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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 People's Republic of China with limited liability)

(Stock Code: 03993)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTERIM RESULTS

The board of directors (the “**Board**”) of China Molybdenum Co., Ltd.* (the “**Company**”) is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2017. This announcement contains the full text of the interim report of the Group for the six months ended 30 June 2017 and the contents were prepared in accordance with the relevant disclosure requirements pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The unaudited consolidated financial results of the Group have been reviewed by the audit committee of the Company. This results announcement is also published on the websites of the Company (www.chinamoly.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2017 will be despatched to shareholders and will also be available at the abovementioned websites in due course.

SUMMARY OF 2017 INTERIM REPORT

- Operating revenue amounted to RMB11,655 million, an increase of 415.74% year on year; operating profit amounted to RMB2,114 million, an increase of 245.49% year on year; net profit after deduction of non-recurring profits or losses attributable to owners of the parent company amounted to RMB1,159 million, an increase of 215.38% year on year; net cash flow from operating activities amounted to RMB3,481 million, an increase of 551% year on year; earnings per share were RMB0.05, and the net cash flow per share from operating activities amounted to RMB0.21. These increases were mainly attributable to profit contributions upon the completion of international mergers and acquisitions (“M&A”) projects and higher selling prices of products in various business sectors;
- The Company secured an exclusive option to buy 24% non-controlling interests in the DRC Copper/ Cobalt Mine, which will enhance the results of international M&A and raise its voice, control and profitability;
- International M&A projects went through transition smoothly with improving production towards better efficiency and operation, as such, a comprehensive business management and control system was established preliminarily and put into effective operation;
- A non-public issuance of A Shares was completed successfully with 2.15 times of oversubscription, raising RMB18 billion. Both asset-liability structure and equity structure of the Company were optimized, laying a foundation for facilitating the overseas development strategy;
- The competitive cost structure was further strengthened and efforts were made to facilitate technological innovation and management improvement;

Progress of domestic projects for comprehensive utilization of resources: 2,172 tonnes of copper concentrate by-product were recycled, generating a revenue of RMB9.69 million; 27 kilograms of rhenium by-product were recovered, generating a revenue of RMB0.78 million; and 275 tonnes of ammonium molybdate were recovered from secondary treatment during tungsten processing, generating a revenue of RMB16.95 million. Recovery of the by-products of fluorospar and iron entered into the trial stage for an enlarged recovery at industrial scale.

MAJOR FINANCIAL INDICATORS OF THE FIRST HALF OF 2017

(I) Major Accounting Data

Unit: 0'000 yuan Currency: RMB

Major accounting data	During the reporting period (January – June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Operating revenue	1,165,494.06	225,985.16	415.74
Net profit attributable to shareholders of the Company	83,513.87	51,190.63	63.14
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the Company	115,912.02	36,753.22	215.38
Net cash flow from operating activities	348,141.15	53,495.75	550.78

	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	1,870,892.04	1,873,805.82	-0.16
Total assets	8,798,041.50	8,814,683.86	-0.19

(II) Major Financial Indicators

Unit: Yuan Currency: RMB

Major financial indicators	During the reporting 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)	0.05	0.03	66.67
Diluted earnings per share (RMB/share)	N/A	N/A	N/A
Basic earnings per share excluded non-recurring profit or loss (RMB/share)	0.07	0.02	250
The Weighted Average Rate of Return on net assets (%)	4.43	2.92	up by 1.51 percentage points
The Weighted Average Rate of Return on net assets excluded non-recurring profit or loss (%)	6.09	2.10	up by 3.99 percentage points increase

(III) Breakdown of Non-Recurring Profit or Loss In the Period

Unit: 0'000 Yuan Currency: RMB

Item	Amount	Note
Profit or loss from disposal of non-current assets	-461.86	
Tax rebate or reduction 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)	538.40	Includes the deferred income-subsidies for low-grade scheelite demonstration project of RMB3.5024 million and land reclamation subsidy of RMB 1.4264 million
Profit or loss arising from contingencies not related to the principal operations of the entity		

Item	Amount	Note
Fair value change from held-for-trading 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	-29,661.68	Mainly refers to the loss from the changes of the contingent consideration from acquisition of copper and cobalt businesses in DRC during the period
Other non-operating revenue and expenses other than the above items	-2,461.88	Includes the donation expense of RMB21.9422 million in the Period
Other profit or loss items that fall into the definition of non-recurring profit or loss		
Income tax	-0.69	
Minority interests	-350.44	
Total	-32,398.15	

VISION AND DEVELOPMENT STRATEGY

The vision of the Company is to become a respected international group. While solidifying and entrenching the highly competitive costs structure in the industry, the Company is dedicated to investing in and integrating high-quality resources projects on a global scale based on its advanced management philosophy and team advantages by leveraging on its good credit and multi-channel financing platforms. The aim is to become an international resource company equipped with global vision and in-depth industrial consolidation capability.

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;
- managing and optimizing balance sheet and constructing multi-channel platforms for investment and financing persistently; and
- transforming its structure and growth pattern, actively promoting the resources acquisition based on scale, industry chains, technology, funds, market, management advantages and financing platform, and prioritizing M&A of or investment in such quality and mature resources projects which are located in politically stable areas and have good cash flow.

MARKET REVIEW AND OUTLOOK

During the reporting period, the Company generated revenue mainly from the sales of copper, cobalt, molybdenum, tungsten, niobium, phosphates and other relevant products. Its operating results are largely subject to the fluctuations in the prices of the above resources. At the same time, NPM of the Company has certain sales of gold as by-product. Accordingly, the fluctuation of the prices of gold would also impact on results of the Company.

(I) Market Review

Comparison between prices of the Company's relevant products in the first half of 2017 and those in same period of 2016:

Domestic market

Products	First half of 2017	First half of 2016	Increase/ decrease on a year-on-year basis (%)
Molybdenum concentrates (RMB/metric tonne unit)	1,115.39	861.57	29.46
Ferromolybdenum (RMB0'000/tonne)	7.85	6.44	21.89
Black tungsten concentrates (RMB/metric tonne unit)	1,189.26	1,027.28	15.77
APT (RMB0'000/tonne)	11.96	10.53	13.58

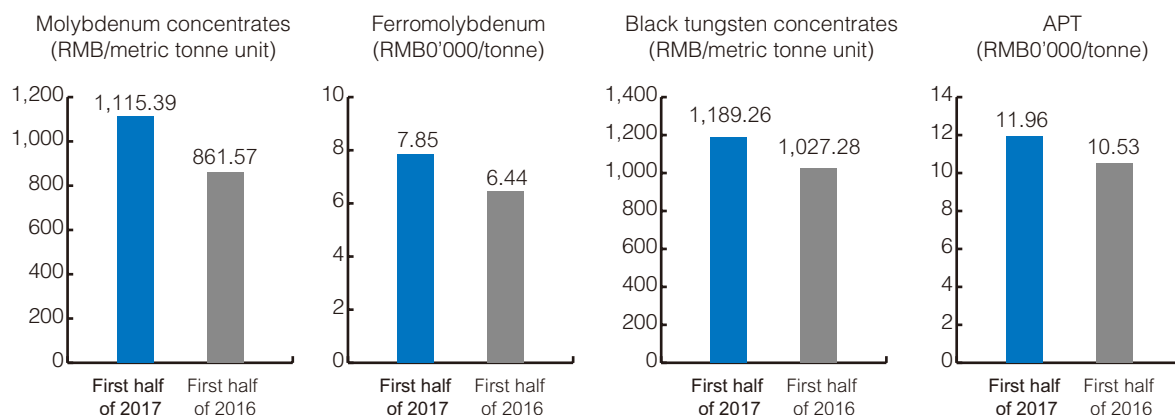
Note: Stated prices are extracted from relevant domestic websites.

International market

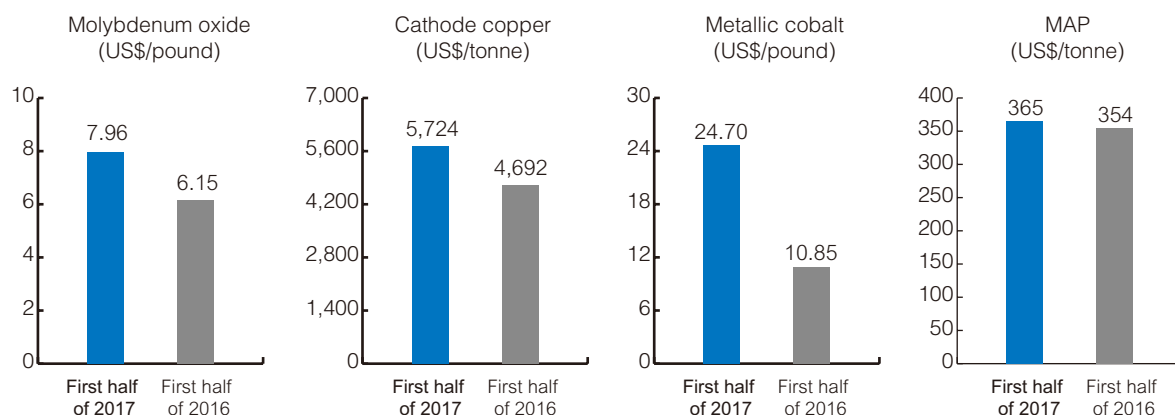
Products	First half of 2017	First half of 2016	Increase/ decrease on a year-on-year basis (%)
Molybdenum oxide (US\$/pound of molybdenum)	7.96	6.15	29.43
Cathode Copper (US\$/tonne)	5,724	4,692	21.99
Metallic cobalt (US\$/pound)	24.70	10.85	127.65
MAP (US\$/tonne)	365	354	3.11

Note: The prices of molybdenum, cobalt and MAP are extracted from the relevant international websites, and the price of copper represented the price quoted by the London Metal Exchange ("LME").

Domestic Market



International Market



(1) Molybdenum market

Domestic market: During the reporting period, macro economy in China achieved steady and positive performance. Amid supply-side reform and normalization of environmental supervision, the operating environment improved as the iron and steel price trended up in fluctuations. As for the molybdenum market, supply of molybdenum raw materials was in a staged shortage, and the overseas molybdenum market rallied up for period. Such favourable external environment coupled with domestic enabling factors set the domestic molybdenum market into a rebound. In the first quarter, large steel mills had adequate stocks and most small and medium steel mills idled in production due to policies of capacity reduction, making traders act cautiously and hesitant to buy products for stock-ups. Due to the absence of support for demand, product prices were hardly adjusted early in the first quarter. Later in the first quarter, amid certain speculation, the market registered inflow of actual demand which was further boosted by environmental protection concerns and stimulated by rapid rise in international molybdenum market. As such, prices of molybdenum raw materials in China kept surging above records and prices of ferro-molybdenum also ramped up steadily. Early in the second quarter, although the prices of commodities and ferrous products stumbled for a period, prices of molybdenum raw materials in the market remained stable at a high level. In addition, uncertainties relating to the impact of environmental protection in the Northeast China also helped sustain the momentum of boom in molybdenum market. Late in the second quarter, steel mills produced less molybdenum-bearing steel, but due to the lower demand, related products stockpiled gradually. As a result, the force driving up the cost of molybdenum raw materials faded, giving way to staged fluctuation and decline in the domestic molybdenum market.

During the reporting period, the average price of molybdenum concentrates (45%) was RMB1,115.39/metric tonne unit, representing an increase of 29.46% as compared with the same period last year. The lowest price was RMB1,000/metric tonne unit and the highest price was RMB1,210/metric tonne unit. The average price of ferromolybdenum was RMB78,500/tonne, representing an increase of 21.89% as compared with the same period last year. The lowest price was RMB71,000/tonne, and the highest price was RMB86,000/tonne.

