounts investment therein based on equity method. In accordance with Articles of Association of Nanomoly Development, the Group does not assume any additional liabilities for additional loss. Up the end of the current period, the Group has decreased its investment in Nanomoly Development to zero.

Note 5: There is no limit existing regarding cash realisation and investment income repatriation from these associates.

Note 6: The enterprises of the Group's long term equity investment are all non-listed entities.

13. Fixed assets

(1) Fixed assets

Unit: Yuan Currency: RMB

| Item | Land Buildings | Machinery Equipment | Transportation Equipment | Electronic Equipment, Appliances And Furniture | Total |
|---|------------------|---------------------|--------------------------|--|------------------|
| I. Total cost: | | | | | |
| 1. Opening Balance | 5,193,248,459.93 | 2,063,617,078.09 | 154,936,219.18 | 179,115,765.25 | 7,590,917,522.45 |
| 2. Increased amount for the period | 89,575,952.06 | 58,751,554.36 | 2,328,947.18 | 5,235,299.68 | 155,891,753.28 |
| (1) Purchased | 7,892,640.88 | 744,069.47 | 1,964,946.09 | 4,506,578.13 | 15,108,234.57 |
| (2) Transferred from construction in progress | 130,000.00 | - | 164,932.27 | - | 294,932.27 |
| (3) Foreign currency exchange differences | 81,553,311.18 | 58,007,484.89 | 199,068.82 | 728,721.55 | 140,488,586.44 |
| 3. Decreased amount for the period | 1,545,404.28 | 60,299,528.74 | 1,484,585.02 | - | 63,329,518.04 |
| (1) Disposed or scrap | 1,545,404.28 | 60,299,528.74 | 1,484,585.02 | - | 63,329,518.04 |
| 4. Closing Balance | 5,281,279,007.71 | 2,062,069,103.71 | 155,780,581.34 | 184,351,064.93 | 7,683,479,757.69 |
| II. Accumulated depreciation | | | | | |
| 1. Opening Balance | 1,809,394,045.75 | 1,024,623,119.80 | 132,249,381.86 | 126,436,176.13 | 3,092,702,723.54 |
| 2. Increased amount for the period | 203,347,598.97 | 124,316,553.12 | 2,131,134.68 | 6,529,459.55 | 336,324,746.32 |
| (1) Provision | 167,540,176.51 | 95,299,955.74 | 2,091,818.67 | 6,348,463.35 | 271,280,414.27 |
| (2) Foreign currency exchange differences | 35,807,422.46 | 29,016,597.38 | 39,316.01 | 180,996.20 | 65,044,332.05 |
| 3. Decreased amount for the period | 743,966.33 | 40,273,172.82 | 475,944.04 | - | 41,493,083.19 |
| (1) Disposed or retired | 743,966.33 | 40,273,172.82 | 475,944.04 | - | 41,493,083.19 |
| 4. Closing Balance | 2,011,997,678.39 | 1,108,666,500.10 | 133,904,572.50 | 132,965,635.68 | 3,387,534,386.67 |
| III. Provision for impairment | | | | | |
| 1. Opening Balance | - | 2,966,254.30 | - | - | 2,966,254.30 |
| 2. Increased amount for the period | - | 1,193,936.69 | - | - | 1,193,936.69 |
| (1) Provision | - | 1,193,936.69 | - | - | 1,193,936.69 |
| 3. Decreased amount for the period | - | - | - | - | - |
| (1) Disposed or scrap | - | - | - | - | - |
| 4. Closing Balance | - | 4,160,190.99 | - | - | 4,160,190.99 |
| (IV) Book Value | | | | | |
| 1. Closing Book Value | 3,269,281,329.32 | 949,242,412.62 | 21,876,008.84 | 51,385,429.25 | 4,291,785,180.03 |
| 2. Opening Book Value | 3,383,854,414.18 | 1,036,027,703.99 | 22,686,837.32 | 52,679,589.12 | 4,495,248,544.61 |

(2) *Temporarily idle fixed assets*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Original Carrying Amount | Accumulated Depreciation | Provision For Impairment | Book Value | Note |
|--------------------------------------|--------------------------|--------------------------|--------------------------|------------|------|
| Closing balance: Machinery equipment | 11,400,587.17 | 6,912,790.74 | 4,160,190.99 | 327,605.44 | |

At the end of the current period, idle fixed assets of the Group mainly include recorded fixed assets of the chemistry subsidiary ("Chemistry"). Considering that part of the assets can't meet the needs of future production, the management made provision for impairment of the related assets on the basis of choosing the lower between the carrying amount and the recoverable amount.

(3) *Fixed assets leased under finance leases*

Applicable Not Applicable

(4) *Fixed assets leased out under finance leases*

Applicable Not Applicable

(5) *Details of the fixed assets without certificate of titles*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Carrying amount | The reason of not completing the certificate of title |
|---------------------------|-----------------|---|
| 1# hostel | 2,213,828.64 | To be completed and settled |
| 5# hostel | 2,327,086.29 | To be completed and settled |
| Xiazhigou 4# staff hostel | 2,331,841.47 | To be completed and settled |
| Total | 6,872,756.40 | |

14. Construction in progress

Applicable Not Applicable

(1) Situation of construction in progress:

Unit: Yuan Currency: RMB

| Item | Closing balance | | | Opening balance | | |
|---|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------|-----------------------|
| | Carrying balance | Provision for impairment | Carrying Value | Carrying balance | Provision for impairment | Carrying Value |
| Relocation Project of Mining Company 1 Station | 15,067,764.49 | - | 15,067,764.49 | - | - | - |
| Tailings dam project of No. 3 Ore Processing Plant | 3,911,485.45 | - | 3,911,485.45 | 533,510.25 | - | 533,510.25 |
| Tailings dam project of No. 2 Ore Processing Plant | 9,565,708.05 | - | 9,565,708.05 | 46,870,271.07 | - | 46,870,271.07 |
| Molybdenum project in East Gobi, Hami, Xinjiang | 72,633,881.30 | - | 72,633,881.30 | 72,633,881.30 | - | 72,633,881.30 |
| Demonstration of comprehensive utilization of low-grade scheelite | 155,271,721.28 | - | 155,271,721.28 | 80,007,363.95 | - | 80,007,363.95 |
| Properties and renovation project in Hainan | 105,404,548.95 | - | 105,404,548.95 | 103,973,561.26 | - | 103,973,561.26 |
| Tailings dam project of Liu Shui Gou replacing construction | 46,615,856.65 | - | 46,615,856.65 | 14,758,111.54 | - | 14,758,111.54 |
| Northparkes E48 mine redevelopment project | 2,177,192.98 | - | 2,177,192.98 | 2,098,483.10 | - | 2,098,483.10 |
| Northparkes E26 L2 SLCD Segment Mining | 109,659,826.02 | - | 109,659,826.02 | 58,348,584.57 | - | 58,348,584.57 |
| Australian Tailing Dam Storage Project | 58,708,269.14 | - | 58,708,269.14 | 23,940,931.95 | - | 23,940,931.95 |
| Others | 91,629,478.79 | - | 91,629,478.79 | 75,514,799.43 | - | 75,514,799.43 |
| Total | 670,645,733.10 | - | 670,645,733.10 | 478,679,498.42 | - | 478,679,498.42 |

(2) *Changes in significant construction in progress:*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Name of project | Budget amount | Opening amount | Increase in the current period | Transfer to fixed assets | Other decreases in the current period | Closing amount | Amount injected as a proportion of budget amount (%) | Amount of accumulated capitalized interest | Including: Amount of interest capitalization for the period | Capital resources |
|---|-------------------------|-----------------------|--------------------------------|--------------------------|---------------------------------------|-----------------------|--|--|---|-------------------|
| Relocation Project of Mining Company 1 Station | 34,800,000.00 | | 15,067,764.49 | | | 15,067,764.49 | 43 | - | - | Funds in hand |
| Tailings dam project of No. 3 Ore Processing Plant | 50,000,000.00 | 533,510.25 | 3,377,975.20 | | | 3,911,485.45 | 82 | - | - | Funds in hand |
| Tailings dam project of No. 2 Ore Processing Plant | 343,886,000.00 | 46,870,271.07 | 4,456,018.25 | | 41,760,581.27 | 9,565,708.05 | 31 | - | - | Funds in hand |
| Molybdenum project in East Gobi, Hami, Xinjiang | 2,849,000,000.00 | 72,633,881.30 | - | | | 72,633,881.30 | 3 | - | - | Funds in hand |
| Demonstration of comprehensive utilization of low-grade scheelite Properties and renovation project in Hainan | 200,000,000.00 | 80,007,363.95 | 75,264,357.33 | | | 155,271,721.28 | 83 | - | - | Funds in hand |
| Tailings dam project of Liu Shui Gou replacing construction | 106,000,000.00 | 103,973,561.26 | 1,430,987.69 | | | 105,404,548.95 | 99 | - | - | Funds in hand |
| Northparkes E48 mine northern extension project | 184,778,500.00 | 14,758,111.54 | 31,857,745.11 | | | 46,615,856.65 | 25 | - | - | Funds in hand |
| Northparkes E26 L2 SLCD Segment Mining | 197,315,061.47 | 2,098,483.10 | 78,709.88 | | | 2,177,192.98 | 91 | - | - | Funds in hand |
| Australian Tailing Dam Storage Project | 154,802,171.48 | 58,348,584.57 | 51,311,241.45 | | | 109,659,826.02 | 71 | - | - | Funds in hand |
| Others | 133,653,872.64 | 23,940,931.95 | 34,767,337.19 | | | 58,708,269.14 | 100 | - | - | Funds in hand |
| | | N/A | 75,514,799.43 | 16,409,611.63 | 294,932.27 | 91,629,478.79 | | - | - | Funds in hand |
| Total | 4,254,235,605.59 | 478,679,498.42 | 234,021,748.22 | 294,932.27 | 41,760,581.27 | 670,645,733.10 | / | - | - | / |

No impairment losses have been provided for construction in progress as at 30 June 2016 as there is no any indication that construction in progress maybe impaired.

(3) *Details of provision of impairment in processing projects in this period*

Applicable Not Applicable

15. Intangible assets

(1) Details of intangible assets

Unit: Yuan Currency: RMB

| Item | Land use rights | Mining rights | Others | Total |
|--|-----------------|------------------|---------------|------------------|
| I. Original carrying amount | | | | |
| 1. Opening balance | 443,601,205.53 | 4,028,643,793.87 | 24,034,294.16 | 4,496,279,293.56 |
| 2. Increase of amount for the current period | 60,136,499.49 | - | - | 60,136,499.49 |
| (1) Purchase | 60,136,499.49 | - | - | 60,136,499.49 |
| 3. Decrease of amount for the current period | - | - | - | - |
| (1) Disposal | - | - | - | - |
| 4. Closing balance | 503,737,705.02 | 4,028,643,793.87 | 24,034,294.16 | 4,556,415,793.05 |
| II. Accumulated depreciation | | | | |
| 1. Opening balance | 76,464,233.07 | 575,305,026.51 | 8,483,038.45 | 660,252,298.03 |
| 2. Increase of amount for the current period | 18,430,647.88 | 31,182,808.44 | 1,266,159.12 | 50,879,615.44 |
| (1) Provision | 18,430,647.88 | 31,182,808.44 | 1,266,159.12 | 50,879,615.44 |
| 3. Decrease of amount for the current period | - | - | - | - |
| (1) Disposal | - | - | - | - |
| 4. Closing balance | 94,894,880.95 | 606,487,834.95 | 9,749,197.57 | 711,131,913.47 |
| III. Provision for impairment | | | | |
| 1. Opening balance | - | - | - | - |
| 2. Increase of amount for the current period | - | - | - | - |
| (1) Provision | - | - | - | - |
| 3. Decrease of amount for the current period | - | - | - | - |
| (1) Disposal | - | - | - | - |
| 4. Closing balance | - | - | - | - |
| IV. Carrying amount | | | | |
| 1. Closing carrying amount | 408,842,824.07 | 3,422,155,958.92 | 14,285,096.59 | 3,845,283,879.58 |
| 2. Opening carrying amount | 367,136,972.46 | 3,453,338,767.36 | 15,551,255.71 | 3,836,026,995.53 |

At the end of the year, there is no land use rights is used as collateral.

The land use rights are under medium term lease and were acquired with the lease period of 50 years and were situated in the PRC.

16. Long-term deferred expenses

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening balance | Addition for the current period | Amortization amount for the current period | Other decreased amount | Closing balance |
|---|-----------------------|---------------------------------|--|------------------------|-----------------------|
| Relocation compensation (Note 1) Geological Museum project | 62,668,409.34 | - | 3,182,454.66 | - | 59,485,954.68 |
| (Note 2) | 28,200,000.00 | - | 300,000.00 | - | 27,900,000.00 |
| Others | 33,606,246.66 | 9,317,796.64 | 10,052,928.73 | - | 32,871,114.57 |
| Total | 124,474,656.00 | 9,317,796.64 | 13,535,383.39 | - | 120,257,069.25 |

Other Statements:

Note 1: The Company paid the relocation compensation fees to the villagers around the areas of tailing dams.

Note 2: According to the Geological Museum use right agreement signed by Luanchuan Finance Bureau and the Company on 18 December 2012, the Company would be allocated with 2,000 square meters showroom area in the Geological Museum for promoting the Company's product for 50 years from 1 January 2013.

17. Deferred tax assets/deferred tax liabilities

(1) *Deferred tax assets that are not offset*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | | Opening balance | |
|--|---------------------------------|-----------------------|---------------------------------|-----------------------|
| | Deductible temporary difference | Deferred tax assets | Deductible temporary difference | Deferred tax assets |
| Provision for impairment of assets | 75,877,080.26 | 16,451,064.82 | 61,135,623.96 | 12,660,986.25 |
| Unearned profit from internal transaction | 143,396,877.40 | 35,849,219.35 | 167,220,286.93 | 41,805,071.73 |
| Deductible losses | 519,013,999.69 | 129,753,499.92 | 603,165,021.27 | 142,791,952.96 |
| Deferred income of government grant | 81,771,577.28 | 17,655,116.02 | 60,950,075.29 | 12,932,805.29 |
| Gains and losses from changes in fair value | -25,613,332.05 | -3,841,999.81 | 9,370,559.03 | 1,405,583.85 |
| Unrealized gross profit | 1,016,324,976.32 | 245,649,513.78 | 888,207,736.73 | 242,595,519.32 |
| Losses on disposal of fixed assets without filling | 23,403,398.76 | 3,510,509.81 | 23,403,398.76 | 3,510,509.81 |
| Total | 1,834,174,577.66 | 445,026,923.89 | 1,813,452,701.97 | 457,702,429.21 |

(2) *Deferred tax assets that are not offset*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | | Opening balance | |
|-------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
| | Taxable Temporary Differences | Deferred Tax Liabilities | Taxable Temporary Differences | Deferred Tax Liabilities |
| Accrued interest income | 444,865,890.49 | 66,729,883.57 | 298,438,360.40 | 44,765,754.06 |
| Total | 444,865,890.49 | 66,729,883.57 | 298,438,360.40 | 44,765,754.06 |

(3) *Deferred tax assets or liabilities to be listed at the net amount after offset*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing set-off amount of deferred tax assets and deferred tax liabilities | Closing balance of deferred tax assets and deferred tax liabilities after offset | Opening set-off amount of deferred tax assets and deferred tax liabilities | Opening balance of deferred tax assets and deferred tax liabilities after offset |
|--------------------------|--|--|--|--|
| Deferred tax assets | 66,729,883.57 | 378,297,040.32 | 44,765,754.06 | 412,936,675.15 |
| Deferred tax liabilities | 66,729,883.57 | — | 44,765,754.06 | — |

During the changes of deferred tax assets in this period, there was a decrease of RMB4,192,884.24 due to foreign.