International market: During the reporting period, the international molybdenum market, largely subject to the dynamics of spot molybdenum supply and China's market demand, experienced more frequent fluctuations. In the first quarter, to mitigate shock on the market arising from China's exports, the international molybdenum price declined in such anticipation. But the spot molybdenum supply was squeezed under the impact of strikes in South America. After demand recovered in the European and American markets, the international market saw a swift jump with brisk market activities and noticeable increase in trading volume. In the second quarter, global molybdenum market presented an noticeable performance led by the United States market. As product prices went up in the United States, traders were reluctant to sell out, and the international market was relatively active. After Chinese exports arrived, however, traders sold much more inventory than they purchased during the stalemate between short and long positions. As a result, the international molybdenum market was set in a recession.

The average MW price of molybdenum oxide during the reporting period was US\$7.96/pound of molybdenum, with a year-on-year increase of 29.43%. The lowest price was US\$6.8/pound of molybdenum and the highest price was US\$9.2/pound of molybdenum.

(2) *Tungsten market*

Domestic market: During the reporting period, demand met supply in the domestic tungsten market at a low equilibrium. Mines continued the low operation rate due to cost factor and environmental review; holding back sales still represented the selling strategy of large enterprises; and staged shortage of spot raw materials contributed to the fluctuation and rebound of the domestic tungsten market. In the first quarter, even traders did not have any excessive spot products, as large mines supplied their products to meet the demand of national reserve and long-term orders, and small and medium mines ran at low operation rate, which tightened up the spot tungsten supply. In this context, companies hoarding the spot tungsten gave strong quotations, and therefore the tungsten market turned up steadily. Since the start of April, environmental review came to the two major production areas in Hunan and Fujian provinces, causing some tungsten producers to stop production one after another, squeezing the supply of spot raw materials from the upstream. But the rigid demands still existed in the downstream, so the market was still strong. Into the slack season usually seen in May, the ability of suppliers to hold up the price could not be sustained any longer under rising stockpile, liquidity pressure and other constraints, and the tungsten market experienced a staged recession.

During the reporting period, the average price of domestic black tungsten concentrates (65%) was RMB77,300/tonne, with a year-on-year increase of 15.77%. The lowest price was RMB71,000/tonne and the highest price was RMB84,000/tonne. The average price of ammonium paratungstate (APT) was RMB119,600/tonne, with a year-on-year increase of 13.58%. The lowest price was RMB108,000/tonne and the highest price was RMB129,000/tonne.

International market: After nearly three years of price drop and de-stocking, the international tungsten demand recovered notably, as the "Belt and Road" Initiative (the "Silk Road Economic Belt" and "21st Century Maritime Silk Road", two transnational economic belts initiated and led by Chinese government in 2013) of the PRC played out its effects gradually, developed economies proceeded with re-industrialization and manufacturing upgrade, emerging economies quickened the pace of industrialization and urbanization, infrastructure interconnectivity advanced across the world, and overseas producers showed strong intention to replenish inventory. In the first half of 2017, European tungsten market followed the similar trend of domestic tungsten market, trending up step-by-step. The price of APT in Europe increased from US\$192.5/metric tonne unit at the beginning of 2017 to US\$219/metric tonne unit at the end of June, up by 13.77%. In the first quarter, price of ferrotungsten slid primarily due to the shock incurred by ferrotungsten exports from Russia to Europe, which also affected China's ferrotungsten exports. In the second quarter, however, the price began to regain momentum from the US\$25.88/kilogram of tungsten at the beginning of 2017 to US\$26.97/kilogram of tungsten at the end of June, representing a slight increase in the first half of 2017.

According to data of Metal Bulletin (“**MB**”), the average price of APT in the European market during the reporting period was US\$209.50/metric tonne unit, representing a year-on-year increase of 10.82%. The lowest price was US\$187/metric ton unit and the highest price was US\$226/metric tonne unit.

(3) Copper market

During the first half of 2017, international copper price went up amid fluctuations at the beginning of year and peaked at about US\$6,104/tonne in the middle of February. The price gradually reduced to US\$5,465/tonne in early May, and then rose steadily to end the first half year at about US\$5,923/tonne, close to the peak for the first half of 2017.

According to the analysis of Wood Mackenzie, galvanized by the initiative of “Made In Europe”, stronger consumer confidence index, buoyed housing market in the United States and higher profits of Chinese industrial enterprises, the outlook in international copper market improved during the first half of 2017. In addition, depreciation of US Dollar and decline in inventory available on the LME and Shanghai Futures Exchange (“**SHFE**”) further contributed to a bullish copper market and supported the copper price by a large margin. Moreover, affected by supply-side factors such as strikes at part of Grasberg copper mines and suspension of operation at some mine fields in Northern Chile due to storms, the copper market saw cessation of production by some relatively large copper producers, which mitigated the downside risks in copper price. Cash settlement price for copper quoted on the LME closed at US\$5,907/tonne (US\$2.68/pound), representing an increase of 7.0% compared with the beginning of year. Charges to process and refine spot copper concentrates rose from the low point at the beginning of March to the high point at the end of June, mainly indicating the impact of low capacity on the market.

During the first half of 2017, the LME price of copper fluctuated between US\$5,465 to US\$6,104/tonne (US\$2.48 to US\$2.77/pound), with the average price of US\$5,724/tonne (US\$2.60/pound), up by approximately 21.99% as compared to US\$4,692/tonne (US\$2.13/pound) in the first half of 2016.

(4) Cobalt market

During the reporting period, cobalt price nearly doubled, reaching the highest level since 2008 (based on the low price quoted on the MB). Global demand for cobalt has more than doubled since 2000 with battery industry becoming the largest consumer of cobalt. In 2016, benefiting from the explosive growth of electric vehicles, the demand for cobalt has increased significantly for the production of power batteries. CRU estimated that the gap of cobalt supply in 2016 amounted to 2,729 tonnes globally and predicted that there will still be relative large supply gaps in both 2017 and 2018.

During the first half of 2017, the MB price of cobalt increased from US\$14.75/pound to US\$29.85/pound. CRU (a British analysis authority) believed, such sharp rise in cobalt price was primarily due to end consumers and hedge funds stocking up inventory in the anticipation of a lasting supply gap much likely to occur in the foreseeable future.

(5) Phosphates market in Brazil

During the first half of 2017, Brazilian market demand for fertilizers was robust mainly due to a favourable barter ratio (the cost of fertilizer relative to crop commodity prices), driven by a lack of corn availability in the market which allowed Brazilian farmers to charge a price premium and fostering fertilizer pre-purchases (mostly in the first quarter). According to the Brazilian National Fertilizer Association, fertilizer deliveries were in line with the first half of 2016 and demand for phosphates was close to the deliveries, reaching 5.1 million tonnes. Imports remained robust during the first half of 2017, reaching 3.5 million tonnes of phosphate. The increased demand at the beginning of year drove prices up with prices reaching US\$385/tonne (MAP CFR Brazil) levels in March (compared with US\$330/tonne at the beginning of year). Average MAP CFR for the six-month period in 2017 was US\$365/tonne.

(6) Niobium market

During the first half of 2017, there was robust demand for niobium. Iron and steel industry is the largest consumer of niobium, and ferroniobium accounted for 90% of the total niobium consumption. Exports of ferroniobium (from Brazil) gained 21% compared to the same period last year, much of which was going into Europe and China. Ferroniobium price remained under pressure during the first quarter due to strong competition, but the market has started to signal recovery during the second half of 2017.

(II) Market Outlook

(1) Molybdenum market

Domestic market: In the second half of 2017, performance of iron and steel industry related to the macro-economic landscape and supply on the molybdenum market will remain the critical factors to steer the trends of molybdenum market. Macro-economically speaking, steady progress is still expected to be the core macro-economic target for the second half of 2017. At the same time, we are aware of the structural imbalance between overcapacity and weak demand as well as risks in the real estate industry and the financial sector. As for demand, though the iron and steel industry has witnessed staged warming-up, the challenge of overcapacity is yet to be resolved and the environmental review is increasingly stringent. As for supply, with capacity unleashed from mines having resumed production and depressed demand in slack season, mines will see glut in inventory to certain extent. In a nutshell, the domestic molybdenum market will face both opportunities and challenges in the second half of 2017. The molybdenum market recorded positive performance of staged spike during the slack season in July and August, and the price of molybdenum products will go up in fluctuations amid recovering demand after August.

International market: Starting from early 2017, global economy as a whole, however, has registered positive performance indicated by increasing economic and trading activities across the world, less deflation pressure, stronger market confidence, as well as rapid recovery in the international financial market and commodity prices. As such, the difficulty of deflation pressure in conjunction with weak demand cycle goes away. It is expected that the global economy will generally perform better in 2017 than in the previous year. From the perspective of demand, the global output of crude steel in the first five months of 2017 amounted to 695 million tonnes, up by 4.7% year on year, according to the latest statistics of the World Steel Association. In breakdown, crude steel produced by the 28 countries of the European Union reached 71.71 million tonnes, up by 4.1% year on year; crude steel produced by North America reached 48.06 million tonnes, up by 3.6% year on year; crude steel produced by Asia reached 478 million tonnes, up by 4.8% year on year; and crude steel produced by South America reached 17.69 million tonnes, up by 11.3% year on year. In other words, crude steel output experienced a year-on-year increase to varying degrees in all of the above-mentioned countries and regions during the first five months of 2017. Moreover, as revealed by the data published by Baker Hughes, a company dedicated to oil service, as of the week of 23 June, the number of oil wells active in drilling in the United States had trended up for 23 consecutive weeks. Such rally in the oil and gas exploitation industry may stimulate the demand for oil pipes made of materials containing molybdenum. From the perspective of supply, the first half of 2017 witnessed the production resumption of mines in the United States and Chile that experienced suspension and disruption in production in the first half of last year, which resulted in expanded output in both countries in different degrees. In the same period, output in China also rose, while output in other regions remained basically the same. Based on these facts, it is expected the output of overseas mines in operation will not have drastic changes in the second half of 2017. As for the market tendency after August, all players in the market express positive expectations, because the price at the bottom is more likely to rebound gradually after demand regains momentum. So, the international molybdenum market is still likely to capture a staged rally after the third quarter.

(2) Tungsten market

Domestic market: From the demand perspective, the aggregate tungsten consumption in China has been on a steady rise over the past three years, and it is expected to retain such positive momentum as underpinned by expanding exports and reviving demand from manufacturing in this year. From the supply perspective, increasingly stringent environmental review in 2017 has caused certain mines not up to the national environmental requirements to cut production and suspend operation. Moreover, Hunan Province and other major provinces producing tungsten concentrates saw a tumble in operation rate of mines in July due to high temperature and floods, giving rise to a shrink in the supply of tungsten concentrates. Since 2015, prices of tungsten concentrates have been lingering below RMB80,000/tonne, setting the tungsten mine industry in a long-term money-losing predicament. Some small and low-grade mines running at high cost have stopped operation and even been shut down. Therefore, with shrunk production capacity of tungsten concentrates, tungsten price is likely to become stronger in a short period to come.

International market: In the second half of 2017, European tungsten market will still be subject to the impact from the Chinese market, and it is expected to have only minor fluctuations and a steady and positive trend. Besides, export of tungsten products out of China is also expected to stay stable.

(3) Copper market

Copper price went up further in August 2017, to above US\$6,500/tonne. In the second half of 2017, demand for copper in China is expected to further expand as China is increasing investment in infrastructure; whereas incidents such as strikes at mines in Latin America will keep dampening the confidence in the supply of copper ores. Therefore, the copper price is expected to have strong support. In the second half of 2017, the copper market will sustain a relative balance between supply and demand. In several years to come, some new projects (including large-scale projects) are expected to undergo trial operation, in order to meet ever growing market demand. Most supply-demand models forecast that, the market will see a slight supply shortage in next 2 years before turning towards larger supply gap. According to the forecast by Wood Mackenzie, demand for refined copper will reach 22.80 million tonnes in 2017, representing a year-on-year increase of 1.7%. Specifically, China and Northeast Asia are expected to record prominent performance, because China is expected to benefit from infrastructure investment and stabilizing housing market, while Japan and South Korea markets will be mainly boosted by growing industrial production. Europe and the United States, however, are likely to be hindered by the recycle of copper waste. Wood Mackenzie forecast that, demand for refined copper worldwide will expand by approximately 1.8% for both 2018 and 2019. Reuters forecast that, copper price will average US\$5,715/tonne (or US\$2.59/pound) in 2017 and US\$5,780/tonne (or US\$2.62/pound) in 2018.