(4) *Breakdown of unrecognised deferred tax assets*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|----------------------------------|-----------------|-----------------|
| Deductible temporary differences | 451,314.20 | 963,013.08 |
| Deductible losses | 42,210,303.56 | 27,177,547.99 |
| Total | 42,661,617.76 | 28,140,561.07 |

(5) *Deductible losses, for which no deferred tax assets are recognised, will expire in the following years.*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Year | Closing Amount | Opening Amount | Note |
|-------|----------------------|----------------|------|
| 2016 | — | — | |
| 2017 | 4,245,802.40 | 4,245,802.40 | |
| 2018 | 4,981,346.82 | 4,981,346.82 | |
| 2019 | 7,193,683.64 | 7,193,683.64 | |
| 2020 | 10,756,715.13 | 10,756,715.13 | |
| 2021 | 15,032,755.57 | — | |
| Total | 42,210,303.56 | 27,177,547.99 | / |

18. Other non-current assets

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|---|-------------------------|------------------|
| Prepayments for land fees (Note 1) | 8,659,900.00 | 8,659,900.00 |
| Deposits more than one year (Note 2) | 1,369,686,457.32 | 1,282,384,582.09 |
| Prepayment for water fees (Note 3) | 63,000,000.00 | 63,000,000.00 |
| Structured deposit more than one year (Note 4) | 300,000,000.00 | 300,000,000.00 |
| Prepayment for other non-bank investment (Note 5) | 550,000,000.00 | 200,000,000.00 |
| Prepaid arable land occupation tax (Note 6) | 25,959,022.32 | 25,959,022.32 |
| Others | 11,912,916.30 | 12,669,168.50 |
| Total | 2,329,218,295.94 | 1,892,672,672.91 |

Other statements:

Note 1: The Company's prepayments for land compensation fee and land grant fee, and the group will continue to deal with the procedures for the land grant after the subsidiaries resume production.

Note 2: This amount included principal of RMB1,097,962,500.00 (the end of last year: RMB1,097,962,500.00) and the interest of RMB271,723,957.32 (the end of last year: RMB184,422,082.09), among which, the principal of RMB797,962,500.00 of 5-year time deposit was pledged to USD179,500,000.00 (equivalent to RMB1,190,300,400.00) of long-term borrowings of CMOC Mining Pty Limited and the principal of RMB300,000,000.00 was the Company's general deposit account.

Note 3: Prepayment for water fees by the subsidiary Xinjiang Luomu.

Note 4: The structural deposit of the Company deposited within the current period with a term of 3 year, within which relevant deposit shall not be withdrawn in advance.

Note 5: The Group purchased the non-banking financial institution-initiated structured financial plan over one year. The management is of the view that the fair value of those banks wealth investment product and its risk of the Group are not significant compared with its carrying amount.

Note 6: Prepayments for farmland occupation tax on future usage of tailings dam in its mining area.

19. Short-term borrowings

Applicable Not Applicable

(1) Categories of short-term borrowings:

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|----------------|------------------|------------------|
| Pledged loans | 51,394,186.50 | – |
| Deposit loan | 364,716,000.00 | – |
| Fiduciary loan | 1,946,478,000.00 | 2,906,199,075.88 |
| Total | 2,362,588,186.50 | 2,906,199,075.88 |

At the end of this year, there were no outstanding short-term borrowings of the Group that were overdue.

20. Financial liabilities at fair value through profits and losses

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--|------------------|------------------|
| Designated as at FVTPL (note 2) | 1,661,972,340.00 | 1,397,332,200.00 |
| Derivative financial liabilities not designated as hedge instruments | -25,613,332.05 | 108,578,304.53 |
| Forward Foreign Exchange Contracts (note 1) | -13,469,232.05 | 24,143,104.53 |
| Forward Commodity Contracts (note 2) | -12,144,100.00 | 84,435,200.00 |
| Total | 1,636,359,007.95 | 1,505,910,504.53 |

Other Statements:

Note 1: Changes in the fair value of the Forward Foreign Exchange Contracts that are not designated as hedging instrument are recognised in profit or loss immediately.

Note 2: The Group entered into a gold commodity lease agreement with the bank for financing purpose. According to agreement, the Group leased gold from the bank, which was permitted to be sold to third parties during the lease period, and the Group was obliged to return gold with same quality and weight to the bank when the lease expired. The obligation to return the gold is recognised as financial liability. The Group manages its risk exposure to gold return obligation arising from fluctuation of gold market price, by using gold forward contract that are not designated as hedging instrument, and changes in the fair value of the gold forward contract are recognised in profit or loss immediately.

21. Notes payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Category | Closing balance | Opening balance |
|------------------|-----------------|-----------------|
| Bank acceptances | 830,000,000.00 | 782,730,000.00 |
| Total | 830,000,000.00 | 782,730,000.00 |

22. Accounts payable

(1) Accounts payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--------------------------------|-----------------|-----------------|
| Payables for purchase of goods | 167,357,852.93 | 237,376,385.26 |
| Total | 167,357,852.93 | 237,376,385.26 |

23. Receipts in advance

(1) Information on receipts in advance

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--------------------------------|-----------------|-----------------|
| Payables for purchase of goods | 59,866,150.22 | 37,781,869.32 |
| Total | 59,866,150.22 | 37,781,869.32 |

(2) There is no material receipts in advance of the Group aging more than one year

Applicable Not Applicable

24. Employee benefits payable

(1) Information of employee benefit payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening balance | Increase in the current period | Decrease in the current period | Closing balance |
|---|-----------------------|--------------------------------|--------------------------------|-----------------------|
| 1. Short-term compensation | 84,473,338.98 | 291,547,741.65 | 301,266,432.20 | 74,754,648.43 |
| 2. Retirements benefits defined contributions plans | 46,003.55 | 61,510,733.36 | 61,512,774.33 | 43,962.58 |
| 3. Termination benefits | - | - | - | - |
| 4. Other benefits within one year | 29,001,568.04 | 8,995,612.82 | 6,296,955.62 | 31,700,225.24 |
| Total | 113,520,910.57 | 362,054,087.83 | 369,076,162.15 | 106,498,836.25 |

Note: It represents the relevant liabilities provided for annual leave and long service leave provided by Australian Northparkes copper and gold business of the Group to its employees that are expected to be paid within 12 months.

(2) Information on short-term compensation

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening balance | Increase for the Period | Decrease for the Period | Closing balance |
|--|----------------------|-------------------------|-------------------------|----------------------|
| I. Wages or salaries, bonuses, allowances and subsidies | 73,140,642.06 | 213,689,057.17 | 222,463,873.91 | 64,365,825.32 |
| II. Staff welfare | 332,941.85 | 10,761,142.47 | 11,035,506.98 | 58,577.34 |
| III. Social security contributions | 69,938.67 | 19,874,373.87 | 19,614,241.54 | 330,071.00 |
| Including: Medical insurance | 40,511.76 | 15,755,007.14 | 15,785,323.52 | 10,195.38 |
| Work injury insurance | 1,784.45 | 3,241,498.61 | 2,956,550.45 | 286,732.61 |
| Maternity insurance | 27,642.46 | 877,868.12 | 872,367.57 | 33,143.01 |
| IV. Housing funds | 3,064.33 | 42,405,746.03 | 42,386,877.46 | 21,932.90 |
| V. Labor union and employee education fund | 10,926,752.07 | 4,817,422.11 | 5,765,932.31 | 9,978,241.87 |
| Total | 84,473,338.98 | 291,547,741.65 | 301,266,432.20 | 74,754,648.43 |

None of the employee compensation payables or non-cash benefits is overdue in nature and is expected to pay out in 2016.

(3) *Defined contribution plans*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening balance | Increase for the Period | Decrease for the Period | Closing balance |
|----------------------------|-----------------|-------------------------|-------------------------|------------------|
| 1. Basis pension insurance | 35,690.10 | 58,319,439.61 | 58,324,946.44 | 30,183.27 |
| 2. Unemployment insurance | 10,313.45 | 3,191,293.75 | 3,187,827.89 | 13,779.31 |
| Total | 46,003.55 | 61,510,733.36 | 61,512,774.33 | 43,962.58 |

Other Statements

According to the regulations of the insurance plan set up by the government institutions and designated financial institutions, the Group provide the pension insurance, unemployment insurance for the staff of the Group, respectively, according to the employee basic wage or a certain proportion of local minimum wage, the Group monthly pay expenses to the plan. Apart from the above monthly pay cost, the Group no longer bear the further payment obligation. Corresponding expenses are recorded into the profits and losses of the current or the cost of the related assets.

In this year, the Group should pay RMB58,319,439.61 and RMB3,191,293.75 (2015: RMB66,891,139.61 and RMB4,574,322.91) for endowment insurance, and unemployment insurance plan. As at 30 June 2016, the Group has RMB30,183.27 and RMB13,779.31 (31 December 2015: RMB35,690.10 and RMB10,313.45) to be the expense payable for the endowment insurance and unemployment insurance plan during the period of this report. Concerned expenses payable have been paid out after the reporting period.

25. Tax payables

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--|-----------------------|-----------------|
| Value added tax | 1,283,656.72 | -79,806,455.82 |
| Corporate income tax | -74,969,034.62 | -64,388,351.43 |
| Urban maintenance and construction tax | 500,341.33 | 1,082,392.82 |
| Resources tax | 21,422,372.38 | 10,878,529.51 |
| Price regulation fund | 169,725.08 | 169,725.08 |
| Education surtax | 1,152,356.61 | 1,276,847.89 |
| Others | -42,715,128.62 | 7,174,901.60 |
| Total | -93,155,711.12 | -123,612,410.35 |

26. Interests payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--|-----------------------|----------------------|
| Interests of corporate bond | 17,267,671.24 | – |
| Interests of bank borrowings | 4,827,269.41 | 13,069,431.28 |
| Interests on medium-term notes with periodic it payments of interest and return of principal at maturity | 128,781,369.88 | 40,873,424.67 |
| Total | 150,876,310.53 | 53,942,855.95 |

Details of important overdue unpayable interests

Applicable Not Applicable

27. Dividends payable

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|---|-----------------------|----------------------|
| Common share interests | 422,179,967.48 | – |
| Luanchuan Taifeng Industry and Trading Co., Ltd. (Note) | 6,623,109.24 | 6,623,109.24 |
| Luanchuan Hongji Mining Co., Ltd. (Note) | 15,943,017.89 | 15,943,017.89 |
| Luanchuan Chengzhi Mining Co., Ltd. (Note) | 5,319,669.54 | 5,319,669.54 |
| Total | 450,065,764.15 | 27,885,796.67 |

Note: Minority shareholders of subsidiaries of the Group.

28. Other payables

(1) Other payables shall be listed based on nature

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|-----------------|-----------------------|-----------------|
| Project payment | 108,232,317.17 | 91,788,820.12 |
| Others | 139,378,323.23 | 116,615,445.72 |
| Total | 247,610,640.40 | 208,404,265.84 |

(2) Other significant payables aging more than one year

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Reason For Not Repaying or Transferring |
|-----------------------|----------------------|---|
| Individual M | 10,175,210.53 | to be audited and settled |
| Land compensation fee | 19,127,357.57 | Gradual land compensation |
| Total | 29,302,568.10 | / |

29. Non-current liabilities due within one year

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|---|-------------------------|------------------|
| Long-term borrowings due within one year | 2,369,546,951.73 | 2,467,524,610.28 |
| Payables for exploration right in Hami, Xinjiang (Note) | 10,000,000.00 | 22,924,085.68 |
| Deferred income released within 1 year | 9,461,704.59 | 4,451,018.58 |
| Total | 2,389,008,656.32 | 2,494,899,714.54 |

Other Statements:

Note: As per the agreement, the exploiting right valuing RMB1.036 billion of Molybdenum project in East Gobi, Hami, Xinjiang owned by Henan Bureau of Geo-exploration & Mineral Development has been transferred to the subsidiary, Xinjiang Luomu (certificate No.: T65120080602009571), among which, RMB0.39 billion as addition by minority to Xinjiang Luomu. As of 30 June 2016, Xinjiang Luomu has paid a part of the transfer fee in an amount of RMB636 million. The management of the Company is of the opinion that the outstanding part of such fee will be paid off within one year.

30. Other current liabilities

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|------------------|-------------------------|-----------------|
| Short-term bonds | 1,000,000,000.00 | 500,000,000.00 |
| Accrued expenses | 39,055,740.31 | 23,896,357.63 |
| Total | 1,039,055,740.31 | 523,896,357.63 |

Changes of gains or losses in short-term bonds:

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Name of bonds | Par Value | Issuance Date | Bonds Term | Issue Amount | Opening balance | Issuing in this period | Interest Based on par Value | Premium and Discount Amortization | Pay in this period | Closing balance |
|--|----------------|------------------|------------|------------------|-----------------|------------------------|-----------------------------|-----------------------------------|--------------------|-------------------------|
| 2015 first tranche of short-term financing bonds | 500,000,000.00 | 23 October 2015 | One year | 500,000,000.00 | 500,000,000.00 | - | 11,909,589.04 | - | - | 500,000,000.00 |
| 2016 first tranche of short-term financing bonds | 500,000,000.00 | 26 February 2016 | One year | 500,000,000.00 | - | 500,000,000.00 | 5,358,082.19 | - | - | 500,000,000.00 |
| Total | / / | / | | 1,000,000,000.00 | 500,000,000.00 | 500,000,000.00 | 17,267,671.23 | - | - | 1,000,000,000.00 |

Other statement:

Note: As at 23 October 2015, the company issued the 2015 first tranche of short-term financing bonds with a total of a nominal value amount of RMB500 million with a coupon rate of 3.45%.

As at 26 February 2016, the company issued the 2016 first tranche of short-term financing bonds with a total of a nominal value amount of RMB500 million with a coupon rate of 3.18%.