(4) Cobalt market

Cobalt demand is expected to reach approximately 105,000 tonnes in 2017, which means a market surplus of 3,000 tonnes based on the supply in the first half of 2017. According to the forecast of CRU (a British analysis authority), power batteries will continuously serve as the key factor driving up the demand for cobalt. Despite the fact that the use of cobalt per unit may diminish against the tendency towards higher content of nickel in producing NCM (nickel cobalt manganese batteries), demand for cobaltous sulphate by power batteries is expected to gain by 24.2% in 2017. CRU forecast that, the gap in cobalt supply worldwide will stand at 5,127 tonnes and 3,147 tonnes for 2017 and 2018, respectively, and the period to satisfy market demand only with cobalt inventory will be shortened from 4.65 months in 2015 to 2.58 months in 2018. From this year till 2020, the demand is estimated to maintain a growth of 5.6% each year, which is primarily attributable to the use of cobalt to make battery sections and cobalt alloys applied in the aerospace industry. In short, from the second half of 2017 to 2018, cobalt price is expected to stay above US\$25.00/pound with solid support due to strong market demands, including those on the exploration of cobalt resources.

(5) Phosphates market in Brazil

Brazil is one of the world's main producers and exporters of agricultural products, including soybean, corn, sugarcane, coffee, orange, beef and chicken. With high demand for fertilizers, Brazil is the fourth largest fertilizer consumer in the world, with annual demand that significantly exceeding its domestic production. Mono-ammonium phosphate (“MAP”) and single superphosphate (“SSP”) are respectively the main high- and low-concentrated phosphate fertilizer products in the Brazilian market.

Global phosphates demand is expected to remain robust for the second half of 2017 as well as in 2018. Despite the drop in agricultural commodity prices in the international market in the last 12 months, Brazil's relatively weak currency is expected to maintain farmers' profitability (despite more recent currency strengthening) and fertilizer demand is also expected to be strong in the second half of 2017. In terms of pricing, international markets may experience price pressure with additional phosphate capacity/supply coming from Saudi Arabia and Morocco and with this, the benchmark MAP CFR (Brazil) is expected to be around \$350/tonne.

(6) Niobium market

According to the latest outlook by the World Steel Association, China's steel demand is expected to remain flat in 2017, while demand in the developed economies is expected to increase moderately in 2017 and 2018.

BUSINESS REVIEW

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 2017					For the first half of 2016		
	Production Volume (Tonne)		Sales Volume (Tonne)	Unit cash production cost Copper (USD/Tonne)		Production Volume (Tonne)	Sales Volume (Tonne)	Unit cash production cost Copper (USD/Tonne)
	Actually completed	Completed proportion in the estimated volume (%)	Actually completed	Molybdenum / Tungsten / Cobalt / Niobium (RMB/Tonne)				
				Actually completed	Increase/decrease from the estimated volume (%)			
Molybdenum	8,161	51%	10,207	54,353	-7%	8,008	10,793	55,153
Tungsten	5,649	54%	5,928	16,671	15%	4,950	6,077	12,080
Copper								
NPM (80% of equity interests)	18,910	56%	18,951	0.87	-9%	19,063	19,282	0.69
Tenke (100% of equity interest)	109,186	50%	113,355	0.28	-73%	N/A	N/A	N/A
Cobalt (100% of equity interest)	7,364	41%	7,559.00	N/A	N/A	N/A	N/A	N/A
Niobium	4,286	52%	4,181.00	-	-	N/A	N/A	N/A
Phosphate fertilizer	546,930	46%	464,413	-	-	N/A	N/A	N/A

1. Molybdenum sector

During the reporting period, the Company realized a production volume of molybdenum concentrates (with metal equivalents of 100% MO metal) of 8,161 tonnes and the unit cash production cost was RMB54,353/tonne.

2. Tungsten sector

During the reporting period, the Company realized a production volume of tungsten concentrates (with metal equivalents of 100% WO₃) of 5,649 tonnes (excluding Yulu Mining) and the unit cash production cost was RMB16,671/tonne.

3. Copper and cobalt sector

During the reporting period, when calculated based on 80% of equity interests, NPM realized a production volume of available-for-sale copper metal of 18,910 tonnes, and C1 cash cost of US\$0.87 per pound, and it realized a production volume of gold of 16,723 ounces for sale.

During the reporting period, when calculated based on 100% of equity interests, Tenke Copper/Cobalt Mine realized a production volume of 109,186 tonnes of copper metal and C1 cash cost of US\$0.28 per pound, and it realized a production volume of 7,364 tonnes of cobalt metal based on 100% of equity interests.

4. Niobium and phosphate sector

During the reporting period, Brazil realized a production volume of phosphate fertilizer (high analysis fertilizer and low analysis fertilizer) of 546,930 tonnes and niobium metal of 4,286 tonnes.

OPERATION REVIEW

With clear recovery of the global economy, infrastructure investment in the United States, India, China and countries along the route of "Belt and Road" Initiative was expected to generate new demands. As such, prices of commodities such as copper showed certain rise. Moreover, explosive growth of new energy vehicles spiked up the cobalt price, and China's supply side reform fostered restructuring of the iron and steel industry and stronger prices in the industry. All of these brought about a salient rally in the molybdenum price, and created a long-lasting and positive momentum for relevant business sectors of the Company.

1. Exclusive option of the non-controlling interests in the copper and cobalt business in Congo to entrench the results of overseas M&A and raise voice and control

On 20 January 2017, the Company and BHR entered into the "Cooperation Framework Agreement between China Molybdenum Co., Ltd. and BHR Newwood Investment Management Limited on the Investment Cooperation Regarding Tenke Fungurume Mining Area" (the "**Cooperation Framework Agreement**"), pursuant to which BHR exclusively and irrevocably granted the Company the exclusive option to buy 24% minority interests in TFM. BHR's acquisition of the minority interests in TFM was completed on 20 April 2017. Given the Company completed the acquisition of and indirectly held 56% interests in TFM, by obtaining the exclusive right to buy the further 24% of minority interests in TFM through such cooperation, the Company consolidated its voice and control over the project, and further boost its profitability and risk-resisting capabilities.

2. Completion of the non-public issuance of A shares to effectively refine the capital structure and solidify the strength of the Company

The Company obtained the approval from CSRC regarding the non-public issuance of A shares raising no more than RMB18 billion on 23 June, and finished capital verification for the issuance on 20 July. Works related to the issuance were successfully completed on 24 July, with 2.15 times over-subscription. Subscribers included large state-owned investment institutions, strategic investment corporations and large mutual funds. The success of this private placement refined the capital structure and equity structure of the Company and further solidified its strength, laying a solid foundation for its acquisition of quality international assets in the future.

3. Stable operation of international assets and improving management

Upon the successful completion of two major overseas M&A projects of the Company in 2016, the Company has been committed to creating a better and sound governance and control system, integrating management and fostering a strong pool of talent. At present, the management and control platform for international businesses is put in place and the management structure has been further improved. While acquired international businesses are transitioning and operating smoothly, the Company is also committed to operational improvements. Relevant actions include the operational enhancement measures to streamline organizational structure, improve recovery rate of niobium and raise consumption rate during production for the businesses in Brazil; and bottleneck removing measures to carry out leaching from low-grade resources and exploit sulphide resources for the copper and cobalt business in the DRC.

4. Tighter cost control and higher standards for production and technical indicators, resulting remarkable achievement of comprehensive resources recovery project and further reinforcing competitive advantage in cost structure

During the reporting period, in order to consolidate and enhance its competitive advantage in cost structure, the Company implemented a series of measures for refined management, which took the recovery rate of molybdenum and tungsten ore dressing to a higher level, and the centralized procurement rate increased by 7.11 percentage points over that at the end of last year. The Company also realized a sharp decline in spare part consumption and energy consumption as compared with the same period last year, by efficiently mobilizing energy management and equipment management companies. NPM is actively promoting research on new mining points as a response to the cost hike caused by decreasing ore grade at existing mining points.

During the reporting period, in terms of domestic businesses, 2,172 tonnes of copper concentrate by-product were recycled, generating a revenue of RMB9.69 million; 27 kilograms of rhenium by-product were recovered, generating a revenue of RMB0.78 million; and 275 tonnes of ammonium molybdate were recovered from secondary treatment, generating a revenue of RMB16.95 million. Recovery of the by-products of fluorospar and iron entered into the trial stage for an enlarged recovery at industrial scale.

5. Strict requirements and rigid implementation to ensure safety and environmental protection

To achieve production safety with zero injury and environmental protection with zero accident, the Company never stopped in maintaining high standard on safety and environmental protection, creating a favourable environment for the production and operation. In terms of safety management, the Company revised and improved the system of safety accountability and the rules on production safety assessment to assign responsibility rigorously. The Company kept implementing the "Ten Principal Standards for Safety" and "Danger Source Identification, Prevention and Control", as part of efforts to standardize safety practices. The Company also intensified safety trainings and enhanced safety inspection and risk rectification. In terms of environmental protection, the Company acted proactively by ramping up investment in environmental protection and ensuring the normal operation of environmental protection equipment and facilities, to guarantee environmental compliance and clear obstacles for production and operation. The Company also introduced and improved the system of environmental accountability and facilitated the establishment of an environmental management system.

INDUSTRY POLICY

During the reporting period, policies of the industry where the Company operates changed in the PRC and overseas:

(1) In the PRC

Indicators for control over the aggregate mining volume of tungsten mines

In order to protect and reasonably develop the high quality mining resources, pursuant to the relevant requirements regarding mining activities of certain protected resources, the aggregate mining volume of rare earth mines and tungsten mines continued to be under control in 2017. According to real demands, indicators for control over the aggregate mining volume of rare earth mines and tungsten mines were issued in two batches in 2017. On 28 February 2017, the Ministry of Land and Resources issued the notice of the first batch, "Notice on Indicators for Controlling the Aggregate Mining Volume of Rare Earth Mines and Tungsten Mines for the Year 2017 (First Batch) Issued by the Ministry of Land and Resources" (《國土資源部關於下達二零一七年度稀土礦鎢礦開採總量控制指標(第一批)的通知》), stating that the indicator for controlling the aggregate mining volume of the first batch of tungsten concentrates (containing 65% tungsten trioxide) was 45,650 tonnes. On 30 June 2017, the annual notice, "Notice on Indicators for Controlling the Aggregate Mining Volume of Rare Earth Mines and Tungsten Mines for the Year 2017 Issued by the Ministry of Land and Resources" (《國土資源部關於下達二零一七年度稀土礦鎢礦開採總量控制指標的通知》) was issued, stating that the indicator for controlling the annual aggregate mining volume (including the first batch) of tungsten concentrates (containing 65% tungsten trioxide) was 91,300 tonnes in 2017.

(2) Overseas

There were no significant changes in policies relating to overseas businesses during the reporting period.

MATERIAL EVENTS

1. Cooperation with BHR for investment in Tenke Copper/Cobalt Mine and cooperation with its shareholders or upper-level investors for investment in Tenke Fungurume mining

On 15 November 2016, BHR, THL and Lundin Mining Corporation entered into a stock purchase agreement on the acquisition of 100% equities held by THL in Lundin Shell Company from THL by BHR or its wholly-owned subsidiary. Upon the completion of the purchase, BHR will hold 24% interest in TFM indirectly.