31. Long-term borrowings

Applicable Not Applicable

(1) Categories of long-term borrowings

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|--|--------------------------|-------------------|
| Secured borrowings | 3,002,826,551.73 | 3,113,637,810.28 |
| Deposit borrowings | 1,190,300,400.00 | – |
| Unsecured and guaranteed loans | 1,000,000,000.00 | 1,295,473,200.00 |
| Less: long-term borrowings due within one year | -2,369,546,951.73 | -2,467,524,610.28 |
| Total | 2,823,580,000.00 | 1,941,586,400.00 |

Other statements, including rate range:

As at 30 June 2016, the interest rates for the above mentioned borrowings ranged from 1.70% to 4.5125% (31 December 2015: 1.57% to 3.06%).

As at 30 June 2016, the Group has no overdue but outstanding long-term borrowings.

32. Bonds payable

Applicable Not Applicable

(1) Bonds payable

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|-------------------|-------------------------|------------------|
| Medium-term notes | 4,000,000,000.00 | 2,000,000,000.00 |
| Total | 4,000,000,000.00 | 2,000,000,000.00 |

(2) *Increase or decrease of bonds payable: (financial assets preference shares, perpetual bonds and etc. excluded)*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Name | Par Value | Issuance Date | Bonds Term | Issue Amount | Opening Balance | Issue in the period | Interest based on par Value | Interest paid for the period | Payment in the period | Closing Balance |
|--------------|------------------|---------------|------------|------------------|------------------|---------------------|-----------------------------|------------------------------|-----------------------|------------------|
| 12 CMOC MTN1 | 2,000,000,000.00 | 2 August 2012 | 5years | 2,000,000,000.00 | 2,000,000,000.00 | - | 98,258,630.14 | - | - | 2,000,000,000.00 |
| 16CMOC MTN1 | 2,000,000,000.00 | 17 March 2016 | 5years | 2,000,000,000.00 | - | 2,000,000,000.00 | 30,522,739.73 | - | - | 2,000,000,000.00 |
| Total | / / | / | / | 4,000,000,000.00 | 2,000,000,000.00 | 2,000,000,000.00 | 128,781,369.87 | - | - | 4,000,000,000.00 |

Note: On 2 August 2012 and 17 March 2016, the Company issued medium-term notes with a par value and in a principal amount of RMB2 billion (security short name: 12 CMOC MTN1 and 16CMOC MTN1) and the relevant bonds is permitted to trade and circulate on the national inter-bank bond market. The proceeds from the issuance of the medium-term financing notes were used for replenishing the Company and its subsidiaries' working capital and repayment of bank borrowings. The annual interest rates of the medium-term notes are fixed rate of 4.94% and 4.22% with a term of 5 years. The interest is paid once each year.

33. Provision

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening balance | Closing balance | Reasons |
|---|-----------------|-----------------------|----------|
| Land restoration and rehabilitation fee | 47,570,371.66 | 47,570,371.67 | (Note 1) |
| Closure and restoration cost | 243,337,797.85 | 266,011,133.61 | (Note 2) |
| Total | 290,908,169.51 | 313,581,505.28 | / |

Other Statements, including important provision of related significant assumptions and estimated statements:

Note 1: Pursuant to the requirements of "Notice of Matters related to Revision on Fee Standards for Restoration and Rehabilitation Fees" (Yufagai shoufei [2006] No. 1263), jointly issued by the Henan Development and Reform Commission and the Finance Department of Henan Province, the Company is obliged to discharge rehabilitation obligations in respect of the land occupied or damaged by mining and residual discharging, and the Company estimates for the restoration and rehabilitation fee according to relevant requirements.

Note 2: According to local regulations, the Group's subsidiaries, Australian Northparkes copper and gold business is required to perform obligations of closing the mine and restoring the land. Such obligations are determined according to the present value of the estimated costs for discharging restoration and rehabilitation obligations at the end of its useful life. As of 30 June 2016, the estimated exploited but uncovered area is 1,337.08 hectares.

34. Other non-current liabilities

Unit: Yuan Currency: RMB

| Item | Closing balance | Opening balance |
|---|----------------------|-----------------|
| Deferred income of land grant fee refund (Note 1) | 15,937,546.40 | 16,130,339.30 |
| Deferred income of research and development expenses subsidy (Note 2) | 3,000,000.00 | 3,000,000.00 |
| Deferred income of demonstration base project subsidy (Note 2) | 62,834,030.88 | 41,819,735.99 |
| CCTV installation subsidy for heavy metal treatment | 94,962.40 | 243,599.20 |
| Long service leave (Note 3) | 5,609,085.40 | 5,664,862.62 |
| Total | 87,475,625.08 | 66,858,537.11 |
| Including: Deferred income released within 1 year | -9,313,067.79 | -4,451,018.58 |
| Total | 78,162,557.29 | 62,407,518.53 |

Other Statements:

Note 1: Refers to the land grant fee refund received by the Group, which is included under deferred income and amortised on straight line basis in equal amounts over the term of the land use rights.

Note 2: Refers to the "Special Fund for Provincial Important Technologies", "Special Fund for the Conservation and Comprehensive utilization of mineral resources" and "The Central Mineral Resources Comprehensive Utilization Demonstrative Base Subsidy", intended to be applied on the key technology for processing and deep-processing and refining of molybdenum and tungsten, which is included under deferred income and will be recognized as current non-operating income as the relevant technology research fee incurred.

Note 3: It represents the relevant liabilities provided for annual leave and long service leave provided by Australian Northparkes copper and gold business of the Group to its employees. The part estimated to be paid within 12 months is in the calculation of the Employee benefits payable.

35. Share capital

Unit: Yuan Currency: RMB

| | Opening balance | New Shares Issuance | Changes for the Period(+, -) | | | | Sub-total | Closing balance |
|------------------------|------------------|---------------------|------------------------------|--------------------------------------|--------|---|-------------------------|-----------------|
| | | | Bonus Issue | Surplus Reserve Conversion to Shares | Others | | | |
| Total number of shares | 3,377,439,739.80 | - | - | - | - | - | 3,377,439,739.80 | |

Note:

The par value of the Company's share is RMB0.2 per share.

36. Capital reserve

Unit: Yuan Currency: RMB

| Item | Opening balance | Increase for the Period | Decrease for the Period | Closing balance |
|---------------------------------|-------------------|-------------------------|-------------------------|-------------------|
| Capital premium (share premium) | 10,720,306,602.38 | - | - | 10,720,306,602.38 |
| Total | 10,720,306,602.38 | - | - | 10,720,306,602.38 |

37. Other comprehensive income

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Beginning of the Period Balance | Before-tax Amount of the Period | Less: Amount Previously Included in Other Comprehensive Income Transferred into Profit or Loss in the Period | Amount for the Period | | After-tax Amount Attributable to the Minority | End of the Period Balance |
|--|---------------------------------|---------------------------------|--|---------------------------|---|---|---------------------------|
| | | | | Less: Income Tax Expenses | After-tax Amount Attributable to Owners of the Parent Company | | |
| (I) Other comprehensive income that will not reclassified subsequently into the profit or loss | - | - | - | - | - | - | - |
| (II) Other comprehensive income that will be reclassified subsequently into the profit or loss | -632,492,717.76 | -38,548,767.48 | 16,913,239.81 | - | - | - | -687,954,725.05 |
| Including: | | | | | | | |
| The shares of Other comprehensive income to be reclassified subsequently to profit or loss by the investee under the equity method | | | | | | | |
| Fair value gain (loss) on available-for-sale financial assets | -268,987,651.90 | -106,984,728.30 | 16,913,239.81 | - | - | - | -392,885,620.01 |
| Translation differences arising on translation of financial statements denominated in foreign currencies | -363,505,065.86 | 68,435,960.82 | - | - | - | - | -295,069,105.04 |
| TOTAL | -632,492,717.76 | -38,548,767.48 | 16,913,239.81 | - | - | - | -687,954,725.05 |

38. Special reserve

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Opening Balance | Increase for the Period | Decrease for the Period | Closing Balance |
|-----------------------|-----------------------|-------------------------|-------------------------|----------------------|
| Production safety fee | 13,214,328.53 | 56,007,183.63 | 66,126,276.80 | 3,095,235.36 |
| Maintenance fee | 101,986,347.03 | – | 57,885,480.29 | 44,100,866.74 |
| Total | 115,200,675.56 | 56,007,183.63 | 124,011,757.09 | 47,196,102.10 |

39. Surplus reserve

Unit: Yuan Currency: RMB

| Item | Opening Balance | Increase for the Period | Decrease for the Period | Closing Balance |
|---------------------------|-----------------------|-------------------------|-------------------------|-----------------------|
| Statutory surplus reserve | 786,050,081.94 | – | – | 786,050,081.94 |
| Total | 786,050,081.94 | – | – | 786,050,081.94 |

40. Retained profit

Unit: Yuan Currency: RMB

| Item | The Period | Prior Period |
|---|-------------------------|------------------|
| Retained profit at ending of prior period before adjustment | 2,986,976,808.88 | 3,320,200,571.47 |
| Adjust Retained profit at beginning of period (Add+, less -) | – | – |
| Retained profit at beginning of period after adjustment | 2,986,976,808.88 | 3,320,200,571.47 |
| Add: Net profit attributable to shareholders of the parent company for the period | 511,906,237.60 | 463,024,467.83 |
| Less: Statutory surplus reserve | – | – |
| Discretionary Surplus Reserves | – | – |
| General risk preparation | – | – |
| Common stock dividends payable (note) | 422,179,967.48 | 1,013,231,921.94 |
| Ordinary shares dividends converted to shares | – | – |
| Retained profit at ending of period | 3,076,703,079.00 | 2,769,993,117.36 |

Note: Cash dividends were approved by the annual general meeting of stockholders

As resolved at the Company's 2015 annual general meeting on 29 June 2016, the Company shall distribute to all shareholders cash dividends of RMB0.025 per share, RMB422,179,967.48 in total (2015: RMB1,013,231,921.94).

41. Operating income and operating costs

Unit: Yuan Currency: RMB

| Item | Amount for the Period | | Amount for the Prior Period | |
|--------------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|
| | Revenue | Cost | Revenue | Cost |
| Principal operating activities | 2,183,956,228.36 | 1,353,760,061.30 | 2,194,249,715.42 | 1,270,077,536.39 |
| Other operating activities | 75,895,346.96 | 54,186,033.88 | 75,007,514.80 | 58,877,204.78 |
| Total | 2,259,851,575.32 | 1,407,946,095.18 | 2,269,257,230.22 | 1,328,954,741.17 |

42. Business tax and surcharges

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|-----------------------|-----------------------------|
| Business tax | 1,570,726.68 | 6,255,750.25 |
| Urban maintenance and construction tax | 7,404,993.25 | 8,070,133.88 |
| Education surcharge | 4,407,564.70 | 4,732,693.58 |
| Resources tax | 69,102,246.94 | 100,609,776.20 |
| Others | 2,929,954.49 | 4,131,957.96 |
| Total | 85,415,486.06 | 123,800,311.87 |

43. Selling expenses

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|----------------------------|-----------------------|-----------------------------|
| Wages and additional costs | 1,896,272.17 | 2,146,241.29 |
| Transportation costs | 27,471,384.60 | 33,970,181.67 |
| Entertainment expenditures | 533,055.90 | 609,797.70 |
| Traveling expense | 375,244.27 | 299,324.56 |
| Taxes | 517,545.00 | 491,870.02 |
| Others | 6,551,421.70 | 5,867,851.27 |
| Total | 37,344,923.64 | 43,385,266.51 |

44. General administrative expenses

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|-------------------------------|--------------------------|--------------------------------|
| Wages and surcharge | 49,196,814.75 | 55,872,278.25 |
| Depreciation and amortization | 18,755,566.70 | 32,671,057.09 |
| Auditing fees | 2,152,308.85 | 2,392,636.35 |
| Consulting and agency fees | 15,411,393.56 | 3,734,440.97 |
| Entertainment expenditures | 3,583,756.23 | 2,976,050.22 |
| Technology development fee | 37,785,978.07 | 27,789,965.71 |
| Others | 54,339,400.49 | 27,328,983.54 |
| Total | 181,225,218.65 | 152,765,412.13 |

45. Financial expenses

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|--------------------------|--------------------------------|
| Interest charges for bonds | 101,867,397.27 | 207,845,938.46 |
| Discount interest of notes receivables | 11,455,368.14 | 12,739,818.23 |
| Bank loans interest expenses | 83,911,934.37 | 85,412,163.09 |
| Including: the interest expense of bank loads due within 5 years | 83,911,934.37 | 85,412,163.09 |
| Total interest expenses: | 197,234,699.78 | 305,997,919.78 |
| Less: capitalised interest expenses | — | — |
| Less: Interest income | -220,615,490.40 | -267,857,761.36 |
| Exchange differences | 45,018,460.61 | 68,345,956.61 |
| Less: capitalised exchange balance | — | — |
| Others | 67,359,858.54 | 54,761,823.89 |
| Total | 88,997,528.53 | 161,247,938.92 |

46. Impairment loss of assets

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|--------------------------|--------------------------------|
| I. Bad debt provision | 9,063,280.78 | -4,583,308.70 |
| II. Inventories provision | 11,275,720.04 | 23,418,092.50 |
| III. Available-for-sale financial assets impairment loss | - | - |
| IV. Held-to-maturity investments impairment loss | - | - |
| V. Long-term equity investment impairment loss | - | - |
| VI. Investment Real Estate impairment loss | - | - |
| VII. Fixed assets impairment loss | 1,193,936.69 | - |
| VIII. Engineering Goods impairment loss | - | - |
| IX. Construction in progress impairment loss | - | - |
| X. Productive biological assets impairment Loss | - | - |
| XI. Oil-gas assets impairment Loss | - | - |
| XII. Intangible assets impairment Loss | - | - |
| XIII. Goodwill impairments loss | - | - |
| XIV. Others | - | 148,583,665.66 |
| Total | 21,532,937.51 | 167,418,449.46 |

47. Gains from changes in fair value

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Sources of Gains from Changes in Fair Value | Amount for the Period | Amount for the Prior Period |
|---|--------------------------|--------------------------------|
| 1. Earnings from the change of fair value of trading equity instruments | - | 10,466,983.49 |
| 2. Derivative instruments not designated as hedge instruments | 32,774,291.08 | 21,171,290.63 |
| Gains from changes in fair value of commodity futures contracts | - | - |
| Changes in fair value of forward exchange contracts | 32,774,291.08 | 21,171,290.63 |
| 3. Gains from changes in fair value of gold leases measured in fair value and gold future contracts | 2,208,500.00 | 7,604,800.00 |
| Changes in fair value of gold future contracts | 2,208,500.00 | 10,962,000.00 |
| Changes in fair value of gold leases | - | -3,357,200.00 |
| Total | 34,982,791.08 | 39,243,074.12 |

48. Investment income

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|--------------------------|--------------------------------|
| Income from long-term equity investments under equity method | 3,954,227.60 | 24,645,102.66 |
| Income from disposal of Available-for-sale financial assets investment | 88,877,642.88 | – |
| Investment income and wealth management products of banks | 62,155,232.72 | 82,731,219.58 |
| Derivative instruments not designated as hedge instruments | -15,505,707.94 | -5,530,860.00 |
| Total | 139,481,395.26 | 101,845,462.24 |

49. Non-operating income

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period | Amount for non-regular profit and loss |
|--|--------------------------|--------------------------------|--|
| Gains on disposal of non-current assets | 26,495.02 | 365,515.38 | 26,495.02 |
| Including: Gains on disposal of fixed assets | 26,495.02 | 365,515.38 | 26,495.02 |
| Government grants | 3,194,697.21 | 15,518,582.2 | 3,194,697.21 |
| Others | 318,623.87 | 562,185.87 | 318,623.87 |
| Total | 3,539,816.10 | 16,446,283.45 | 3,539,816.10 |

Government grants in current profits and losses

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Subsidy Item | Amount for the Period | Amount for the Prior Period | Related to assets/ related to income |
|--|--------------------------|--------------------------------|---|
| Subsidies for the demonstrative base for the comprehensive utilization of central mining resources | – | 15,126,225.00 | related to income |
| Foreign investment subsidy | 3,000,000.00 | – | related to income |
| Others | 194,697.21 | 392,357.20 | |
| Total | 3,194,697.21 | 15,518,582.20 | / |

50. Non-operating expenses

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period | Amount for the current period non-regular profit and loss |
|--|-----------------------|-----------------------------|---|
| Total losses from disposal of non-current assets | 146,275.23 | 38,880,761.70 | 146,275.23 |
| Including: Loss disposal of fixed assets | 146,275.23 | 38,880,761.70 | 146,275.23 |
| External donations | 17,032,900.00 | 16,043,584.00 | 17,032,900.00 |
| Others | 2,752,522.20 | 2,841,792.80 | 2,752,522.20 |
| Total | 19,931,697.43 | 57,766,138.50 | 19,931,697.43 |

51. Income tax expenses

(1) Income tax expenses table

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|-----------------------|-----------------------------|
| The current period income tax expenses | 49,899,198.59 | 105,874,814.06 |
| Deferred income tax expenses | 44,000,210.83 | -151,916,877.72 |
| Total | 93,899,409.42 | -46,042,063.66 |

(2) The adjustment process of Income tax expense and accounting profit is as below:

Unit: Yuan Currency: RMB

| Item | Amount for the Period |
|---|-----------------------|
| Total profit | 595,461,690.76 |
| Income tax expenses based on statutory applicable tax rate | 89,319,253.61 |
| Impact of the different tax rate applied by the subsidiaries | 11,637,393.01 |
| The impact of Income tax before adjustment | - |
| The impact of nontaxable income | -24,683,741.70 |
| The impact of non-deductible cost, expenses and losses | 7,073,928.61 |
| The impact of the utilization of deductible losses of unrecognized deferred income tax assets for the previous period | - |
| The impact of deductible temporary differences or deductible losses of unrecognized deferred income tax assets for the period | 10,552,575.89 |
| Income tax expenses | 93,899,409.42 |

52. Other comprehensive income

The details refer to the note (7). 37.

53. The cash flow statement

(1) Other cash received related to operating activities

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|--------------------------|--------------------------------|
| Receipts of compensation and penalties | 581,563.65 | — |
| Receipts of interest income | 76,756,085.89 | 158,886,821.24 |
| Government grants | 31,559,247.00 | 24,383,529.82 |
| Others | 47,614,516.37 | 562,185.87 |
| Total | 156,511,412.91 | 183,832,536.93 |

(2) Other cash payments related to operating activities

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|---|--------------------------|--------------------------------|
| Payments for consulting fee, technology development fee and transportation fee, etc. | 28,238,828.36 | 11,987,143.45 |
| Payments of donations and penalties, etc. | 17,030,000.00 | 16,043,584.00 |
| Payments of Bank charges, etc. | 10,447,185.07 | 15,593,406.78 |
| Others | 61,162,514.50 | 2,841,792.80 |
| Total | 116,878,527.93 | 46,465,927.03 |

(3) *Other cash received related to investment activities*

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|------------------------------|----------------------------------|--------------------------------|
| Payments for equity purchase | 537,163.62 | – |
| Total | 537,163.62 | – |

(4) *Other cash received related to financing activities*

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|----------------------------------|--------------------------------|
| Cash receipts for gold leases business | 1,070,719,604.09 | 898,822,190.00 |
| Total | 1,070,719,604.09 | 898,822,190.00 |

(5) *Other cash payments related to financing activities*

Unit: Yuan Currency: RMB

| Item | Amount for the Period | Amount for the Prior Period |
|--|----------------------------------|--------------------------------|
| Cash paid for gold leasing business | 914,392,700.00 | 472,814,000.00 |
| Commission charge related to gold leasing business | 22,932,762.47 | 18,239,165.48 |
| Commission charge related to issue of letter of guarantee for loan business | 22,455,226.22 | 20,929,251.63 |
| Commission charge related to bond operation | 23,000,000.00 | – |
| Total | 982,780,688.69 | 511,982,417.11 |

54. Supplementary information to cash flow statement

(1) Supplementary information to cash flow statement

Unit: Yuan Currency: RMB

| Supplementary Information | Amount for the Period | Amount for the Prior Period |
|--|--------------------------|--------------------------------|
| 1. Reconciliation of net profit to cash flows from operating activities: | | |
| Net Profit | 501,562,281.34 | 437,495,855.13 |
| Add: Provision for impairment of assets | 21,532,937.51 | 167,418,449.46 |
| Depreciation of fixed assets, Depreciation of oil-gas assets and Depreciation of Productive biological assets | 271,280,414.27 | 303,390,761.50 |
| Intangible asset amortization | 50,879,615.44 | 92,830,541.11 |
| Amortization of long-term deferred expenses | 13,535,383.39 | 6,237,363.65 |
| Loss of disposal of fixed assets, intangible assets and other long-term investments (income is indicated by "-") | - | 38,515,246.32 |
| Loss on retirement of fixed assets (income is indicated by "-") | - | - |
| Loss on changes in fair value (income is indicated by "-") | -34,982,791.08 | -39,243,074.12 |
| Financial expenses (income is indicated by "-") | 88,997,528.53 | 288,517,265.90 |
| Investment loss (income is indicated by "-") | -139,481,395.26 | -101,845,462.24 |
| Decrease of deferred tax assets (increase is indicated by "-") | 34,639,634.83 | -151,916,877.72 |
| Increase of deferred tax liabilities (decrease is indicated by "-") | - | - |
| Decrease of inventories (increase is indicated by "-") | 126,223,080.89 | -230,685,800.18 |
| Decrease in operating receivable items (increase is indicated by "-") | -394,006,060.54 | 441,965,677.48 |
| Increase in operating receivable items (decrease is indicated by "-") | 158,910,202.62 | 220,795,568.02 |
| Other | -164,133,316.41 | -224,179,554.41 |
| Net cash flow from operating activities | 534,957,515.53 | 1,249,295,959.90 |
| 2. Significant investment and financing activities not involving cash: | | |
| Conversion of debt into capital | - | - |
| Convertible bonds due within one year | - | - |
| The entry value of fixed assets acquired by finance lease | - | - |
| 3. Net changes in cash and cash equivalents: | | |
| Closing Amount of cash | 12,343,686,894.49 | 3,730,568,821.65 |
| Less: Opening Amount of cash | 8,982,162,302.30 | 774,781,044.71 |
| Add: Closing Amount of cash equivalents | - | - |
| Less: Opening Amount of cash equivalents | - | 4,850,800,000.00 |
| Net increase (decrease) in cash and cash equivalents | 3,361,524,592.19 | -1,895,012,223.06 |

(2) Net cash acquired from subsidiaries for the current period

Applicable Not Applicable

(3) *Net gains on disposal of subsidiaries for the current period*

Applicable Not Applicable

(4) *Cash and cash equivalents*

Unit: Yuan Currency: RMB

| Item | Closing Balance | Opening Balance |
|---|--------------------------|------------------|
| I. Cash | 12,343,686,894.49 | 8,982,162,302.30 |
| Including: Cash on hand | 403,897.79 | 274,735.66 |
| Bank deposits always available for payment | 12,343,282,996.70 | 8,981,887,566.64 |
| II. Cash equivalents | — | — |
| III. Closing Amount of cash and cash equivalents | 12,343,686,894.49 | 8,982,162,302.30 |

Others:

The cash and cash equivalents do not include the restricted cash and cash equivalents of the Company and its Subsidiaries and monetary funds more than 3 months.

55. Foreign currency monetary item

Applicable Not Applicable

(1) *Foreign currency monetary item*

Unit: Yuan Currency: RMB

| Item | Closing Amount of foreign currency | Exchange Rate Convert | Closing Amount of foreign currency translated into RMB |
|---|------------------------------------|-----------------------|--|
| Bank balances and cash | | | |
| Including: USD | 18,866,244.31 | 6.63 | 125,313,770.34 |
| HKD | 511,711.66 | 0.85 | 437,344.62 |
| AUD | 6,250,376.91 | 4.92 | 30,778,913.85 |
| CAD | 1,983,628.98 | 5.15 | 10,209,592.36 |
| RMB | 955,265,000.00 | 1.00 | 955,265,000.00 |
| Short-term borrowings | | | |
| Including: USD | 127,500,000.00 | 6.63 | 845,478,000.00 |
| EUR | 6,982,935.30 | 7.36 | 51,394,186.50 |
| Non-current liabilities due within one year | | | |
| Including: USD | — | — | — |
| EUR | 264,287,822.88 | 7.36 | 1,945,150,151.73 |

(2) *Details of the overseas entities for operations, including the principal place of business, functional currency and the basis of the decision and the reasons for the changes in the functional currency for major overseas entities for operations*

Applicable Not Applicable

VIII. CHANGE OF CONSOLIDATION SCOPE

1. Other reasons of change of consolidation scope

Other reasons of change of consolidation scope (newly set-up subsidiaries and liquidation of subsidiaries, etc.) and related details:

- (1) February 2016, the Company established wholly-owned subsidiaries Luoyang Yuehe Property Co., Ltd. with registered capital RMB3 million.
- (2) In April 2016, Upnorth Investment Limited, a wholly-owned subsidiary of China Molybdenum (Hong Kong) Company Limited, which is a subsidiary of the Company, established a wholly-owned subsidiary, namely Long March No. 1 Investment Limited in BVI (British Virgin Islands) with registered capital of US\$1.

IX. EQUITY IN OTHER ENTITIES

1. Equity of subsidiaries

Applicable Not Applicable

(1) Constitution of the Corporation

| Name of Subsidiary | Main Business Site | Registration Place | Nature of Business | Percentage of Shareholding (%) | | Acquisition Method |
|---|--------------------|--------------------|--|--------------------------------|----------|------------------------------|
| | | | | Direct | Indirect | |
| China Molybdenum Refining Co., Ltd. (洛陽樂川鋁業集團冶煉有限責任公司) ("Refining") | China | Luanchuan, Henan | Smelting and sales of mineral products | 100 | - | Investment for incorporation |
| China Molybdenum & Tungsten Sales Co., Ltd. ("Sales Company") | China | Luanchuan, Henan | Sales of mineral products | 100 | - | Investment for incorporation |
| Luoyang Dachuan Molybdenum & Tungsten Technology Co., Ltd. (洛陽大川鋁鎢科技有限責任公司) ("Dachuan") | China | Luanchuan, Henan | Processing and sales of mineral products | 100 | - | Investment for incorporation |
| Luoyang Mudu International Hotel Co., Ltd. (洛陽鉬都國際飯店有限公司) ("International Hotel") | China | Luoyang, Henan | Hotel | 100 | - | Investment for incorporation |
| China Molybdenum Tungsten Co., Ltd. (洛陽樂川鋁業集團鎢業有限公司) ("Tungsten") | China | Luanchuan, Henan | Smelting and sales of mineral products | 100 | - | Investment for incorporation |
| China Molybdenum (Hong Kong) Company Limited (洛陽鉬業(香港)有限公司) ("Hong Kong Company") | Hong Kong, China | Hong Kong | Sales of mineral products | 100 | - | Investment for incorporation |
| China Molybdenum Metal Material Company Limited (洛陽鉬業集團金屬材料有限公司) ("Metal Material") | China | Luoyang, Henan | Processing and sales of mineral products | 100 | - | Investment for incorporation |
| Xinjiang Luomu Mingxing Co., Ltd. (新疆洛鉬礦業有限公司) ("Xinjiang Luomu") | China | Xinjiang | Purchase and sale of minerals | 70 | - | Investment for incorporation |
| China Molybdenum Sales Co., Ltd. (洛陽樂川鋁業集團銷售有限公司) ("Sales Company") | China | Luanchuan, Henan | Sales of mineral products | 100 | - | Investment for incorporation |
| CMOC Co., Ltd. ("Hong Kong CMOC") | Hong Kong, China | Hong Kong | Investment for shareholding | 100 | - | Investment for incorporation |

| Name of Subsidiary | Main Business Site | Registration Place | Nature of Business | Percentage of Shareholding (%) | | Acquisition Method |
|--|--------------------|--------------------|---|--------------------------------|----------|--|
| | | | | Direct | Indirect | |
| CMOC Mining Pty Limited ("CMOC Mining") | Australia | Australia | Mining, processing and sales of mineral products | - | 100 | Investment for incorporation |
| CMOC Mining Services Pty. Limited ("CMOC services") | Australia | Australia | Mineral services | - | 100 | Investment for incorporation |
| Luanchuan Huqi Mining Company Limited (樂川縣滬七礦業有限公司)("Huqi") | China | Luanchuan, Henan | Smelting and sales of mineral products | 100 | - | Investment for incorporation |
| Luanchuan Fu Kai Trading Co., Ltd. (樂川縣富凱商貿有限公司)("Fu Kai") | China | Luanchuan, Henan | Purchase and sales of molybdenum and tungsten related products | 100 | - | Investment for incorporation |
| Luanchuan Qixing Mining Company Limited (樂川縣啟興礦業有限公司)("Qixing") | China | Luanchuan, Henan | Smelting and sales of mineral products | 90 | - | Investment for incorporation |
| Luanchuan Furun Minging Co., Ltd. (樂川縣富潤礦業有限公司)("Furun") | China | Luanchuan, Henan | Smelting and sales of mineral products | 100 | - | Investment for incorporation |
| Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd. (樂川縣大東坡鎢鉬礦業有限公司)("Dadongpo") | China | Luanchuan, Henan | Smelting and sales of mineral products | 51 | - | Investment for incorporation |
| 樂川縣九揚礦業有限公司 Luanchuan County Jiuyang Mining Co., Ltd ("Jiuyang") | China | Luanchuan, Henan | Smelting and sales of mineral products | 51 | - | Business combinations involving |
| 樂川縣三強鎢鉬有限公司 Luanchuan County Sanqiang Molybdenum & Tungsten Co., Ltd. ("Sanqiang") | China | Luanchuan, Henan | Smelting and sales of mineral products | 51 | - | Business combinations not involving enterprises under common control |
| Luoyang Mudulihao Sales Co., Ltd. ("Mudulihao") 洛陽市鉬都利豪商貿有限公司 ("鉬都利豪") | China | Luoyang, Henan | Hotel management | - | 100 | Investment for incorporation |
| 施莫克(上海)國際貿易有限公司 CMOC Trading (Shanghai) Co., Ltd. ("Shimoke") | China | Shanghai | Import and export of goods and technology | 100 | - | Investment for incorporation |
| CMOC Mining USA LTD ("CMOC USA") | USA | USA | Consulting services | - | 100 | Investment for incorporation |
| Shanghai Ruichao Investment Co., Ltd. ("Ruichao") 上海睿朝投資有限公司 ("睿朝") | China | Shanghai | Consulting, corporation planning, management | - | 100 | Investment for incorporation |
| CMOC Investment (Tibet) Co., Ltd. ("CMOC Tibet") 西藏施莫克投資有限公司 ("西藏施莫克") | China | Tibet | Consulting, assets management, sales | - | 100 | Investment for incorporation |
| Upnorth Investment Limited ("Upnorth") | China | BVI | Investment for shareholding | - | 100 | Investment for incorporation |
| Beijing Yongmian Resources Investment Holding Co., Ltd. | China | Beijing | Consulting, assets management, sales | 100 | - | Investment for incorporation |
| Luoyang Real Estate LLC. | China | Luanchuan, Henan | Real Estate Development and Management property management services | 100 | - | Investment for incorporation |
| Long March No. 1 Investment Limited | China | BVI | Investment for shareholding | - | 100 | Investment for incorporation |