On 20 January 2017, the Company and BHR entered into the Cooperation Framework Agreement, pursuant to which the Company intends to cooperate with BHR regarding the introduction of ultimate investor in BHR, the indirect investment of BHR in 24% equities of TFM and the subsequent exit of such investment. BHR exclusively and irrevocably granted the Company the exclusive option to buy the 24% interests in TFM.

On 20 April 2017, the acquisition of 100% equities held by THL in Lundin Shell Company from THL by BHR through its wholly-owned subsidiary was completed. BHR directly owns 100% equities in Lundin Shell Company through its wholly-owned subsidiary, and indirectly owns 24% interests in TFM.

For the details of the aforementioned contents, please refer to the relevant announcements and/or circulars 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.chinamoly.com).

2. Non-Public Issuance of A Shares

On 18 January 2017, the Company passed the CSRC review for the non-public issuance of A Shares, and on 23 June 2017, received the “Approval in Relation to the Non-Public Issuance of Shares by China Molybdenum Co., Ltd.” (Zheng Jian Xu Ke [2017] No. 918) from CSRC that the Company was approved to issue no more than 5,769,230,769 new A Shares.

On 18 July 2017, the 8 target subscribers for the non-public issuance remitted all subscription payments in full to the account designated by the sponsor. Relevant payments were verified in the Capital Verification Report issued by the Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership). In fact, the Company issued 4,712,041,884 A Shares at RMB3.82 per share, and the total subscription payments made by the target subscribers for the non-public issuance was RMB17,999,999,996.88.

On 20 July 2017, as verified by the “Capital Verification Report on the Increase in Registered Capital and Share Capital of China Molybdenum Co., Ltd. upon Its Non-public Issuance of RMB Ordinary Shares (A Shares)” (De Shi Bao (Yan) Zi (17) No. 00317) issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership), net proceeds from the issuance was RMB17,858,632,663.30 after deducting issuance fees of RMB141,367,333.58 from the total proceeds.

On 24 July 2017, the Company completed the registration and custody procedures with the Shanghai Branch of China Securities Depository and Clearing Company Limited for the newly-increased A Shares, and its share capital increased from 16,887,198,699 shares to 21,599,240,583 shares.

For the details of the aforementioned contents, please also refer to the relevant announcements and/or circulars 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.chinamol.com).

FINANCIAL HIGHLIGHTS

Consolidated Balance Sheet

30 June 2017

Presented by: China Molybdenum Co., Ltd.

Unit: 0'000 Yuan Currency: RMB

Item	Closing balance	Opening balance	Increase (decrease)
Current assets:			
Cash and cash equivalents	1,254,287.66	997,022.41	25.80%
Financial assets measured at fair value through profit or loss	3,806.90	5,559.90	-31.53%
Derivative financial assets		–	–
Notes receivable	137,216.38	95,086.16	44.31%
Accounts receivable	194,748.91	146,180.72	33.22%
Prepayments	31,106.04	29,557.21	5.24%
Interest receivable	2,227.86	4,049.28	-44.98%
Other receivables	84,878.81	114,703.93	-26.00%
Inventories	517,815.48	508,276.75	1.88%
Non-current assets due within one year	73,488.44	–	
Other current assets	41,260.11	79,859.26	-48.33%
Total current assets	2,340,836.59	1,980,295.62	18.21%
Non-current assets:			
Available-for-sale financial assets	288,955.98	300,060.25	-3.70%
Long-term equity investments	117,091.12	119,149.93	-1.73%
Fixed assets	2,610,100.87	2,727,292.13	-4.30%
Construction in progress	83,795.14	69,535.90	20.51%
Inventories	438,306.24	426,961.79	2.66%
Intangible assets	2,297,756.82	2,450,131.40	-6.22%
Goodwill	108,885.07	111,480.36	-2.33%
Long-term deferred expenses	15,430.22	11,524.74	33.89%
Deferred tax assets	39,209.02	43,212.14	-9.26%
Other non-current assets	457,674.43	575,039.60	-20.41%
Total non-current assets	6,457,204.91	6,834,388.24	-5.52%
Total assets	8,798,041.50	8,814,683.86	-0.19%

Item	Closing balance	Opening balance	Increase (decrease)
Current liabilities:			
Short-term borrowings	480,235.50	437,243.35	9.83%
Financial liabilities measured at fair value through profit or loss	439,567.27	282,144.18	55.80%
Notes payable	31,750.00	66,000.00	-51.89%
Accounts payable	89,050.26	74,150.83	20.09%
Receipts in advance	23,087.90	5,186.75	345.13%
Employee benefits payable	37,185.92	35,482.22	4.80%
Taxes payables	83,592.19	5,786.12	1344.70%
Interest payable	18,558.65	18,368.42	1.04%
Dividends payable	2,788.58	2,788.58	0.00%
Other payables	51,939.26	141,677.58	-63.34%
Non-current liabilities due within one year	287,326.49	258,449.74	11.17%
Other current liabilities	211,240.94	270,889.72	-22.02%
Total current liabilities	1,756,322.96	1,598,167.49	9.90%
Non-current liabilities:			
Long-term borrowings	2,246,484.40	2,337,687.99	-3.90%
Bonds payables	200,000.00	200,000.00	0.00%
Provisions	180,509.96	175,779.37	2.69%
Deferred tax liabilities	957,173.10	1,005,512.79	-4.81%
Other non-current liabilities	817,470.22	63,843.53	1180.43%
Total non-current liabilities	4,401,637.68	3,782,823.68	16.36%
Total liabilities	6,157,960.64	5,380,991.17	14.44%

Item	Closing balance	Opening balance	Increase (decrease)
Owners' equity			
Share capital	337,743.97	337,743.97	0.00%
Capital reserve	1,072,848.35	1,072,030.66	0.08%
Other comprehensive income	354.95	28,285.43	-98.75%
Special reserve	647.34	857.01	-24.47%
Surplus reserve	84,009.89	84,009.89	0.00%
Retained profit	375,287.54	350,878.86	6.96%
Total equity attributable to owners of the company	1,870,892.04	1,873,805.82	-0.16%
Non-controlling interests	769,188.82	1,559,886.87	-50.69%
Total owners' equity	2,640,080.86	3,433,692.69	-23.11%
Total liabilities and owners' equity	8,798,041.50	8,814,683.86	-0.19%

Consolidated Income Statement

From January to June 2017

Unit: 0'000 Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period	Increase (decrease)
I. Total operating revenue	1,165,494.06	225,985.16	415.74%
Including: Operating revenue	1,165,494.06	225,985.16	415.74%
II. Total operating costs	926,061.81	182,246.21	408.14%
Including: Operating costs	752,158.95	140,794.61	434.22%
Taxes and surcharges	14,261.87	8,541.55	66.97%
Selling expenses	10,119.28	3,734.49	170.97%
Administrative expenses	46,339.87	18,122.52	155.70%
Financial expenses	102,613.52	8,899.75	1052.99%
Assets impairment loss	568.32	2,153.29	-73.61%
Add: Gains from changes in fair value (loss is indicated by "-")	-32,601.27	3,498.28	-1031.92%
Investment income (loss is indicated by "-")	4,558.79	13,948.14	-67.32%
Including: Income from investments in associates and joint ventures	2,176.77	395.42	450.50%
III. Operating profit (total loss is indicated by "-")	211,389.77	61,185.37	245.49%
Add: Non-operating income	589.65	353.98	66.58%
Less: Non-operating expenses	2,974.99	1,993.17	49.26%
IV. Total profit (total loss is indicated by "-")	209,004.43	59,546.18	251.00%
Less: Income tax expenses	72,059.66	9,389.94	667.41%

Item	Amount for the period	Amount for the prior period	Increase (decrease)
V. Net profit (net losses are indicated by "-")	136,944.77	50,156.24	173.04%
Net profit attributable to owners of the company	83,513.87	51,190.63	63.14%
Non-controlling interest	53,430.90	-1,034.39	5265.45%
VI. Other comprehensive income (net of tax)	-63,703.57	-5,546.20	-1048.60%
Other comprehensive income attributable to owners of the company, net of tax	-27,930.48	-5,546.20	-403.60%
(I) Other comprehensive income not to be reclassified subsequently to profit or loss			
(II) Other comprehensive income that will subsequently be reclassified into the profit or loss	-27,930.48	-5,546.20	-403.60%
1. Gains (losses) on change in fair value of available-for-sale financial assets	-158.62	-12,389.80	98.72%
2. Differences in foreign currency translation	-27,771.86	6,843.60	-505.81%
Other comprehensive income attributable to minority shareholders, net of tax	-35,773.09		
VII. Total comprehensive income	73,241.20	44,610.02	64.18%
Attributable to owners of the company	55,583.39	45,644.42	21.77%
Attributable to minority shareholders	17,657.81	-1,034.40	1807.06%
VIII. Earnings per share			
(I) Basic earnings per share (Yuan/Share)	0.05	0.03	66.67%
(II) Diluted earnings per share (Yuan/Share)			

Consolidated Cash Flow Statement

From January to June 2017

Unit: 0'000 Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period	Increase (decrease)
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services	1,217,412.48	196,850.23	518.45%
Other cash received relating to operating activities	13,695.58	15,651.14	-12.49%
Subtotal of cash inflows from operating activities	1,231,108.06	212,501.37	479.34%
Cash paid for goods purchased and services received	594,983.20	88,351.93	573.42%
Cash paid to and behalf of employees	108,875.19	28,997.50	275.46%
Cash paid for various types of taxes	126,649.63	29,968.34	322.61%
Other cash paid relating to operating activities	52,458.89	11,687.85	348.83%
Subtotal of cash outflows from operating activities	882,966.91	159,005.62	455.31%
Net cash flow from operating activities	348,141.15	53,495.75	550.78%
II. Cash flows from investing activities:			
Cash received from disposal or withdrawal of investments	119,037.06	254,537.28	-53.23%
Cash received from investment income	20,921.55	16,995.09	23.10%
Net cash received from the disposal of fixed assets, intangible assets, and other long-term assets	33.40	17.40	91.95%
Other cash received relating to investing activities	2,631.51	-	
Subtotal of cash inflows from investing activities	142,623.52	271,549.77	-47.48%
Cash paid to acquire or construction of fixed assets, intangible assets, and other long-term assets	40,196.28	15,486.64	159.55%
Cash paid to acquire investments	35,396.60	191,982.25	-81.56%
Other cash received relating to investing activities	8,286.74	53.72	15325.80%
Subtotal of cash outflows from investment activities	83,879.62	207,522.61	-59.58%
Net cash flow from investment activities	58,743.90	64,027.16	-8.25%

Item	Amount for the period	Amount for the prior period	Increase (decrease)
III. Cash flows from financing activities:	-	-	
Cash received from borrowings	275,178.57	677,848.05	-59.40%
Other cash received relating to financing activities	154,552.61	107,071.96	44.34%
Subtotal of cash inflows from financing activities	429,731.18	784,920.01	-45.25%
Cash repayments of borrowings	325,855.80	461,004.29	-29.32%
Cash paid for distribution of dividends, profits or settlement of interests	151,594.20	8,650.10	1652.51%
Other cash paid relating to financing activities	49,848.62	98,278.07	-49.28%
Subtotal of cash outflows from financing activities	527,298.62	567,932.46	-7.15%
Net cash flow from financing activities	-97,567.44	216,987.55	-144.96%
IV. Impact of exchange rate changes on cash and cash equivalents	-22,322.32	1,642.00	-1459.46%
V. Net increase in cash and cash equivalents	286,995.29	336,152.46	-14.62%
Add: Opening balance of cash and cash equivalents	842,020.81	898,216.23	-6.26%
VI. Closing balance of cash and cash equivalents	1,129,016.10	1,234,368.69	-8.53%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2017, the net profit of the Group increased by RMB867.89 million or 173.04% from RMB501.56 million for the six months ended 30 June 2016 to RMB1,369.45 million. For the six months ended 30 June 2017, net profit attributable to the owners of the company was RMB835.14 million, representing an increase of RMB323.23 million or 63.14% from RMB511.91 million for the six months ended 30 June 2016, which was primarily due to the Company's profit rose up significantly for its purchase of quality assets through international M&A.