2. Equity in joint ventures or associates.

Applicable Not Applicable

(1) Significant joint ventures or associates

Unit: Yuan Currency: RMB

| Names of Joint Ventures or Associates | Major place of business | Registration Place | Nature of Business | Percentage of Shareholding (%) | | Accounting treatment of investment in joint ventures or associates |
|---|-------------------------|--------------------|--|--------------------------------|----------|--|
| | | | | Direct | Indirect | |
| Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. (" High-Tech ") (Note 1) | Luoyang, Henan | Luoyang, Henan | Processing and sales of mineral products | 50.25 | - | Under equity method |
| Xuzhou Huanyu Molybdenum Co., Ltd. (" Huanyu ") (Note 2) | Xuzhou, Jiangsu | Xuzhou, Jiangsu | Investment | 50 | - | Under equity method |
| Luoyang Yulu Mining Co., Ltd. (" Yulu Mining ") (Note 3) | Luoyang, Henan | Luoyang, Henan | Smelting and sales of mineral products | 40 | - | Under equity method |

The explanation of the difference between the shareholding in joint ventures or associates and the percentage of voting rights:

Note 1: The company completed 0.25% interest acquisition of Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. and the shareholding ratio increased to 50.25%. According to the agreement with the seller Hong Kong Co., Ltd., the enterprise governance structure remains unchanged except for the shareholding. The transaction would not exert any negative influence on the area of the dominance and authority of seller.

Note 2: Huan Yu, a joint venture of the Group, holds 90% interest of Luoyang Fuchuan Mining Co., Ltd. ("Fuchuan"). Meanwhile, the Group, through its subsidiary Fu Kai, indirectly holds 10% interest of Fuchuan. In accordance with the agreement with local government, the local government shares 8% dividend rights of Fuchuan; therefore, the Group actually shares 47% profits and losses of Fuchuan under equity accounting.

Note 3: According to the resolution of shareholders' meeting in 2007 of Yulu Mining Co., Ltd., from 2008, both investment parties share net profits of the company by 1 to 1 basis. Therefore, the Group has beneficially 50% of interest in the gain or loss of Yulu Mining under equity accounting.

(2) *Main financial information of significant joint ventures.*

Unit: Yuan Currency: RMB

| | Closing balance/ Amount for the Period | | Opening balance/ Amount for the Prior Period | |
|--|---|-------------------------|---|---------------------|
| | High-Tech | Huan Yu (note 1) | High-Tech | Huan Yu (note 1) |
| Current Assets | 80,515,009.21 | 232,503,243.64 | 166,099,121.80 | 262,911,080.85 |
| Including: cash and cash equivalents | 5,822,440.06 | 6,086,075.46 | 8,945,768.83 | 85,237.99 |
| Non-current Assets | 135,721,954.20 | 2,725,903,094.04 | 132,329,844.30 | 2,722,778,299.10 |
| Total Assets | 216,236,963.41 | 2,958,406,337.68 | 298,428,966.10 | 2,985,689,379.95 |
| Current Liabilities | 16,767,104.08 | 312,081,155.39 | 94,655,316.20 | 858,954,575.81 |
| Non-Current Liabilities | – | 550,000,000.00 | – | – |
| Total Liabilities | 16,767,104.08 | 862,081,155.39 | 94,655,316.20 | 858,954,575.81 |
| Minority interests | – | -12,463,324.45 | – | -7,498,689.97 |
| Total equity interest attributable to parent company | 199,469,859.33 | 2,108,788,506.74 | 203,773,649.90 | 2,134,233,494.11 |
| Net assets shares calculated by percentage of shareholding | 100,233,604.31 | 1,054,394,253.37 | 101,886,824.95 | 1,067,116,747.05 |
| Adjusted items (note 2) | -4,663,448.66 | 3,973,302.86 | – | 14,593,963.51 |
| – Goodwill | – | – | – | – |
| – Unrealized profits of internal transaction | – | – | – | – |
| – Others | – | – | – | – |
| Carrying amount in the investment of associates | 95,570,155.65 | 1,058,367,556.23 | 101,886,824.95 | 1,081,710,710.56 |
| Fair value of the joint venture investment with public offer | N/A | N/A | N/A | N/A |
| Operating Income | 36,789,260.52 | 465,315.32 | 75,388,395.10 | 504,144.66 |
| Financial expenses | -79,960.17 | 19,525,876.77 | 341,541.46 | 18,006,033.57 |
| Income Tax Expense | – | – | – | -13,682,342.00 |
| Net Profit | -13,659,465.70 | -49,666,285.79 | -7,854,983.42 | -38,525,222.74 |
| Discontinued operation net profit | – | – | – | – |
| Other comprehensive income | – | – | – | – |
| Total comprehensive income | -13,659,465.70 | -49,666,285.79 | -7,854,983.42 | -38,525,222.74 |
| Dividends received from joint ventures for the period | – | – | – | – |

Others

Note 1: Huanyu, a joint venture of the Group, holds 90% of stake in Luoyang Fuchuan Mining Co., Ltd. (“Fuchuan”). Meanwhile, the Group holds indirectly by its subsidiary, Fu Kai, 10% of stake in Fuchuan.

Note 2: Pursuant to the agreement with the local government, the government held 8% share of Fuchuan so the company actually held 47% profits and losses of Fuchuan under equity method.

(3) *Main financial information of significant associates*

Unit: Yuan Currency: RMB

| Yulu Mining | Closing balance/ Amount for the Period | Opening balance/ Amount for the Prior Period |
|--|---|--|
| Current Assets | 200,277,152.59 | 161,996,611.07 |
| Including: cash and cash equivalents | 408,779.76 | 533,647.16 |
| Non-current Assets | 61,946,317.06 | 66,779,787.55 |
| Total Assets | 262,223,469.65 | 228,776,398.62 |
| Current Liabilities | 104,118,711.69 | 50,262,445.40 |
| Non-Current Liabilities | 4,500,000.00 | 5,000,000.00 |
| Total Liabilities | 108,618,711.69 | 55,262,445.40 |
| Minority interests | – | – |
| Total equity interest attributable to parent company | 153,604,757.96 | 173,513,953.22 |
| Net assets shares calculated by percentage of shareholding | 61,441,903.18 | 69,405,581.28 |
| Adjusted items | 5,513,358.13 | 7,504,277.66 |
| – Goodwill | – | – |
| – Unrealized profits of internal transaction | – | – |
| – Others | – | – |
| Carrying amount in the investment of associates | 66,955,261.31 | 76,909,858.94 |
| Fair value of the joint venture investment with public offer | N/A | N/A |
| Operating Income | 142,230,387.04 | 178,244,755.61 |
| Financial expenses | 1,579.93 | 229,934.54 |
| Income Tax Expense | 22,789,490.67 | 31,169,133.48 |
| Net Profit | 68,290,804.74 | 93,358,898.11 |
| Discontinued operation net profit | – | – |
| Other comprehensive income | – | – |
| Total comprehensive income | 68,290,804.74 | 93,358,898.11 |
| Dividends received from associates for the period | – | 72,500,000.00 |

3. Significant joint ventures

Applicable Not Applicable

| Name of Joint Control Operation | Main Business Site | Registration Place | Nature of Business | Shareholding Proportion/Entitled Shares (%) | |
|--|--------------------|--------------------|---------------------------------------|---|----------|
| | | | | Direct | Indirect |
| Nothparkes Joint Venture("NJV") (Note) | Australia | Australia | Exploitation of copper and gold mines | – | 80 |

The basis of classifying the separate entity as a joint venture:

Note: on 1 December 2013, the Group has completed the acquisition of 80% of the interest in Northparkes Mines' unincorporated joint venture company-Northparkes Joint Venture and certain related assets with respect to the operations of the Northparkes Copper and Gold Mines owned by North Mining Limited. Northparkes Joint Venture, a unincorporated joint venture, is a joint control operation of the Group upon the acquisition.

Northparkes mines held by Northparkes Joint Venture is a quality copper and gold mining operation with advanced mining method of block caving in Goonumbla, situated in the northwest of the town of Parkes in New South Wales, Australia. The Northparkes mines started operation in 1993 and the remaining useful life is more than 20 years. The headquarters of Northparkes Joint Venture is located in the town of Parkes in New South Wales, Australia. The 80% interest in Northparkes Joint Venture under joint control is held by CMOG Mining Pty Limited, a subsidiary of the Company. The remaining 20% interest is held by Sumitomo Metal Mining Oceania Pty Ltd (SMM) and SC Mineral Resources Pty Ltd (SCM).

Pursuant to the Northparkes Joint Venture Management Agreement, the Company as the manager holds the management business of Northparkes mine and is responsible for the management of the daily operation of the Northparkes mines, while the joint venturers as joint controllers of Northparkes Joint Venture jointly control the operation of Northparkes mines and are entitle to and responsible for the assets and liabilities related to the relevant joint venture agreements of Northparkes mine according to their respective proportion. The joint venturers have agreed to protect the rights of individual joint venturers in the event of default by any other joint venture, so as to ensure the interest of all parties (including their respective shares of the production volume).

X. THE RISK RELEVANT FOR FINANCIAL INSTRUMENTS

Applicable Not Applicable

The Group's major financial instruments include monetary funds, financial assets held for trading, accounts receivable, notes receivable, other receivables, financial liabilities held for trading, accounts payable, bills payable, other payables, borrowing and bonds payables and etc. For details of all the financial instruments, please see Note (V). The risks associated with these financial instruments as well as risk management policies adopted by the Group to reduce the risks are as below. The Group's management to manage and monitor the risk exposure to ensure the above risks are controlled in a limited scope.

1. The goal and policy of risk management

The main business of the Group is mining. The Group only sells self-produced products. In the long run, natural hedge operating in various ways help safeguard and stable earnings and cash flow. Hedging can be made by the financial derivatives or other forms of syntheses not used for such purpose. The Group does not buy or issue derivative financial instruments for the purpose of trading or speculating; nor to conduct such trades or speculative holding through the investment in associates.

The goal of the Group engaged in risk management is to balance between risks and benefits, to keep the impact of risks on the Group at the lowest level, and to maximize the interests of shareholders and other investors of equity. Based on such risk management goal, the Group's basic strategy of risk management is to determine and analyze all kinds of risks faced by the industry, set up appropriate bottom line to management risk, timely supervise various risks in a reliable way, and control them in a limited range.

1.1 Market risk

1.1.1 Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to changes in exchange rate. This Group's foreign exchange risk is mainly associated with USD, HKD and AUD. The main business activities of domestic subsidiaries of the Group use RMB for quoting price and settling account. The subsidiaries in Australia of the Group mainly use USD/AUD for quoting price and settling account. As a result, the risk exposure of the Group due to exchange rate changes is not big. Foreign currency trading is investing and financing activities of domestic and Hong Kong subsidiaries using USD, EUR and JPY for quoting price and settling account and the AUD assets held by subsidiaries in Australia, which adopt USD as functioned currency.

On 30 June 2016, the assets and liabilities as described in the table below are balance of USD, HKD and AUD (already being converted into RMB). All the other assets and liabilities of the Group use recording currency for quoting price and settling account. The foreign exchange risk due to such assets and liabilities of foreign currency balance may impact the business performance of this Group.

RMB thousand

| Item | Closing Amount | Opening Amount |
|------------------------|--------------------|----------------|
| USD | | |
| Bank balances and cash | 125,314 | 1,399,946 |
| Short-term borrowings | (845,478) | (1,152,614) |
| Sub-total | (720,164) | 247,332 |
| HKD | | |
| Bank balances and cash | 437 | 441 |
| Short-term borrowings | - | (204,248) |
| Sub-total | 437 | (203,807) |
| AUD | | |
| Bank balances and cash | 30,779 | 10,537 |
| Sub-total | 30,779 | 10,537 |
| EUR | | |
| Bank balances and cash | - | 12 |
| Short-term borrowings | (51,394) | (312,189) |
| Long-term borrowings | (1,945,150) | (1,948,037) |
| Sub-total | (1,996,544) | (2,260,214) |
| CAD | | |
| Bank balances and cash | (10,210) | 138,579 |
| Sub-total | 10,210 | 138,579 |
| RMB | | |
| Bank balances and cash | 955,265 | 856 |
| Sub-total | 955,265 | 856 |
| Total | (1,720,017) | (2,066,717) |

This Group pays close attention to the influence of exchange rate changes on its foreign exchange. The Group now has not taken any measures to avoid foreign exchange risk.

The following table details the sensitivity of this Group to 10% of the change of foreign exchanges rate from functional currency of related group entities (including: RMB, USD and HKD) to other foreign currencies. Internal reports to senior management adopt such ratio of 10% which represents the estimation of the management on the possible changes of foreign exchange rate. The Group's foreign exchange risk sensitivity analysis on the report date is based on the changes occurred on the settlement date and throughout the whole reporting period. Positive refers to the pre-tax profit increase due to foreign currency appreciation of RMB against the USD, HKD and EUR bank loans. Negative refers to the pre-tax profit decrease due to foreign currency appreciation of RMB against the USD and HKD bank balances and cash. If the functional currency of our group depreciate when exchange these foreign currencies, it will have opposite impact on pre-tax profit.

RMB thousand

| Item | Exchange Rate Change | Amount for the Period | | Amount for the Prior Period | |
|---------------------------------------|--|-----------------------|--------------------------------|-----------------------------|--------------------------------|
| | | Impact on Profit | Impact on Shareholder's Equity | Impact on Profit | Impact on Shareholder's Equity |
| Entities which are denominated in RMB | | | | | |
| Pre-tax profit and equity | Depreciation of 10% of USD against RMB | 81,324 | 81,324 | (9,847) | (9,847) |
| | Depreciation of 10% of HKD against RMB | (2) | (2) | (2) | (2) |
| | Depreciation of 10% of EUR against RMB | - | - | 30,228 | 30,228 |
| Entities which are denominated in HKD | | | | | |
| Pre-tax profit and equity | Depreciation of 10% of USD against HKD | (9,308) | (9,308) | (44,853) | (44,853) |
| | Depreciation of 10% of RMB against HKD | (45,527) | (45,527) | - | - |
| Entities which are denominated in USD | | | | | |
| Pre-tax profit and equity | Depreciation of 10% of AUD against USD | (3,078) | (3,078) | (3,396) | (3,396) |
| | Depreciation of 10% of HKD against USD | (41) | (41) | (43,203) | (43,203) |
| | Depreciation of 10% of EUR against USD | 199,654 | 199,654 | 192,021 | 192,021 |
| | Depreciation of 10% of JPY against USD | - | - | (18) | (18) |
| | Depreciation of 10% of RMB against USD | 50,000 | 50,000 | 4 | 4 |
| | Depreciation of 10% of CAD against USD | (1,021) | (1,021) | - | - |

The management of the Group believes that closing foreign currency risk cannot reflect the annual foreign exchange risk. Sensitivity analysis cannot reflect inherent foreign currency risk.

1.1.2. Risk of interest rate

The Group's fair value interest rate risk of financial instruments relates primarily to fixed-rate bank borrowings. The Group currently does not have an interest rate hedging policy in accordance with the management consider the risk exposure related to fair value interest rate is low.

The Group the risks of financial instruments cash flow changes due to interest rate changes are mainly associated with the floating interest rate of bank loans. The Group pays close attention to the impact of interest rate changes to this Group's cash flow fluctuation risk.

Interest rate risk sensitivity analysis is based on the following assumptions:

- Market interest rate changes affect the interest income or expenses of financial instruments with a floating interest rate.
- Based on the market interest rates of balance sheet date, to calculate the fair value changes of derivatives and other financial assets and liabilities by discounted cash flow approach.

On the basis of the above assumption, in the case of other variables are constant, the pre-tax impact of the probable reasonable change of interest rates on profit and loss and equity is as follows:

RMB thousand

| Item | Change of Interest Rate | Amount for the Period | | Amount for the Prior Period | |
|-------------------|--|-----------------------|--------------------------------|-----------------------------|--------------------------------|
| | | Impact on Profit | Impact on Shareholder's Equity | Impact on Profit | Impact on Shareholder's Equity |
| Profit and equity | Increase 50 base points of interest rate | (13,116) | (13,116) | (8,023) | (8,023) |
| Profit and equity | Decrease 50 base points of interest rate | 13,116 | 13,116 | 8,023 | 8,023 |

1.1.3. Other price risk

The equity instrument investments held by the Group, including financial assets classified as available for- sale measured at fair value at each balance sheet date. As at the end of the reporting period, the equity instrument investments held by the Group mainly comprise listed securities and Wealth Management Plan, and the Groups therefore is exposed to the risk of the fluctuation of securities market price. If the equity instrument investments held by the Group increase or decrease by 5% while other variables remain the same, the interests of shareholders of the Group will increase or decrease by RMB52.135 million at the end of the year (excluding the impact of deferred income tax).

1.2. Credit risk

As at 30 June 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from:

- The carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks. The maximum exposure to risks would vary according to the future changes in fair value.
- Note 10.5. The financial guarantee contract amount was disclosed in "Related-party Guarantee".

The Group, trades only with recognised, creditworthy third parties. Total amount of top five entities with the largest balances of accounts receivable as at the end of the period takes 44.34% of the amount of total accounts receivable (as at the end of last year: 54.23%). Accounts receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit risk is controlled. Products are sold only to companies whose credit information is in an acceptable range. Credit limits have been set for most of the customers and they are monitored systematically. For overseas sales, letters of credit are in use generally.

In terms of the credit risk due to other financial assets (other receivables), because the other party has good credit standing, the Group's credit risk on its outstanding payment is limited. It's expected that the Group will not have any major losses due to failure to withdraw such actual advances.

With regard to group's available-for-sale financial asset, the Group has established an investment committee that is responsible for analysis of major investment and for advisory of the board. And the Group has a mechanism to authorise, examine and approve along the hierarchy. The Group has devised a relatively sophisticated investment management system to control the credit risks from group's invested financial assets.

The Group's liquidity is deposited in high credit rating bank, so the credit risk of the liquidity is low.

1.3. Liquidity risk

In the management of liquidity risk, the Group maintain and monitor the cash and cash equivalents deemed sufficient by the management so as to meet the operation requirements of the Group and reduce the impact of cash flow. The management of the Group monitors the usage of bank loans and compliance of loan covenant.

According to the term to maturity of non-discounted and remaining contract obligations, the financial liabilities held by the Group are analyzed as below:

RMB thousand

| 30 June 2016 | Within 1 Year | One to Two Years | Two to Five Years | Total |
|---|------------------|------------------|-------------------|-------------------|
| Borrowing | 4,367,419 | 364,716 | 2,823,580 | 7,555,715 |
| Financial liabilities at FVTPL | 1,636,359 | — | — | 1,636,359 |
| Bills payable | 830,000 | — | — | 830,000 |
| Accounts payable | 167,358 | — | — | 167,358 |
| Dividends payable | 450,066 | — | — | 450,066 |
| Other payables | 247,611 | — | — | 247,611 |
| Non-current liabilities due within one year | 10,000 | — | — | 10,000 |
| Other current liabilities | 1,039,056 | — | — | 1,039,056 |
| Bonds payable | 183,200 | 2,183,200 | 2,084,400 | 4,450,800 |
| Total | 8,931,068 | 2,547,916 | 4,907,980 | 16,386,964 |

RMB thousand

| 31 December 2015 | Within 1 Year | One to Two Years | Two to Five Years | Total |
|---|------------------|------------------|-------------------|-------------------|
| Borrowing | 5,488,380 | 366,776 | 1,672,897 | 7,528,053 |
| Financial liabilities at FVTPL | 1,505,911 | — | — | 1,505,911 |
| Bills payable | 782,730 | — | — | 782,730 |
| Accounts payable | 237,376 | — | — | 237,376 |
| Dividends payable | 27,886 | — | — | 27,886 |
| Other payables | 208,404 | — | — | 208,404 |
| Other non-current liabilities due within one year | 22,924 | — | — | 22,924 |
| Other current liabilities | 541,146 | — | — | 541,146 |
| Bonds payables | 98,800 | 98,800 | 2,098,800 | 2,296,400 |
| Total | 8,913,557 | 465,576 | 3,771,697 | 13,150,830 |

XI. DISCLOSURE OF FAIR VALUE

Applicable Not Applicable

1. The closing fair value of financial assets and liabilities measured at fair value

RMB thousand

| Item | Closing Fair Value | | | Total |
|---|---|--|---|---------------------|
| | Fair Value Measurement in the First Level | Fair Value Measurement in the Second Level | Fair Value Measurement in the Third Level | |
| I. Continuous fair value measurement | | | | |
| (I) Financial assets measured at fair value and change included in the profit and loss for the period | | | | |
| 1. Financial assets held for trading | | | | |
| (1) Debt Instrument investment | - | - | - | - |
| (2) Equity instrument investment | - | - | - | - |
| (3) derivative financial assets | - | - | - | - |
| 2. Financial assets measured at fair value and change included in the profit and loss for the period | | | | |
| (1) Debt Instrument investment | - | - | - | - |
| (2) Equity instrument investment | - | - | - | - |
| (II) Available-for-sale financial assets | | | | |
| (1) Debt Instrument investment | - | - | - | - |
| (2) Quity instrument investment | 126,136.50 | 916,570.30 | - | 1,042,706.80 |
| (3) Others | - | - | - | - |
| (III) investment real estate | | | | |
| 1. Land use rights for lease | - | - | - | - |
| 2. Buildings for lease | - | - | - | - |
| 3. Reserve for transfer after land increment | - | - | - | - |
| (IV) biological assets | | | | |
| 1. consumptive biological assets | - | - | - | - |
| 2. productive biological asset | - | - | - | - |
| The total assets measured continuously at fair value | 126,136.50 | 916,570.30 | - | 1,042,706.80 |
| (V) Financial assets held for trading | | | | |
| Including: Issued Trading securities | - | - | - | - |
| Derivative financial liability | - | -25,613.33 | - | -25,613.33 |
| Liabilities formed by Gold lease Measured In fair value | 1,661,972.34 | - | - | 1,661,972.34 |
| (VI) Financial liabilities measured at fair value and change included in the profit and loss for the period | | | | |
| The total liabilities measured continuously at fair value | 1,661,972.34 | -25,613.33 | - | 1,636,359.01 |
| II. Measured non-continuously at fair value | | | | |
| (I) sell waiting asset | - | - | - | - |
| The total assets measured non-continuously at fair value | - | - | - | - |
| The total liabilities measured non-continuously at fair value | - | - | - | - |

2 Determination basis of item market price measured at continuous and non-continuous first level fair value

The item measured at continuous first level fair value is assets related to equity instruments and liabilities related to gold leasing. The fair value is determined by reference to quoted price in active markets.

3 Determination basis of item market price measured at continuous and non-continuous second level fair value

The item measured at continuous second level fair value is assets held by forward foreign exchange contracts, assets held by asset management plan and gold lease liabilities which is measured on discounted cash flow. The main input value mainly includes foreign exchange quotation and Discount rate, observable quotation of Relevant portfolio the quoted price of similar items at Shanghai Gold Exchange.

4 Item measured at continuous fair value. The transfer between each levels, its reason and the policy at the transfer time

Item measured at continuous fair value. No transfer between each levels for the year. No appraisalment technology change for the year.

5 Financial assets and fair value of financial liabilities not measured at fair value

The Group's management has assessed monetary funds, Bills receivable, Accounts receivable, Interest receivable, Dividends receivable, other receivables, short-term borrowings, Bills payable, Accounts payable, receipts in advance, Dividends payable, Interest payable, other payables, and long-term borrowings due within 1 year and so on. Due to the short remaining term, the fair value is close to the carrying amount.

The Group does not adopt fair value for follow-up measurement of long-term financial assets and financial liabilities, including long-term borrowings and bonds payable. The Group's long-term debts interest rate of floating interest rate is related to market interest rates.

XII. RELATED PARTIES AND CONNECTED TRANSACTIONS

1. Information on the parent company of the Company

Unit: RMB0'000

| Name of Parent Company | Registration Place | Nature of Business | Registered Capital: | Percentage of Shareholding of Parent Company (%) | Percentage of Voting Right of Parent Company to the Company (%) |
|----------------------------|--------------------|--------------------------|---------------------|--|---|
| Cathay Fortune Corporation | Shanghai | Management of investment | 18,181.82 | 31.58 | 31.58 |

Details of parent company of the Group

On 12 January, 2014, the Company received the Letter of Notification of the Change in the Controlling Right of China Molybdenum Co., Ltd. (《關於洛陽樂川鋁業集團股份有限公司控制權變更的通知函》) from its shareholders, Cathay Fortune Corporation ("CFC") and Luoyang Mining Group Co., Ltd. ("LMG"), respectively. Upon completion of the increase in shareholding of H shares of the Company by Cathy Fortune Investment in the secondary market, its wholly-owned subsidiary in Hong Kong, CFC and its parties acting in concert hold 1,827,706,322 shares of the Company in aggregate, representing approximately 36.01% of the total share capital of the Company. Such shareholding exceeded that of LMG which holds 1,776,594,475 shares of the Company, representing approximately 35.01% of the total share capital of the Company. Hence, CFC becomes the largest shareholder of the Company. CFC and LMG, being shareholders of the Company, communicated with each other in respect of the change in the controlling right of the Company. LMG confirmed that it no longer has a controlling right of the Company and has no intention to increase its shareholding of the Company. Hence, the de facto controller of the Company had changed into CFC.

As of 30 June 2016, Cathay Fortune Corporation has hold interests of shareholding is 5,333,220,000.00, 31.58% share capital of the Company.

The de facto controller of the Company is CFC.

2. Information on the Subsidiary Company of the Company

Detail Information on the Subsidiary Company of the Company, please see Note (XI), 1.

3. Information on Joint Venture of the Company

For details of the joint ventures and associates, please see Note (IX), 2.

The information on other joint ventures or associates which have connected transactions with the Group in the current period or the previous period and with balance is as follows:

Applicable Not Applicable

| Names of Joint Ventures or Associates | Relationships with the Company |
|---------------------------------------|--------------------------------|
| High-Tech | Joint venture |
| Fuchuan Mining | Joint venture |
| Yulu Mining | Associated venture |

4. Information on other related parties

Applicable Not Applicable

| Name of Other Related Companies | Relationship between Other Related Parties and the Company |
|---------------------------------|--|
| LMC | Shareholder |

5 Related party transactions

(1) *Related parties' transaction of selling and purchasing commodities and providing and receiving labor services*

Applicable Not Applicable

List of commodities sold/services provided:

Unit: Yuan Currency: RMB

| Related Parties | Content of Connected Transactions | Amount for the Period | Amount for the Prior Period |
|-----------------|-----------------------------------|-----------------------|-----------------------------|
| High-Tech | Product sales | – | 8,260,683.78 |

(2) *Details of connected trust management/subcontract and trust management/outsourcing*

Applicable Not Applicable

(3) *Details of leasing of the related party*

Applicable Not Applicable

(4) *Details of guarantees of the related party*

Applicable Not Applicable

(5) *Details of Loans and borrowings of the related party*

Applicable Not Applicable

(6) *Details of asset transfers and debt restructuring of the related party*

Applicable Not Applicable

(7) *Compensation for key management personnel*

Applicable Not Applicable

Unit: 0,000 Yuan RMB

| Project Name | Amount for the Period | Amount for the Prior Period |
|---|------------------------------|-----------------------------|
| Compensation for key management personnel | 107.6 | 166.5 |

6 Accounts due from and to related parties

Applicable Not Applicable

(1) *Receivable Item*

Unit: Yuan Currency: RMB

| Item | Related party | Closing balance | | Opening balance | |
|---------------------|----------------------|------------------------|---------------------------|------------------------|---------------------------|
| | | Book Balance | Bad Debt Provision | Book Balance | Bad Debt Provision |
| Accounts receivable | High-Tech | 326,726.11 | – | – | – |
| Accounts receivable | Fuchuan | 26,568.00 | – | – | – |
| Other receivable | High-Tech | – | – | 45,000,000.00 | – |
| Other receivable | Fuchuan | 63,000.00 | – | – | – |
| Advance payments | Fuchuan | 1,360,060.60 | – | 1,360,060.60 | – |

(2) *Payments Item*

Unit: Yuan Currency: RMB

| Item | Related party | Closing book balance | Opening book balance |
|----------------|----------------------|-----------------------------|-----------------------------|
| Other payables | Fuchuan | 11,109,644.21 | 1,175,776.21 |

XIII. UNDERTAKINGS AND CONTINGENCIES COMMITMENTS

1. Significant commitments

Applicable Not Applicable

Significant external commitments and the nature and amount thereof as at the balance sheet date

(1) Capital commitments

| | Closing Amount | Opening Amount |
|---|----------------|----------------|
| <i>RMB thousand</i> | | |
| Contracted but not recognised in the financial statements: | | |
| – Commitment for acquisition and construction of long-term assets | 177,871 | 154,384 |
| – Commitment for external investment | 532,474 | 548,797 |
| Total | 710,345 | 703,181 |

As of June 30 2016, the Group has no other commitments that should be disclosed.