Operating Results

For the six months end 30 June 2017, the operating revenue of the Group increased by RMB9,395.09 million or 415.74% from RMB2,259.85 million for the six months ended 30 June 2016 to RMB11,654.94 million. For the six months ended 30 June 2017, the gross profit of the Group was RMB4,133.35 million, representing an increase of RMB3,281.45 million or 385.19% from RMB851.91 million for the same period last year.

The table below sets out the operating revenue, operating cost, gross profit and gross profit margin of our products in the first half of 2017 and the same period of 2016:

Unit: 0'000 Yuan Currency: RMB

Region	Operating revenue	Operating cost	Principal businesses by region			
			Gross profit margin (%)	Increase/decrease of operating revenue as compared with the same period last year (%)	Increase/decrease of operating cost as compared with the same period last year (%)	Increase/decrease of gross profit margin as compared with the same period last year (%)
PRC	181,585.58	94,566.81	47.92	20.80	12.44	up by 3.87 percentage points
Australia	83,864.44	57,435.15	31.51	23.18	12.02	up by 6.83 percentage points
Brazil	215,047.18	173,484.44	19.33	N/A	N/A	N/A
DRC	676,088.40	419,623.28	37.93	N/A	N/A	N/A
Total	1,156,585.60	745,109.68				

Administrative Expenses

For the six months ended 30 June 2017, the administrative expenses of the Group were RMB463.40 million, representing an increase of RMB282.17 million or 155.70% from RMB181.23 million for the same period in 2016. Such increase was mainly due to the enlarged enterprise scale upon the completion of international M&A by the Group.

Financial Expenses

For the six months ended 30 June 2017, the financial expenses of the Group amounted to RMB1,026.14 million, representing an increase of RMB937.14 million or 1,052.99% from RMB89.00 million for the same period in 2016. Such increase was mainly due to higher financing costs for international M&A business of the Group.

Investment Income

For the six months ended 30 June 2017, the investment income of the Group was RMB45.59 million, representing a decrease of RMB93.89 million or 67.32% from RMB139.48 million for the same period in 2016, mainly due to less wealth management products purchased by the Group during the period.

Changes in Fair Values

For the six months ended 30 June 2017, changes in fair values of the Group was RMB-326.01 million, representing a decrease of RMB361.00 million or 1,031.92% from RMB34.98 million for the same period in 2016, which was due to changes in fair values of financial liabilities measured at fair value through profit or loss caused by rising cobalt price in 2017.

Income Tax Expenses

For the year ended 30 June 2017, the income tax expenses of the Group amounted to RMB720.60 million, representing an increase of RMB626.70 million or 667.41% from RMB93.90 million for the same period of 2016. Such increase was mainly due to the overall increase of the profit for the period upon the completion of overseas M&A.

Net Profit Attributable to Owners of the Parent Company

For the six months ended 30 June 2017, the net profit of the Group attributable to owners of the parent company increased by RMB323.23 million or 63.14% from RMB511.91 million for the six months ended 30 June 2016 to RMB835.14 million for the six months ended 30 June 2017. Such significant increase was mainly due to the increase in net profit for the six months ended 30 June 2017. The increase in net profit attributed to the significant increase in the Company's profit for its purchase of quality assets through overseas M&A.

Financial Position

For the six months ended 30 June 2017, the total assets of the Group amounted to RMB87,980.42 million, comprising non-current assets of RMB64,572.05 million and current assets of RMB23,408.37 million.

Financial Assets Measured at Fair Value Through Profit or Loss

For the six months ended 30 June 2017, the financial assets measured at fair value through profit or loss of the Group amounted to RMB38.07 million, representing a decrease of RMB17.53 million or 31.53% from RMB55.60 million for the year ended 31 December 2016. Such decrease was mainly due to the change of financial assets held for trading in the context of changing market price.

Other Current Assets

For the six months ended 30 June 2017, the other current assets of the Group amounted to RMB412.60 million, representing a decrease of RMB385.99 million or 48.33% from RMB798.59 million for the year ended 31 December 2016. Such decrease was mainly due to the maturity of bank-initiated wealth management products held by the Group during the period.

Long-Term Deferred Expenses

For the six months ended 30 June 2017, the long-term deferred expenses of the Group amounted to RMB154.30 million, representing an increase of RMB39.05 million or 33.89% from RMB115.25 million for the year ended 31 December 2016. Such increase was mainly due to the advance payments and arrangement expenses incurred by the financing actions taken by the Group during the period.

Financial Liabilities Measured at Fair Value Through Profit or Loss

For the six months ended 30 June 2017, financial liabilities measured at fair value through profit or loss of the Group amounted to RMB4,395.67 million, representing an increase of RMB1,574.23 million or 55.80% from RMB2,821.44 million for the year ended 31 December 2016. Such increase was mainly due to the expansion of the Group's gold lease business during the Period.

Notes Payable

For the six months ended 30 June 2017, the notes payable by the Group amounted to RMB317.50 million, representing a decrease of RMB342.50 million or 51.89% from RMB660.00 million for the year ended 31 December 2016. Such decrease was mainly due to the repayment of notes by the Group upon their maturity during the period.

Taxes Payable

For the six months ended 30 June 2017, the taxes payable by the Group amounted to RMB835.92 million, representing an increase of RMB778.06 million or 1,344.70% from RMB57.86 million for the year ended 31 December 2016. Such increase was mainly due to the M&A carried out by the Group during the period.

Other Payables

For the six months ended 30 June 2017, the other payables of the Group amounted to RMB519.39 million, representing a decrease of RMB897.38 million or 63.34% from RMB1,416.78 million for the year ended 31 December 2016. Such decrease was mainly due to the actual payment of compensation due to Congo government..

Other Non-Current Liabilities

For the six months ended 30 June 2017, the other non-current liabilities of the Group amounted to RMB8,174.70 million, representing an increase of RMB7,536.27 million or 1,180.43% from RMB638.44 million for the year ended 31 December 2016. Such increase was primarily because the Group entered into an agreement with BHR group on repurchasing 24% interests in TFM indirectly invested by BHR during the period and thereupon recognized other non-current liabilities.

Gearing Ratio

The gearing ratio (total liabilities divided by total assets) of the Group increased to 69.99% for the six months ended 30 June 2017 from 61.05% for the year ended 31 December 2016. Such increase was mainly due to the increase in long-term liabilities arising from the acquisition of 24% minority interests in TFM.

Cash Flow

For the six months ended 30 June 2017, the Group had cash and cash equivalents of RMB11,290.16 million, representing an increase of RMB2,869.95 million or 34.08% from RMB8,420.21 million for the year ended 31 December 2016.

For the six months ended 30 June 2017, the Group had net cash inflow of RMB3,481.41 million from operating activities; net cash inflow of RMB587.44 million from investing activities; and net cash inflow of RMB-975.67 million from financing activities.

POSSIBLE RISKS

1. Exposure To Risks Related To Price Fluctuations Of Principal Products

The revenue of the Company primarily comes from the sales of non-ferrous metals and phosphorus products, mainly including ferromolybdenum, tungsten concentrates, copper concentrates, electrolytic copper, cobalt hydroxide, ferroniobium, phosphate fertilizer and other related products, and its operating results are largely subject to fluctuations in the market prices thereof. At the same time, the NPM Copper/Gold Mine of the Company has sales of gold as by-product. Accordingly, the price fluctuations in gold will also have an impact on the Company. Since the fluctuations in the costs of mining and smelting relevant resources are relatively insignificant, the Company's profit and profit margin in the reporting period are closely related to the price trend of the commodities. If there is a significant fluctuation in the prices of related resource products and gold in the future, the operating results of the Company will become unstable. In particular, if the prices of related resource products record sharp decreases, the operating results of the Company will fluctuate significantly.

Given the relatively significant fluctuations in the short-term prices of copper and gold products and the existence of products in transit, rolling settlement and other factors, the financial statements of the Company and related subsidiaries recorded certain volatilities. Therefore, the 2016 Annual General Meeting authorized the Board of Directors to determine and carry out specific matters on the hedging of copper and gold products in line with market conditions, production plans and pursuant to the "Hedging Management System" of the Company, within the scope of total annual output planned on the basis of equity interests.

2. 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 resource products, drop in the recovery rate, inflation or other factors, or due to restrictions caused by technical problems and natural conditions such as weather and natural disasters in the process of mining. In this scenario, full utilization of the retained reserves of the Company cannot be guaranteed and the production capacity of the Company might be affected.

3. Exposure To Risks Related To Production Safety Or Natural Disasters

The Company engages in the businesses of mining and processing mineral resources. The Company invested substantial resources in production safety, established a relatively sound management body, personnel and systems for production safety, and continuously pushed forward the safety standardization management to form a relatively complete system of production safety management, prevention and supervision. However, safety incidents may still occur. As a mineral resources exploiter, large amounts of barren rocks and tail slags 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 torrential rain and debris flow.

4. Exposure To Risks Related To Interest Rate

The exposure to fair value interest rate risk of the Company mainly comes from fixed-rate bank borrowings. As the exposure related to fair value interest rate risk of the Company is rare, we currently have no hedging policy for such risk. The risk of changes in cash flows of financial instruments arising from fluctuations in interest rate is mainly related to floating-rate bank borrowings. The Company closely monitors the impact on risk of fluctuations in interest rate on changes in cash flows.

5. Exposure To Risks Related To Exchange Rate

The exchange rate risk exposure of the Company is primarily arising from assets and liabilities held in foreign currencies other than the functional currency, and is mainly associated with USD, HKD, EUR, CAD, RMB, BRL, GBP, CDF and AUD. The principal business operations of domestic subsidiaries of the Company are denominated and settled in RMB; the principal business operations of subsidiaries of the Group in Australia are mainly denominated and settled in AUD or USD; the niobium and phosphates businesses of the Company in Brazil are mainly denominated and settled in USD and BRL; and the copper and cobalt business of the Group in the DRC is mainly denominated and settled in USD and CDF. Therefore, the exposure of the Company to changes in the exchange rates is not significant, as its foreign currency transactions mainly comprise the financing activities of subsidiaries in the mainland and Hong Kong denominated and settled in USD, the operational activities of subsidiaries (whose functional currency is USD) in Australia settled in AUD, the operational activities of subsidiaries (whose functional currency is USD) in Brazil settled in BRL (Brazil) and the operating activities of subsidiaries (whose functional currency is USD) in the DRC settled in CDF.

The exchange risks arising from assets and liabilities with balances denominated in foreign currencies may affect the operating results of the Company. The Company has paid close attention to the effect of the changes in exchange rates on the exchange risks of the Company, and has purchased appropriate forward exchange contracts to avoid exchange risks.

6. Exposure To Risks Related To Policies

The Tenke mining area operated by the Company is located in the DRC which is one of the underdeveloped countries in the world with relatively prominent social problems. If the politics and security circumstances of the DRC deteriorate in the future, it will cause adverse effects on the production and operation of the Company. The foreign assets operational philosophy of the Company underlies the cultivation of positive relations with local government, communities and social organizations. As the political ties between China and the DRC stabilizes and draw ever closer, there is a trend that the government of China encourages outbound investments in the DRC. In order to further reduce economic losses of the Company likely to be incurred by relevant risks in the course of operation, the Company actively procures the purchase of overseas investment insurance.

7. Exposure To Risks Related To Operation Of Overseas Assets

Through operating the NPM Copper/Gold Mine in Australia, the Company has accumulated certain experience in the operation and management of overseas mineral resources, which offers certain reference for the successful mineral operation in Brazil and the DRC. But significant differences of operational environment and the variation of business attributes in different countries are likely to pose material challenges to asset operation and management in Brazil and the DRC. In addition, as the Company quickens its pace of internationalization, the expansion of its scale as a whole also increases the difficulty in corporate management and operation, including higher requirements of organizational structure, competence of the management and professionalism of the staff. As such, the Company may be affected by the shortage of talents to a certain degree.

ANALYSIS OF MAJOR SUBSIDIARIES

Basic information of major subsidiaries

Company name	Principal businesses	Registered capital	Way of shareholding	Shareholding ratio
CMOC Mining Pty Limited	Copper and gold related products	US\$346 million	Indirectly	100%
CMOC DRC Limited	Copper and cobalt related products	HKD1	Indirectly	100%
Luxembourg SPV	Niobium and phosphates related products	US\$20,000	Indirectly	100%

Financial Indicators for major subsidiaries during the reporting period

Unit: 100 million Yuan Currency: RMB

Company name	Operating income	Operating profit	Net profit	Total assets	Net assets
CMOC Mining Pty Limited	8.52	1.77	0.90	61.38	25.89
CMOC DRC Limited.	67.61	19.11	12.82	452.36	233.43
Luxembourg SPV	21.50	0.39	0.87	148.62	41.93

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(1) Exploration

NPM Copper/Gold Mine:

Exploration activities: Surface drilling programs were undertaken on EL5801, EL5323, ML1367 and ML1247 with 45 holes completed using two drill rigs. A total of 13,206.7m of drilling was completed during the first half of the year, with 7,293.7m of Diamond core, and 5,913.0m of Reverse Circulation (RC) drilling undertaken.

Niobium/Phosphates Mine in Brazil:

Exploration activities: During the first half of 2017, exploration work for mines in Brazil included 1,853.7 meters of drilling at 21 core holes for phosphates areas and 907.6 meters of drilling at 7 core holes for niobium areas.

Tenke Copper/Cobalt Mine:

Exploration and in-fill progress during the first half of 2017 included 37,985 meters of surface drilling in 227 core holes. Drilling began in February with 6 drills and 2 additional rigs were added in July. Exploration drilling was completed for the Dipeta Syncline, Shadirandzoro, and Kakapidi areas while infill drilling to support geologic modeling for deposit definition and mine planning was completed for the Kansalawile, Kamalondo, Mwadinkomba, Mambilima, Zikule and Sefu deposits. A supplemental drilling renewal proposal was approved for US\$15.18 million during the 2nd quarter, resulting in renewed exploration drilling on sulfide targets in the Dipeta Syncline and Kwatebala areas. The renewal plan includes a ground geophysical survey on the eastern Dipeta Syncline to help guide sulfide exploration in that very prospective area.

(2) Development

Sandaozhuang Mine: During the reporting period, the Company did not have any significant development in Sandaozhuang Mine.

Shangfanggou Mine: During the reporting period, the Company did not have any significant development in Shangfanggou Mine.

Xinjiang Mine: During the reporting period, the Company did not have any significant development in Xinjiang Mine.

NPM Copper/Gold Mine: During the reporting period, the Company did not have any significant development in NPM Mine.

Niobium/Phosphates Mine in Brazil: For mines in Brazil, development activity was mainly the removal of waste above the average strip ratio of the mine to expose more ore to be extracted.

Tenke Copper/Cobalt Mine in Congo (DRC): In the first half of 2017, development has been centred on Mambalima with road construction, bridge over the railroad and relocation of production systems from the area.

(3) Mining

First half of 2017	
Domestic mining activities	
Sandaozhuang Molybdenum/Tungsten Mine Mining volume (<i>kilotonnes</i>)	9,124.00
Overseas mining activities	
NPM Copper Mine Mining volume (<i>kilotonnes</i>)	3,119.10
Brazil Niobium Mine Mining volume (<i>kilotonnes</i>)	1,388.48
Brazil Phosphates Mine Mining volume (<i>kilotonnes</i>)	2,794.23
Tenke Copper/Cobalt Mine Mining volume (<i>kilotonnes</i>)	4,061.98

Remarks:

1. The data above was calculated on basis of the statistics prepared by the Company and had been confirmed by internal experts.
2. During the reporting period, no mining activities were conducted in Xinjiang Mine and Shangfanggou Mine.

(4) EXPLORATION, DEVELOPMENT AND MINING EXPENSES

In the PRC:

The mining expenses of Sandaozhuang Mine amounted to RMB238.6176 million; (Note: The above expenses exclude ore processing, same for below)

Overseas:

Unit: million Yuan Currency: US\$

Item	Exploration	Development	Mining
Niobium Mine	0.2	0.7	10.9
Phosphates Mine	0.4	-	7.3
Tenke Copper/Cobalt Mine	6	1.7	108
NPM	3.06	-	12.99
Total	9.66	2.4	139.19

DIRECTORS AND SUPERVISORS

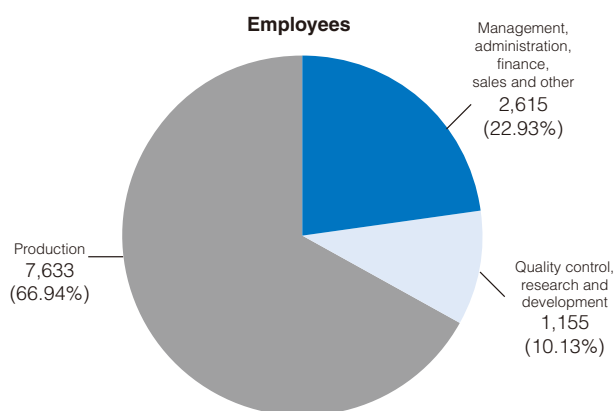
As of the date of this report, the Board of the Company consisted of the following 8 directors, and the supervisory committee consisted of the following 3 supervisors. Pursuant to the Company's articles of association, our Directors and Supervisors have a term of three years and are subject to re-election.

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 2017, the Group had approximately 11,403 full-time employees, classified by function and department as follows:

Department	Employees	Proportion
Management, administration, finance, sales and other	2,615	22.93%
Quality control, research and development	1,155	10.13%
Production	7,633	66.94%
Total	11,403	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 percentages 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%, 7%, 0.7% and 12% of his or her total basic monthly salary respectively. The overseas employees are enrolled in the requisite pension and healthcare plans under the requirements of the laws in the countries where they reside.

SHARE CAPITAL

	As at 30 June 2017	
	Number of shares (million shares)	Amount RMB in millions
A Shares at a nominal value of RMB0.20 per share	12,953.73	2,590.75
H Shares at a nominal value of RMB0.20 per share	3,933.47	786.69
Total	16,887.20	3,377.44

The Company completed the Non-Public Issuance of A Shares in July 2017, upon which the share capital is as follows:

	As of the date of this report	
	Number of shares (million shares)	Amount RMB in million
A Shares at a nominal value of RMB0.20 per share	17,665.77	3,533.15
H Shares at a nominal value of RMB0.20 per share	3,933.47	786.69
Total	21,599.24	4,319.85

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 2017 and after the non-public issuance of A Shares by the Company in July 2017, 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 as at 30 June 2017	Approximate percentage of shareholding in relevant class of shares as of the date of this report
LMG	5,329,780,425	Beneficial owner	A Share	41.14%	30.17%
Guohong Group	5,329,780,425	Interest in controlled corporation	A Share	41.14%	30.17%
CFC	5,030,220,000	Beneficial owner	A Share	38.83%	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%	7.70%

Name	Number of shares held	Capacity	Class of Share	Approximate percentage of shareholding in relevant class of shares as at 30 June 2017	Approximate percentage of shareholding in relevant class of shares as of the date of this report
Cathay Hong Kong ⁽¹⁾	303,000,000(L)	Beneficial owner	H Share	7.70%	7.70%
Yu Yong ⁽²⁾	5,030,220,000	Interest in controlled corporation	A Share	38.83%	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%	7.70%

(L) – Long position

Notes:

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

(2) Mr. Yu Yong holds 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' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES

As of 30 June 2017, details of the shareholdings of A Shares by the current Directors, Supervisors and management of the Company are as follows:

Name	Number of shares held (shares)	Percentage of shareholding in the total issued share capital (%)
Li Chaochun	1,587,692	0.009
Li Faben	1,064,400	0.006
Yuan Honglin	1,050,600	0.006
Zhang Zhenhao	1,063,500	0.006
Gu Meifeng	531,600	0.003
Jiang Zhongqiang	532,500	0.003
Total	5,830,292	0.033

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 Hong Kong 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 Hong Kong 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 Rules Governing the Listing of Securities on the Hong Kong Listing Rules.

DIVIDENDS

At the eleventh meeting of the fourth session of the Board held on 26 August 2017, the Board resolved not to declare any interim dividend for the six months ended 30 June 2017 (for six months ended 30 June 2016: Nil).

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 2017.

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 2017, save as disclosed below, in the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code (the “**Code Provisions**”) set out in Appendix 14 to the 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/her duly appointed delegate), to attend. The chairman and other members of the Audit Committee were unable to attend the annual general meeting of the Company held on 28 June 2017 due to other business commitments. The attendance of all chairmen of the Strategic Committee, Remuneration Committee, Nomination Committee and Supervisory Committee and the chief financial officer was sufficient for (i) answering the questions raised by the shareholders who attended the annual general meeting and (ii) communicating effectively 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 2017, the Board convened a total of ten 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 three meetings for the six months ended 30 June 2017 (with an attendance rate of 100%).

MODEL CODE FOR SECURITIES TRANSACTION MADE BY DIRECTORS AND EMPLOYEES

The Company has adopted the Model Code as set out in Appendix 10 of the Hong Kong Listing Rules in respect of dealings in the Company's securities by Directors. 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 2017. The Company has also formulated written guidelines equally stringent as the Model Code for securities transactions by employees of the Company (the "**Employees Written Guidelines**") 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.

REVIEW OF AUDIT COMMITTEE

The Terms of Reference and the 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 Company and the Group. The Audit Committee will review the effectiveness of the external audit as well as 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 2017 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 Luoyang 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.

On 18 April 2017, the Company received from LMG the Notice on Gratuitous Transfer of State-Owned Shares by Luoyang Non-ferrous Mining Group Co., Ltd. (洛陽有色礦業集團有限公司), to transfer the 100% equities in Luoyang Guo'an Trade Co., Ltd. (the "**Luoyang Guo'an**") held by Luoyang Non-ferrous Mining Group Co., Ltd. (洛陽有色礦業集團有限公司) to LMG free of charge, as from which, LMG will perform the duty as the shareholder. Upon LMG's acceptance of the transfer, in accordance with the Non-Competition Undertakings and to avoid actual competition between LMG and the Company upon actual commencement of production operation activities by Luoyang Fuchuan Mining Co., Ltd., LMG made an undertaking to the Company on 18 April 2017, pursuant to which, LMG undertakes to the Company that, after LMG obtains the Luoyang Guo'an Interests (and indirectly holds the equities of Luoyang Fuchuan Mining Co., Ltd.) and before Luoyang Fuchuan Mining Co., Ltd. commences production operations, LMG will procure the sale of the Luoyang Guo'an Interests, and the Company shall have the pre-emptive right to purchase Luoyang Guo'an Interests, or shall resolve the issue of competing business through comprehensive use of asset restructuring, equity replacement, business adjustment and other similar methods as indicated in the "Guiding Opinions on Promoting the Resolution of Horizontal Competition and the Regulation of Affiliated Transactions by the State-owned Shareholders and the Listed Companies under Their Control"* (《關於推動國有股東與所控股上市公司解決同業競爭規範關聯交易的指導意見》) jointly issued by the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會) and the CSRC.

I. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET (30 June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Note	30 June 2017	31 December 2016
Current assets:			
Cash and cash equivalents	VI(1)	1,254,287.66	997,022.41
Financial assets measured at fair value through profit or loss	VI(2)	3,806.90	5,559.90
Note receivables	VI(3)	137,216.38	95,086.16
Account receivables	VI(4)	194,748.91	146,180.72
Prepayments	VI(5)	31,106.04	29,557.21
Interests receivable	VI(6)	2,227.86	4,049.28
Other receivables	VI(7)	84,878.81	114,703.93
Inventories	VI(8)	517,815.48	508,276.75
Non-current assets due within one year	VI(9)	73,488.44	–
Other current assets	VI(10)	41,260.11	79,859.26
Total current assets		2,340,836.59	1,980,295.62
Non-current assets:			
Available-for-sale financial assets	VI(11)	288,955.98	300,060.25
Long-term equity investments	VI(12)	117,091.12	119,149.93
Fixed assets	VI(13)	2,610,100.87	2,727,292.13
Construction in progress	VI(14)	83,795.14	69,535.90
Inventories	VI(8)	438,306.24	426,961.79
Intangible assets	VI(15)	2,297,756.82	2,450,131.40
Goodwill	VI(16)	108,885.07	111,480.36
Long-term deferred expenses	VI(17)	15,430.22	11,524.74
Deferred tax assets	VI(18)	39,209.02	43,212.14
Other non-current assets	VI(19)	457,674.43	575,039.60
Total non-current assets		6,457,204.91	6,834,388.24
Total assets		8,798,041.50	8,814,683.86

Item	Note	30 June 2017	31 December 2016
Current liabilities:			
Short-term borrowings	VI(20)	480,235.50	437,243.35
Financial liabilities at fair value through profit or loss	VI(21)	439,567.27	282,144.18
Notes payable	VI(22)	31,750.00	66,000.00
Account payables	VI(23)	89,050.26	74,150.83
Receipts in advance	VI(24)	23,087.90	5,186.75
Employee benefits payable	VI(25)	37,185.92	35,482.22
Taxes payable	VI(26)	83,592.19	5,786.12
Interests payable	VI(27)	18,558.65	18,368.42
Dividends payable	VI(28)	2,788.58	2,788.58
Other payables	VI(29)	51,939.26	141,677.58
Non-current liabilities due within one year	VI(30)	287,326.49	258,449.74
Other current liabilities	VI(31)	211,240.94	270,889.72
Total current liabilities		1,756,322.96	1,598,167.49
Non-current liabilities:			
Long-term borrowings	VI(32)	2,246,484.40	2,337,687.99
Bonds payable	VI(33)	200,000.00	200,000.00
Provisions	VI(34)	180,509.96	175,779.37
Deferred tax liabilities	VI(18)	957,173.10	1,005,512.79
Other non-current liabilities	VI(35)	817,470.22	63,843.53
Total non-current liabilities		4,401,637.68	3,782,823.68
Total liabilities		6,157,960.64	5,380,991.17
Equity			
Share capital	VI(36)	337,743.97	337,743.97
Capital reserve	VI(37)	1,072,848.35	1,072,030.66
Other comprehensive income	VI(38)	354.95	28,285.43
Special reserve	VI(39)	647.34	857.01
Surplus reserve	VI(40)	84,009.89	84,009.89
Retained earnings	VI(41)	375,287.54	350,878.86
Total equity attributable to owners of the Company		1,870,892.04	1,873,805.82
Non-controlling interests		769,188.82	1,559,886.87
Total equity		2,640,080.86	3,433,692.69
Total liabilities and equity		8,798,041.50	8,814,683.86

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

BALANCE SHEET OF THE COMPANY (30 June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Notes	30 June 2017	31 December 2016
Current assets:			
Cash and cash equivalents		635,696.06	583,587.79
Financial assets measured at fair value through profit or loss		3,806.90	5,559.90
Bills receivable		135,112.10	92,107.49
Account receivables	XVII(1)	72,984.78	74,302.22
Prepayments		3,733.41	2,579.33
Interests receivable		21,403.80	19,041.43
Dividends receivable		4,400.61	4,400.61
Other receivables	XVII(2)	533,912.04	560,144.96
Inventories		17,023.72	17,938.57
Non-current assets due within one year		18,488.44	0.00
Other current assets		5,047.60	38,406.03
Total current assets		1,451,609.46	1,398,068.33
Non-current assets:			
Available-for-sale financial assets		20,000.49	20,000.49
Long-term equity investments	XVII(3)	1,691,761.09	1,691,984.32
Fixed assets		138,548.90	146,781.75
Construction in progress		10,797.17	5,015.61
Intangible assets		42,514.68	43,204.26
Long-term deferred expenses		14,194.38	14,186.56
Other non-current assets		212,067.84	254,460.83
Total non-current assets		2,129,884.55	2,175,633.82
Total assets		3,581,494.01	3,573,702.15

Item	Notes	30 June 2017	31 December 2016
Current liabilities:			
Short-term borrowings		393,589.10	395,621.35
Financial liabilities measured at fair value through profit or loss		388,565.66	277,583.79
Account payables		13,937.39	10,750.17
Receipts in advance		31.30	20.89
Employee benefits payable		3,481.65	4,798.84
Taxes payable		-2,807.54	-3,477.46
Interests payable		16,712.64	13,924.63
Other payables		72,617.29	70,816.85
Non-current liabilities due within one year		217,948.75	212,958.76
Other current liabilities		219,440.18	279,380.23
Total current liabilities		1,323,516.42	1,288,378.05
Non-current liabilities:			
Long-term borrowings		301,606.40	307,831.20
Bonds payable		200,000.00	200,000.00
Provisions		4,757.04	4,757.04
Deferred tax liabilities		1,889.64	1,513.88
Other non-current liabilities		34,410.56	34,429.84
Total non-current liabilities		542,663.64	548,531.96
Total liabilities		1,866,180.06	1,836,910.01
Equity			
Share capital		337,743.97	337,743.97
Capital reserve		1,072,030.66	1,072,030.66
Special reserve		582.14	784.95
Surplus reserve		84,009.89	84,009.89
Retained earnings		220,947.29	242,222.67
Total equity		1,715,313.95	1,736,792.14
Total liabilities and equity		3,581,494.01	3,573,702.15

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CONSOLIDATED INCOME STATEMENT (January–June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Notes	Six Months Ended 30 June	
		2017	2016
I. Total operating revenue		1,165,494.06	225,985.16
Including: Operating revenue	VI(42)	1,165,494.06	225,985.16
II. Total operating costs		926,061.81	182,246.22
Including: Operating costs	VI(42)	752,158.96	140,794.61
Taxes and surcharges	VI(43)	14,261.87	8,541.55
Selling expenses	VI(44)	10,119.28	3,734.49
Administrative expenses	VI(45)	46,339.87	18,122.52
Financial expenses	VI(46)	102,613.52	8,899.75
Assets Impairment loss	VI(47)	568.32	2,153.29
Add: (Loss)/gain on changes of fair value	VI(48)	-32,601.27	3,498.28
Investment income	VI(49)	4,558.79	13,948.14
Including: Investment income in associates and joint ventures		2,176.77	395.42
III. Operating profit		211,389.77	61,185.37
Add: Non-operating income	VI(50)	589.65	353.98
Less: Non-operating expenses	VI(51)	2,974.99	1,993.17
IV. Total profit before tax		209,004.43	59,546.18
Less: Income tax expenses	VI(52)	72,059.66	9,389.94
V. Net profit		136,944.77	50,156.24
Net profit attributable to owners of the parent company		83,513.87	51,190.63
Non-controlling interests		53,430.90	-1,034.39
VI. Other comprehensive income, net of tax	VI(53)	-63,703.57	-5,546.20
Other comprehensive income attributable to owners of the Company, net of tax		-27,930.48	-5,546.20
(1) items that will not be reclassified subsequently to profit or loss			
(2) Items that may be classified subsequently to profit or loss		-27,930.48	-5,546.20
1. Gains/(losses) on change in fair value of available-for-sale financial assets		-158.62	-12,389.80
2. Exchange difference on translation of financial statements in foreign currencies		-27,771.86	6,843.60
Other comprehensive income (net of tax) attributable to non-controlling interests		-35,773.09	–
VII. Total comprehensive income		73,241.20	44,610.02
Attributable to owners of the parent company		55,583.39	45,644.42
Non-controlling interests		17,657.81	-1,034.40
VIII. Earnings per share			
(I) Basic (<i>yuan per share</i>)		0.05	0.03
(II) Diluted (<i>yuan per share</i>)			

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

INCOME STATEMENT OF THE COMPANY (January–June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Notes	Six Months Ended 30 June	
		2017	2016
I. Operating revenue	XVII(4)	136,325.20	115,048.22
Less: Operating costs	XVII(4)	61,003.10	56,185.38
Taxes and surcharges		10,757.44	8,259.97
Selling expenses		60.91	72.95
Administrative expenses		14,084.72	9,680.20
Financial expenses		11,641.37	-3,660.17
Assets Impairment loss		–	137.27
Add: Gains on change in fair values loss		624.27	3,498.28
Investment income		4,752.60	5,557.04
Including: Investment income in associates and joint ventures	XVII(5)	2,176.77	892.09
II. Operating profit		44,154.53	53,427.94
Add: Non-operating revenue		190.29	344.88
Less: Non-operating expenses		2,011.82	1,948.62
III. Total profit		42,333.00	51,824.20
Less: Income tax expenses		4,503.19	5,799.94
IV. Net profit		37,829.81	46,024.26
V. Other comprehensive income, net of tax			
VI Total comprehensive income		37,829.81	46,024.26

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CONSOLIDATED CASH FLOW STATEMENT (January–June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Note	Six Months Ended 30 June	
		2017	2016
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		1,217,412.48	196,850.23
Cash received relating to other operating activities	VI(54)	13,695.58	15,651.14
Sub-total of cash inflows from operating activities		1,231,108.06	212,501.37
Cash paid for goods and services		594,983.20	88,351.93
Cash paid to and on behalf of employees		108,875.19	28,997.50
Cash paid for various types of taxes		126,649.63	29,968.34
Cash paid relating to other operating activities	VI(54)	52,458.89	11,687.85
Sub-total of cash outflows from operating activities		882,966.91	159,005.62
Net cash flow from operating activities		348,141.15	53,495.75
II. Cash flows from investing activities:			
Cash received from recovery of investments		119,037.06	254,537.28
Cash received from investment income		20,921.55	16,995.09
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		33.40	17.40
Cash received relating to other investing activities	VI(54)	2,631.51	–
Sub-total of cash inflows from investing activities		142,623.52	271,549.77
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets		40,196.28	15,486.64
Cash paid to acquire investments		35,396.60	191,982.25
Cash paid relating to other investing activities	VI(54)	8,286.74	53.72
Sub-total of cash outflows from investing activities		83,879.62	207,522.61
Net cash flow from investing activities		58,743.90	64,027.16

Item	Note	Six Months Ended 30 June	
		2017	2016
III. Cash flows from financing activities:			
Cash receipts from borrowings		275,178.57	677,848.05
Cash received relating to other financing activities	VI(54)	154,552.61	107,071.96
Sub-total of cash inflows from financing activities		429,731.18	784,920.01
Repayments of borrowings		325,855.80	461,004.29
Cash paid for distribution of dividends or profits and settlement of interests		151,594.20	8,650.10
Cash paid relating to other financing activities	VI(54)	49,848.62	98,278.07
Sub-total of cash outflows from financing activities		527,298.62	567,932.46
Net cash flow from financing activities		-97,567.44	216,987.55
IV. Impact of exchange rate changes on cash and cash equivalents			
		-22,322.32	1,642.00
V. Net increase in cash and cash equivalents			
Add: Opening balance of cash and cash equivalents		842,020.81	898,216.23
VI. Closing balance of cash and cash equivalents			
		1,129,016.10	1,234,368.69