(2) Operating lease commitments

As of the balance sheet date, the information on irrevocable operating lease contracts that have been signed is as follows:

| | Closing Amount | Opening Amount |
|--|----------------|----------------|
| <i>RMB thousand</i> | | |
| Minimum lease payment under the irrevocable operating lease: | | |
| The first year after the balance sheet date | 8,715 | 15,742 |
| The second year after the balance sheet date | 17,160 | 17,150 |
| The third year after the balance sheet date | 17,160 | 17,150 |
| The fourth year after the balance sheet date | 15,752 | 15,742 |
| Subsequent years | 36,707 | 32,611 |
| Total | 95,495 | 98,395 |

2. Contingency

Applicable Not Applicable

(1) Important Contingency in balance sheet existing date

① Pending Litigation

The Company received relevant documents from Luoyang Intermediate People's Court of Henan Province on 30 January 2013, about West Yangshuao Lead Mine of Luanchuan County (樂川縣楊樹凹西鉛礦) ("Yangshuao") sued that tailings pond constructed by the third ore dressing company, a subsidiary company of our Company in its ore district. Due to the increasing height of dam of the tailing pond, intrusion of tailing pond and increasing groundwater level, the mining equipment was destroyed and the mining project was dumped, making it impossible to exploit the discovered lead and zinc ore body, causing pecuniary loss of the plaintiff. Thus the plaintiff required the third ore dressing company to stop infringement and indemnify for the direct economic losses of about RMB18 million and related interests of losses.

According to the results of judicial authentication, the appraised value of the mining right in the litigation in respect of Yangshuao amounted to RMB1.724 million.

Trial of the case took place in December 2015 and judgment was handed down without final judgment. According to the current situation and evidence, the infringement claim was difficult to be supported by the court; meanwhile, the Company had appealed against the judgement that Yang Shuao stopped to infringe in the field of the Company's land use right. Trial of the case has been judged "Luomin Four, No. 21 (2012)" and been received on 21 March 2016. The Company was not satisfied with the judgement and will appeal in the stationary period. The Company considered that the litigation currently does not have a 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 interim financial statements.

② Guarantee

The NPM 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 AUD0.02866 million (equivalent to RMB141.73 million) as of 30 June 2016. The owners of the joint venture agreed to assume the relevant responsibilities should the guarantees be called upon as a result of the operation of the business. As of 30 June 2016, no significant obligations were incurred on the guarantees.

XIV. EVENTS AFTER BALANCE SHEET DATE

1. Important Non-adjusted events

Applicable Not Applicable

2. Dividend declaration

Applicable Not Applicable

3. Rebates

Applicable Not Applicable

4. Details of other events after balance sheet date

Applicable Not Applicable

XV. OTHER SIGNIFICANT EVENTS

1. Corrections of prior period errors

Applicable Not Applicable

2. Debt restructuring

Applicable Not Applicable

3. Asset replacement

Applicable Not Applicable

4. Pension Plan

Applicable Not Applicable

5. Discontinued operations

Applicable Not Applicable

6. Segment Information

Applicable Not Applicable

(1) Determination basis and accounting policies for Segment Reporting

Management divided the Group's business into three operating segments, namely molybdenum and tungsten related products, copper and gold-related products and others on the basis of the Group's internal organization structure, management requirements and internal reporting system. The Group's management evaluates the operating results of these segments regularly, in order to determine the allocation of resources and assess their performance.

These reporting segments are determined on the basis of internal management and reporting system. Information of segment reporting are disclosed according to segment accounting policies and measurement standards, the measurement basis of which are consistent with the accounting and measurement basis of financial statements.

(2) *Financial information of reporting segments*

2016/1/1–2016/6/30

RMB thousand

| Item | Molybdenum and Tungsten Related Products | Gold and Silver Related Products (Australia) | Others | Undistributed Projects | Inter- segment eliminations | Total |
|--|--|---|----------------|---------------------------|-----------------------------------|------------------|
| Operating revenue | | | | | | |
| External revenue | 1,421,025 | 702,334 | 136,493 | – | – | 2,259,852 |
| Inter-segment revenue | – | – | – | – | – | – |
| Total segment operating revenue | 1,421,025 | 702,334 | 136,493 | – | – | 2,259,852 |
| Total operating revenue in the statements | 1,421,025 | 702,334 | 136,493 | – | – | 2,259,852 |
| Operating Costs | 807,502 | 512,735 | 87,709 | – | – | 1,407,946 |
| Business tax and surcharges | – | – | – | 85,415 | – | 85,415 |
| Selling expenses | – | 28,288 | – | 9,057 | – | 37,345 |
| Administrative expenses | – | 23,388 | – | 157,837 | – | 181,225 |
| Financial cost | – | 47,530 | – | 41,468 | – | 88,998 |
| Assets impairment loss | – | – | – | 21,533 | – | 21,533 |
| Plus: Gains (losses) from changes in fair value | – | – | – | 34,983 | – | 34,983 |
| Investment income | – | – | – | 139,481 | – | 139,481 |
| Segment operating profit | 613,523 | 90,393 | 48,784 | -140,846 | – | 611,854 |
| Operating profit in financial statements | 613,523 | 90,393 | 48,784 | -140,846 | – | 611,854 |
| Plus: Non-operating income | – | – | – | 3,540 | – | 3,540 |
| Less: Non-operating expenses | – | – | – | 19,932 | – | 19,932 |
| Total profit | 613,523 | 90,393 | 48,784 | -157,238 | – | 595,462 |
| Less: Income tax expense | – | 31,841 | – | 62,059 | – | 93,900 |
| Net Profit | 613,523 | 58,552 | 48,784 | -219,297 | – | 501,562 |

2015/1/1–2015/6/30

RMB thousand

| Item | Molybdenum and Tungsten Related Products | Gold and Silver Related Products (Australia) | Others | Undistributed Projects | Inter- segment eliminations | Total |
|--|--|---|----------------|---------------------------|-----------------------------------|------------------|
| Operating revenue | | | | | | |
| External revenue | 1,270,172 | 816,328 | 182,757 | – | – | 2,269,257 |
| Inter-segment revenue | – | – | – | – | – | – |
| Total segment operating revenue | 1,270,172 | 816,328 | 182,757 | – | – | 2,269,257 |
| Total operating revenue in the statements | 1,270,172 | 816,328 | 182,757 | – | – | 2,269,257 |
| Operating Costs | 727,559 | 485,340 | 116,056 | – | – | 1,328,955 |
| Business tax and surcharges | – | – | – | 123,800 | – | 123,800 |
| Selling expenses | – | 33,616 | – | 9,769 | – | 43,385 |
| Administrative expenses | – | 2,122 | – | 150,643 | – | 152,765 |
| Financial cost | – | 43,081 | – | 118,167 | – | 161,248 |
| Assets impairment loss | – | – | – | 167,418 | – | 167,418 |
| Add: Gains (losses) from changes in fair value | – | – | – | 39,243 | – | 39,243 |
| Investment income | – | – | – | 101,845 | – | 101,845 |
| Segment operating profit | 542,613 | 252,169 | 66,701 | -428,709 | – | 432,774 |
| Operating profit in financial statements | 542,613 | 252,169 | 66,701 | -428,709 | – | 432,774 |
| Add: Non-operating income | – | – | – | 16,446 | – | 16,446 |
| Less: Non-operating expense | – | – | – | 57,766 | – | 57,766 |
| Total profit | 542,613 | 252,169 | 66,701 | -470,029 | – | 391,454 |
| Less: Income tax expense | – | 6,134 | – | -52,176 | – | -46,042 |
| Net Profit | 542,613 | 246,035 | 66,701 | -417,853 | – | 437,496 |

(3) *Other specification:*

1. The Group mainly operates in China and Australia, sales to clients based in China and other countries. The Group's geographical information on revenue was determined by the destination to where products are delivered.

RMB thousand

| | Amount recognised for the Period | Amount recognised for the Prior Period |
|----------------|---|---|
| Revenue | | |
| China | 1,675,250 | 1,585,415 |
| Japan | 330,931 | 485,555 |
| U.K. | 9,313 | – |
| Korea | 176,677 | 77,855 |
| Others | 67,681 | 120,432 |
| Total | 2,259,852 | 2,269,257 |

2. External revenue by geographical area of source and non-current assets by geographical location.

RMB thousand

| Item | Amount recognised for the Period | Amount recognised for the Prior Period |
|---------------------------------|---|---|
| External revenue from China | 1,557,518 | 1,438,106 |
| External revenue from Australia | 702,334 | 831,151 |
| Sub-total | 2,259,852 | 2,269,257 |

RMB thousand

| Item | Closing Amount | Opening Amount |
|---|-----------------------|-----------------------|
| Non-current assets located in China | 7,577,221 | 7,523,268 |
| Non-current assets located in Australia | 4,836,391 | 4,839,399 |
| Sub-total | 12,413,612 | 12,362,667 |

Note: Deferred income tax assets and financial assets are excluded in non-current assets.

3. Scale of dependency on major clients

There is no revenue from a single external customer who accounts for 10% or more of the total revenue.

XVI. NOTES TO MAJOR ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY

1. Accounts receivable

(1) Disclosure of accounts receivable by types:

Unit: RMB0'000

| Category | Closing balance | | | | | Opening balance | | | | |
|---|-------------------------------------|----------------|---------------------|----------------|----------------------|-----------------------|----------------|---------------------|----------------|-----------------------|
| | Bad Debt Provision for Book Balance | | Bad Debt Provision | | Book value | Book Balance | | Bad Debt Provision | | Book value |
| | Amount | Proportion (%) | Amount | Proportion (%) | | Amount | Proportion (%) | Amount | Proportion (%) | |
| Accounts receivable that are individually significant | 19,650,429.24 | 43.85 | 4,439,624.93 | 22.59 | 15,210,804.31 | 672,357,461.90 | 95.4 | 4,229,626.57 | 0.63 | 668,127,835.33 |
| Bad debt provision for accounts receivable by combination with credit risk characters | 25,163,065.96 | 56.15 | 3,562,634.19 | 14.16 | 21,600,431.77 | 32,398,805.29 | 4.6 | 3,562,634.19 | 11.00 | 28,836,171.10 |
| Total | 44,813,495.20 | / | 8,002,259.12 | / | 36,811,236.08 | 704,756,267.19 | / | 7,792,260.76 | / | 696,964,006.43 |

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

(2) Details of Provision for the current period and withdrawn or reversed bad debt reserve:

Bad debt reserve for the current period amounts to RMB209,998.36 and the withdrawn or reversed bad debt reserve totals RMB0.

(3) Accounts receivable collected with a closing balance ranking top five based on defaulters

| Name of Unit | Relationships with the Company | Amount | As a Percentage of Total Amount of Prepayments (%) | Closing balance of bad debt Reserve |
|--------------|--------------------------------|----------------------|--|-------------------------------------|
| Unit Q | entity | 10,981,177.75 | 24.50 | – |
| Unit A | entity | 8,669,251.49 | 19.35 | 4,439,624.93 |
| Unit H | entity | 4,852,944.73 | 10.83 | – |
| Unit R | entity | 2,643,641.05 | 5.90 | – |
| Unit S | entity | 1,398,257.75 | 3.12 | – |
| Total | – | 28,545,272.77 | 63.70 | 4,439,624.93 |

2. Other receivables

(1) Other receivables disclosed by type

Unit: Yuan Currency: RMB

| Category | Closing balance | | | | | Opening balance | | | | |
|---|-------------------------------------|----------------|----------------------|----------------|-------------------------|-------------------------|----------------|----------------------|----------------|-------------------------|
| | Bad Debt Provision for Book Balance | | Bad Debt Provision | | Book value | Book Balance | | Bad Debt Provision | | Book value |
| | Amount | Proportion (%) | Amount | Proportion (%) | | Amount | Proportion (%) | Amount | Proportion (%) | |
| Accounts receivable that are individually significant | 6,346,943,257.25 | 99.68 | - | - | 6,346,943,257.25 | 2,983,584,202.08 | 99.07 | - | - | 2,983,584,202.08 |
| Bad debt provision for accounts receivable by combination with credit risk characters | 20,352,731.98 | 0.32 | 12,972,785.62 | 63.74 | 7,379,946.36 | 27,871,140.89 | 0.93 | 13,004,044.42 | 46.66 | 14,867,096.47 |
| Total | 6,367,295,989.23 | / | 12,972,785.62 | / | 6,354,323,203.61 | 3,011,455,342.97 | / | 13,004,044.42 | / | 2,998,451,298.55 |

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

(2) Details of Provision for the current period and withdrawn or reversed bad debt reserve:

Bad debt reserve for the current period amounts to RMB0 and the withdrawn or reversed bad debt reserve totals RMB31,258.80.

3. Long-term equity investments

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Closing balance | | | Opening balance | | |
|---|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| | Book Balance | Provision for Impairment | Book value | Book Balance | Provision for Impairment | Book value |
| Investment in subsidiaries | 3,595,032,065.82 | - | 3,595,032,065.82 | 3,575,032,065.82 | - | 3,575,032,065.82 |
| investment in associate, joint enterprise | 960,214,231.49 | - | 960,214,231.49 | 994,862,171.79 | - | 994,862,171.79 |
| Total | 4,555,246,297.31 | - | 4,555,246,297.31 | 4,569,894,237.61 | - | 4,569,894,237.61 |

(1) *Investment in subsidiaries*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Investee entity | Opening balance | Increase for the Period | Decrease for the Period | Closing balance | Closing balance | |
|----------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| | | | | | Provision for the period | Provision for the period |
| Refining | 5,638,250.27 | - | - | 5,638,250.27 | - | - |
| Dachuan | 17,500,000.00 | - | - | 17,500,000.00 | - | - |
| Xiao Shou Mao Yi | 2,000,000.00 | - | - | 2,000,000.00 | - | - |
| Dadongpo | 33,483,749.86 | - | - | 33,483,749.86 | - | - |
| Jiuyang | 17,028,900.00 | - | - | 17,028,900.00 | - | - |
| Sangjiang | 33,397,038.41 | - | - | 33,397,038.41 | - | - |
| International Hotel | 210,000,000.00 | - | - | 210,000,000.00 | - | - |
| Tungsten | 100,000,000.00 | - | - | 100,000,000.00 | - | - |
| Hong Kong Company | 0.96 | - | - | 0.96 | - | - |
| Metal material | 650,000,000.00 | - | - | 650,000,000.00 | - | - |
| Furun | 8,803,190.84 | - | - | 8,803,190.84 | - | - |
| Xinjiang Luomu | 980,000,000.00 | - | - | 980,000,000.00 | - | - |
| Huqi | 9,900,000.00 | - | - | 9,900,000.00 | - | - |
| Fu Kai | 261,520,000.00 | - | - | 261,520,000.00 | - | - |
| Sales Company | 50,000,000.00 | - | - | 50,000,000.00 | - | - |
| Qi Xing | 46,963,636.00 | - | - | 46,963,636.00 | - | - |
| Hong Kong CMOC (Note 1) | 638,797,299.48 | - | - | 638,797,299.48 | - | - |
| Schmocker | 500,000,000.00 | - | - | 500,000,000.00 | - | - |
| Beijing Yongbo | 10,000,000.00 | 20,000,000.00 | - | 30,000,000.00 | - | - |
| Total | 3,575,032,065.82 | 20,000,000.00 | - | 3,595,032,065.82 | - | - |

Note 1: RMB63,000,000.00 (31 December 2015: RMB63,000,000.00) is the fair value in relation to the financial guarantee provided by the Company for a long term bank loan amounting to US\$159.5 million (31 December 2015: US\$199.5 million) of CMOC Mining Pty Limited, a wholly-owned subsidiary of Hong Kong CMOC which held 100%, of its interests.

(2) *Investment in Associates and joint enterprises*

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Investee entity | Opening balance | Additional investment | Decreased investment | Investment Income determined under Equity method | Changes increase(decrease) | | | Declared cash dividends Profits | Provision for impairment losses | Others | Closing balance | Closing balance Provision for impairment losses |
|---|-----------------|-----------------------|----------------------|--|--|---------------------------|---------------|---------------------------------|---------------------------------|--------|-----------------|---|
| | | | | | Adjustment To other comprehensive income | Other Changes in equities | | | | | | |
| I. Joint ventures | | | | | | | | | | | | |
| Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. ("High-Tech") | 101,886,824.95 | 531,163.62 | - | -6,847,832.92 | - | - | - | - | - | - | 95,570,155.65 | - |
| Xuzhou Huanan Molybdenum Co., Ltd. ("Huan Yu") | 816,065,487.90 | - | - | -18,376,673.37 | - | - | - | - | - | - | 797,688,814.53 | - |
| Sub-total | 917,952,312.85 | 531,163.62 | - | -25,224,506.29 | - | - | - | - | - | - | 893,258,970.18 | - |
| II. Associates | | | | | | | | | | | | |
| Luoyang Yulu Mining Co., Ltd. ("Yulu Mining") | 76,909,858.94 | - | - | 34,145,402.37 | - | - | 44,100,000.00 | - | - | - | 66,955,261.31 | - |
| Caly Nanomoly Development, Inc. ("Nanomoly Development") | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total | 76,909,858.94 | - | - | 34,145,402.37 | - | - | 44,100,000.00 | - | - | - | 66,955,261.31 | - |
| Total | 994,862,171.79 | 531,163.62 | - | 8,920,896.08 | - | - | 44,100,000.00 | - | - | - | 960,214,231.49 | - |

4. Operating Revenue and Operating Cost

Unit: Yuan Currency: RMB

| Item | Amount recognized in the Period | | Amount recognized in the Prior Period | |
|---------------------|---------------------------------|----------------|---------------------------------------|----------------|
| | Revenue | Cost | Revenue | Cost |
| Principal operating | 1,126,380,964.43 | 536,946,826.11 | 1,124,134,775.59 | 499,231,965.12 |
| Other operating | 24,101,233.66 | 24,906,959.48 | 24,537,838.38 | 24,499,748.90 |
| Total | 1,150,482,198.09 | 561,853,785.59 | 1,148,672,613.97 | 523,731,714.02 |

5. Investment income

Applicable Not Applicable

Unit: Yuan Currency: RMB

| Item | Amount recognised in the Period | Amount recognised in the Prior Period |
|--|---------------------------------|---------------------------------------|
| Income from long-term equity investments under equity method | 8,920,896.08 | 30,364,762.16 |
| Dividends income from investee entity under cost method | - | 103,824,027.68 |
| Investment income from bonds and wealth management products of banks | 62,155,232.72 | 82,731,219.58 |
| Investment loss from disposal of held for trading financial assets | -15,505,707.94 | -5,530,860.00 |
| Total | 55,570,420.86 | 211,389,149.42 |

XVII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss in the period

Unit: Yuan Currency: RMB

| Item | Amount |
|---|-----------------------|
| Profit or loss from disposal of non-current assets | -119,780.21 |
| Tax rebate or reduction approved by incompetent authorities, without official approval documents or on an occasional basis | - |
| Government subsidy included in current profits and losses(excluding government grants which are closely related to the Company's business and conform with the national standard amount or quantity) | 3,194,697.21 |
| Capital occupation fee received from non-financial institutions and recognised in profit or loss for the period | - |
| Income representing the excess of the entity's investment cost in acquiring subsidiaries, associates and jointly controlled entities over the entity's share in the net identifiable assets of the investees | - |
| Profit or loss from exchange of non-monetary assets | - |
| Profit or loss from entrusted investments or assets management | - |
| Provision for impairment on assets due to force-majeure factors such as natural disaster | - |
| Profit or loss from debt restructuring | - |
| Entity restructuring costs such as staff costs, restructuring expenses, etc | - |
| Profit or loss arising from the excess of transacted amounts of non-arm's length transaction over the fair value of arm's length transaction | - |
| Net profit or loss from subsidiaries acquired from business combinations involving entities under common control | - |
| Profit or loss arising from contingencies not related to the principal operations of the entity | - |
| Fair value change from held-fortrading financial assets and financial liabilities and investment income from disposal of held-for-trading financial assets and financial liabilities and available-for-sale financial assets, except for effective hedging business related to the entity's normal operations | 170,509,958.74 |
| Reversal of impairment provision on receivables of which the impairment assessment was done on an individual basis | - |
| Profit or loss from entrusted loans | - |
| Profit or loss arising from changes in fair value of investment properties using fair value model for subsequent measurement | - |
| One-time adjustment to current period's profit or loss according to tax and accounting laws and regulations | - |
| Entrusted fee income obtained from entrusted operations | - |
| Other non-operating income and expenses other than the above items | -19,466,798.33 |
| Other profit or loss items that fall into the definition of non-recurring profit or loss | - |
| Income tax | -9,750,615.44 |
| Minority interests | 6,571.26 |
| Total | 144,374,033.23 |

2. Return on Net asset and earnings per share ("EPS")

| Profit during the reporting period | The Weighted Average Rate of Return on net assets (%) | EPS | |
|--|---|-----------|-------------|
| | | Basic EPS | Diluted EPS |
| Net profit attributable to ordinary shareholders | 2.92% | 0.0303 | N/A |
| Net profit excluded non-recurring profit or loss attributable to ordinary shareholders | 2.10% | 0.0218 | N/A |

3. Differences between Accounting Data under Domestic and Overseas Accounting Standards

Applicable Not Applicable

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Li Chaochun (*Chairman*)
Li Faben

Non-Executive Directors

Ma Hui (*Vice Chairman*)
Yuan Honglin
Cheng Yunlei

Independent Non-Executive Directors

Bai Yanchun
Cheng Gordon
Xu Shan

SUPERVISORS

Kou Youmin (*Chairperson of the supervisory committee*)
Zhang Zhenhao
Wang Zhengyan

BOARD COMMITTEES

Remuneration Committee

Bai Yanchun (*Chairman*)
Cheng Gordon
Yuan Honglin

Audit Committee

Xu Shan (*Chairman*)
Cheng Gordon
Yuan Honglin

Strategic Committee

Li Chaochun (*Chairman*)
Li Faben
Bai Yanchun
Yuan Honglin

Nomination Committee

Bai Yanchun (*Chairman*)
Li Chaochun (*Vice Chairman*)
Xu Shan
Cheng Gordon

BOARD SECRETARY

Li Chaochun⁽¹⁾

REGISTERED OFFICE IN THE PRC

North of Yihe, Huamei Shan Road
Chengdong New District, Luanchuan County
Luoyang City, Henan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

North of Yihe, Huamei Shan Road
Chengdong New District, Luanchuan County
Luoyang City, Henan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

LEGAL REPRESENTATIVE

Li Chaochun

Note:

- (1) Mr. Zhang Xinhui resigned as the Board secretary and joint company secretary with effect from 11 April 2016. Mr. Li Chaochun, the Chairman of the Board, serves as the Board secretary until the appointment of the new Board secretary (please refer to the relevant announcement of the Company dated 11 April 2016 for details).

AUTHORIZED REPRESENTATIVES

Li Chaochun
Ho Siu Pik

COMPANY SECRETARY

Ho Siu Pik (FCS, FCIS)

ENQUIRY DEPARTMENT OF THE COMPANY

Office of the Board of Directors

INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY

(+86) 379 6865 8017

SHANGHAI A SHARE REGISTRAR

China Securities Depository and Clearing Company Limited,
Shanghai Branch
36/F, China Insurance Building
No. 166 Lujiazui Road East
Pudong New Area
Shanghai, the PRC

HONG KONG H SHARE REGISTRAR

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

PLACES OF LISTING

Place of listing of A share – The Shanghai Stock Exchange
Place of listing of H share – The Stock Exchange of
Hong Kong Limited

NAME OF THE STOCK

China Molybdenum Co., Ltd. (CMOC)

STOCK CODE

Stock code of A share: 603993 (Listed on 9 October 2012)
Stock code of H share: 03993 (Listed on 26 April 2007)

PRINCIPAL BANKERS

1. Industrial and Commercial Bank of China Limited
2. Agricultural Bank of China Limited
3. China Construction Bank Corporation
4. Bank of China Limited
5. China Minsheng Banking Corp., Ltd.
6. China CITIC Bank Corporation Limited
7. China Development Bank Corporation
8. Ping An Bank Co., Ltd.

AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP
(Special General Partnership)

LEGAL ADVISORS

As to Hong Kong law:

YTL & CO.

Units F&G, 12/F, Golden Sun Centre
59-67 Bonham Strand West
Hong Kong

As to PRC law:

Llinks Law Offices

19/F, One Lujiazui
68 Yin Cheng Road Middle
Shanghai
PRC

WEBSITE

www.chinamoly.com

DEFINITIONS

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| “CMOC” or the “Company” | 洛陽樂川鉬業集團股份有限公司 (China Molybdenum Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE and the Hong Kong Stock Exchange, respectively |
| “CFC” | Cathay Fortune Corporation, a controlling shareholder of the Company |
| “Cathay Hong Kong” | Cathay Fortune Investment Limited, a wholly-owned subsidiary of the CFC |
| “LMG” | Luoyang Mining Group Co., Ltd., the second largest controlling shareholder of the Company |
| “Guohong Group” | Luoyang Guohong Investment Group Co., Ltd., holding 100% equity interests of LMG, a related party of the Company |
| “Sales company” | Luomu Group Sales Co., Ltd., a wholly-owned subsidiary of the Company |
| “Yongning” | Luoyang Yongning Gold & Lead Refining Co., Ltd. |
| “Dadongpo Company” | Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd., a controlling subsidiary of the Company |
| “Xinjiang Luomu” | Xinjiang Luomu Mining Co., Ltd., a controlling subsidiary of the Company |
| “Huqi” | Luanchuan Huqi Mining Company Limited*, a wholly-owned subsidiary of the Company |
| “Huanyu” | Xuzhou Huanyu Molybdenum Co., Ltd., a joint venture of the Company |
| “Fuchuan Mining” | Luoyang Fuchuan Mining Co., Ltd., a controlling subsidiary of Xuzhou Huanyu |
| “Hong Kong CMOC” | CMOC Limited (洛陽鉬業控股有限公司), a wholly-owned subsidiary of the Company registered in Hong Kong |
| “High-Tech” | Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd., a joint venture of the Company |
| “Yulu Mining” | Luoyang Yulu Mining Co., Ltd., a non wholly-owned subsidiary of the Company |
| “Sandaozhuang Mine”, “Sandaozhuang Molybdenum Mine” | a large molybdenum-tungsten mine located in Lengshui Town, Luanchuan County, Henan Province, the mine where the Company is carrying out major mining work at present |
| “Shangfanggou Mine” | a large molybdenum mine located in Lengshui Town, Luanchuan County, Henan Province, which is owned by Fuchuan Mining, a controlling subsidiary of Xuzhou Huanyu which is a joint venture of the Company |
| “Xinjiang Mine” | a large molybdenum mine located in East Gobi, Hami, Xinjiang, which is owned by Xinjiang Luomu, a controlling subsidiary of the Company |
| “NPM” or “NPM copper-gold mine” | copper-gold mine in Northparkes, situated at northwest of the town of Parkes in New South Wales, Australia, 80% equity of which was held by CMOC MINING PTY LIMITED as the manager, a wholly-owned subsidiary of the Company registered in Australia |
| “Schmocker” | Schmocker (Shanghai) International Trading Co., Ltd. (施莫克 (上海) 國際貿易有限公司), a wholly-owned subsidiary of the Company |
| “SSE” | the Shanghai Stock Exchange |

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| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Hong Kong Listing Rules" | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "PRC" or "China" | the People's Republic of China, which for the purpose of this report only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "CSRC" | the China Securities Regulatory Commission |
| "H Share(s)" | Ordinary shares that are issued to foreign investors with the approval of the CSRC and listed on the Stock Exchange, and denominated in RMB, and subscribed and transacted in Hong Kong dollar |
| "A Share(s)" | Ordinary shares that are issued to domestic investors and qualified foreign investors with the approval of the CSRC and listed on the SSE, and denominated, subscribed and transacted in RMB |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "USD" | United States dollars, the lawful currency of the United States of America |
| "AUD" | Australian dollars, the lawful currency of the Commonwealth of Australia |
| "Open-pit" or "Open-pit Mining" | a method of surface mining, by which useful minerals could be exploited from the open pit |
| "Pound" | Imperial unit of weight; 1 pound approximately equals to 453.592g |
| "Ounce" | the unit of measurement specially used in the trading of gold and other precious metal commodity |
| "MB" | Metal Bulletin, a newspaper based in Britain |
| "MW" | Metals Weekly, a magazine based in the United States |
| "APT" | ammonium paratungstate |



洛陽樂川鉬業集團股份有限公司
China Molybdenum Co., Ltd.*