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

CASH FLOW STATEMENT OF THE COMPANY

Unit: 0'000 Yuan Currency: RMB

Items	Note	Six Months Ended 30 June	
		2017	2016
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering of services		146,515.65	108,964.59
Tax refund		–	13,039.82
Cash received relating to other operating activities		6,818.63	–
Sub-total of cash inflows from operating activities		153,334.28	122,004.41
Cash paid for goods and services		22,370.74	37,600.88
Cash paid to and on behalf of employees		13,692.97	14,673.29
Cash paid for various types of taxes		30,366.69	23,158.82
Cash paid relating to other operating activities		55,279.14	16,725.10
Sub-total of cash outflows from operating activities		121,709.54	92,158.09
Net cash flow from operating activities		31,624.74	29,846.32
II. Cash flows from investing activities:		–	–
Cash received from recovery of investments		158,000.00	173,500.00
Cash received from investment income		11,760.92	15,855.43
Cash received relating to other investing activities		88,351.23	80,924.12
Sub-total of cash inflows from investing activities		258,112.15	270,279.55
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets		2,379.89	2,006.72
Cash paid to acquire investments		68,530.00	118,800.00
Cash paid relating to other investing activities		88,000.00	268,053.12
Sub-total of cash outflows from investing activities		158,909.89	388,859.84
Net cash flow from investing activities		99,202.26	-118,580.29

Items	Note	Six Months Ended 30 June	
		2017	2016
III. Cash flows from financing activities:		–	–
Cash received from borrowings		231,089.10	634,664.48
Other Cash receipts relating to financing activities		152,368.73	107,063.48
Sub-total of cash inflows from financing activities		383,457.83	741,727.96
Repayments of borrowings		288,232.16	347,638.07
Cash paid for distribution of dividends or profits and settlement of interests		98,740.66	2,619.11
Cash paid relating to other financing activities		45,284.73	98,278.07
Sub-total of cash outflows from financing activities		432,257.55	448,535.25
Net cash flow from financing activities		-48,799.72	293,192.71
IV. Effect of exchange rate changes on cash and cash equivalents		-188.98	-608.52
V. Net increase in cash and cash equivalents		81,838.30	203,850.22
Add: Opening balance of cash and cash equivalents		453,586.18	816,315.65
VI. Closing balance of cash and cash equivalents		535,424.48	1,020,165.87

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 (January–June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Share capital		Attributable to owners of the parent company					Non-controlling interests	Total equity
			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve		
I. Balance at the end of last year	337,743.97	1,072,030.66	-	28,285.43	857.01	84,009.89	350,878.86	1,559,886.87	3,433,692.69
II. Opening balance for the year	337,743.97	1,072,030.66	-	28,285.43	857.01	84,009.89	350,878.86	1,559,886.87	3,433,692.69
III. Changes for the period (decrease is indicated by "-")									
(I) Total comprehensive income	-	817.69	-	-27,930.48	-209.67	-	24,408.68	-790,698.05	-793,611.83
(II) Capital invested and reduced by owners	-	-	-	-158.62	-	-	83,513.87	52,740.28	136,095.53
4. Other	-	817.69	-	-27,771.86	-	-	-	-810,020.41	-836,974.58
(III) Profit distribution	-	-	-	-	-	-	-59,105.19	-33,411.34	-92,516.53
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-59,105.19	-33,411.34	-92,516.53
(IV) Transfer within owners' equity	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	-	-209.67	-	-	-6.58	-216.25
1. Provision in the period	-	-	-	-	4,989.79	-	-	70.31	5,060.10
2. Amount utilized in the period	-	-	-	-	5,199.46	-	-	76.89	5,276.35
IV. Balance at the end of the period	337,743.97	1,072,848.35	-	354.95	647.34	84,009.89	375,287.54	769,188.82	2,640,080.86

Item	Share capital		Attributable to owners of the parent company					Non-controlling interests	Total equity
			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve		
I. Balance at the end of last year	337,743.97	1,072,030.66	-	-63,249.27	11,520.07	78,605.01	298,697.68	46,320.99	1,781,669.11
II. Opening balance for the year	337,743.97	1,072,030.66	-	-63,249.27	11,520.07	78,605.01	298,697.68	46,320.99	1,781,669.11
III. Changes for the period (decrease is indicated by "-")									
(I) Total comprehensive income	-	-	-	-5,546.20	-6,800.46	-	8,972.62	-1,000.98	-4,375.02
(II) Profit distribution	-	-	-	-	-	-	51,190.62	-1,034.40	44,610.02
1. Distribution to owners (or shareholders)	-	-	-	-	-	-	-42,218.00	-	-42,218.00
(III) Special reserve	-	-	-	-	-6,800.46	-	-	33.42	-6,767.04
1. Provision in the period	-	-	-	-	5,600.72	-	-	79.69	5,680.41
2. Amount utilized in the period	-	-	-	-	12,401.18	-	-	46.27	12,447.45
IV. Balance at the end of the period	337,743.97	1,072,030.66	-	-68,795.47	4,719.61	78,605.01	307,670.30	45,320.01	1,777,294.09

Legal representative:
Li Chaochun

Person in charge
of accounting:
Gu Meifeng

Person in charge
of accounting department:
Zhang Hongwei

STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE COMPANY (January–June 2017)

Unit: 0'000 Yuan Currency: RMB

Item	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Balance at the end of last year	337,743.97	1,072,030.66	784.95	84,009.89	242,222.67	1,736,792.14
II. Opening balance for the year	337,743.97	1,072,030.66	784.95	84,009.89	242,222.67	1,736,792.14
III. Changes for the period (decrease is indicated by “-”)						
(I) Total comprehensive income	-	-	-202.81	-	-21,275.38	-21,478.19
(III) Profit distribution	-	-	-	-	37,829.81	37,829.81
1. Distribution to owners (or shareholders)	-	-	-	-	-59,105.19	-59,105.19
(IV) Transfer within owner's equity						
(V) Special reserve	-	-	-202.81	-	-	-202.81
1. Provision in the period	-	-	4,311.11	-	-	4,311.11
2. Amount utilized in the period	-	-	4,513.92	-	-	4,513.92
IV. Balance at the end of the period	337,743.97	1,072,030.66	582.14	84,009.89	220,947.29	1,715,313.95

Item	Share capital	Capital reserve	Special reserve	Surplus reserve	Retained earnings	Total equity
I. Balance at the end of last year	337,743.97	1,072,030.66	11,485.37	78,605.01	235,796.75	1,735,661.76
II. Opening balance for the year	337,743.97	1,072,030.66	11,485.37	78,605.01	235,796.75	1,735,661.76
III. Changes for the period (decrease is indicated by “-”)						
(I) Total comprehensive income	-	-	-6,835.25	-	3,806.27	-3,028.98
(II) Profit distribution	-	-	-	-	46,024.27	46,024.27
1. Distribution to owners (or shareholders)	-	-	-	-	-42,218.00	-42,218.00
(III) Special reserve	-	-	-6,835.25	-	-	-6,835.25
1. Provision in the period	-	-	3,960.94	-	-	3,960.94
2. Amount utilized in the period	-	-	10,796.18	-	-	10,796.19
IV. Balance at the end of the period	337,743.97	1,072,030.66	4,650.12	78,605.01	239,603.02	1,732,632.78

II. BASIC INFORMATION ABOUT THE COMPANY

1. Company Profile

China Molybdenum Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (“**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**”).

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 26 April 2006 (stock code: 03993) and the Shanghai Stock Exchange (the “**SSE**”) on 9 October 2012 (stock code 603993). On 24 July 2017, the Company’s share capital totaled 21,599,240,000 shares after completion of the registration of non-public issuance of A shares, including 17,665,770,000 A shares and 3,933,470,000 H shares with par value of RMB0.2. As at the reporting date, the Company’s share capital totaled RMB4,319.85 million.

The Company which is in the non-ferrous metal mining industry primarily engages in the mining and processing, smelting, deep processing of copper, molybdenum, tungsten, cobalt, niobium, and phosphorus, with a relatively complete and integrated industry chain. It represents one of the top five molybdenum producers and one of the largest tungsten producers in the world. It is also the second largest cobalt and niobium producer and the leading copper producer in the world as well as the second largest phosphate fertilizer producer in Brazil. While solidifying and improving the existing advantages in the industry, the Company is dedicated in investing in and integrating high-quality resources projects on a global scale as well as developing it into an internationalized resources company equipped with global vision and in-depth industrial consolidation capability by leveraging on its advanced management philosophy and team advantages.

III. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The Group implements the Accounting Standards for Business Enterprises issued by the Ministry of Finance (including the new and amended Accounting Standards for Business Enterprises issued in 2014) and the relevant regulations. The Group also discloses related financial information in accordance with Preparation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reports (2014 Amendment). In addition, the financial statements also include the relevant disclosures required by the Hong Kong Companies Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

2. Going Concern

The Group has performed the evaluation on its ability to continue as a going concern for the six months from 30 June 2017, and no matters or conditions that may cast significant doubts on its ability to continue as a going concern are found. Therefore, the financial statements have been prepared on a going concern basis.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

There is no change of the Company in accounting policies and accounting estimates compared with the last period.

V. TAXATION

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT (<i>note 1</i>)	The Company is registered for Value-Added Tax ("VAT"). Value-added tax 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.
City maintenance and construction tax	Actual turnover tax	7 percent for taxpayers in urban districts of cities, 5 percent for taxpayers in towns, and 1 percent for taxpayers in other areas.
Enterprise income tax	The income tax provision is calculated based on the accounting results for the year upon certain adjustments in accordance with the relevant tax laws	See below tables
Price adjustment fund	Actual turnover tax	(<i>note 2</i>)
Resource tax	Raw ore production or sales volume of concentrate	6.5%, 11% collection on ad valorem basis (<i>note 3</i>)
Mineral resources compensation fee	Mineral sales revenue for the period	<i>Note 2</i>
Educational surcharge	Actual turnover tax	3%
Regional educational surcharge	Actual turnover tax	2%
Australia goods and services tax ("GST")	Amount of the income from rendering of goods and services in Australia less the deductible purchase cost. It is not required to pay goods and services tax for export goods and the refund policy of goods and services tax is also applicable.	10% of the sales price of goods or services
Australia mining royalty	Royalty of mineral resources can be levied by volume or by price. If levied by volume, the royalty will be levied per the unit of exploited minerals. If levied by price, it will be levied per 4% of the total value or the sales price of exploited minerals.	4% ex-mine value
Brazil social contribution tax and goods circulation tax	Brazil local social contribution tax (PIS & CONFINS) and the goods circulation tax (ICMS) are applicable to AANB and AAFB, of which the tax basis is the balance of income from rendering of goods and services in Brazil less the deductible costs. It is not required to pay social contribution tax and goods circulation tax for export goods.	The social contribution tax is 9.25% of the sales price of goods or services. The goods circulation tax is 4%–18% of the sales price of goods or services. The tax rates imposed by the local states of Brazil are different.
DRC VAT	VAT of the Democratic Republic of the Congo ("DRC") is applicable to TFM.	The output VAT is calculated at 16% of the sales amount calculated in accordance with the relevant tax provisions.

Note 1: In accordance with the Cai Hui [2016] No. 22 Notice on the Accounting Guidelines on Value Added Tax (hereinafter referred to as "Notice No. 22") issued by the Ministry of Finance on 3 December 2016, "Business Tax and Surcharge" in the income statement shall be adjusted to "Tax and Surcharge" upon the full implementation of replacing business tax with VAT; the amount of this account includes the consumption tax, city maintenance and construction tax, resource tax, education surcharge and property tax, land use tax, travel tax, stamp duty and other related taxes and fees incurred in operating activities.

Note 2: 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 adjustment fund in respect to rare earth, Tungsten and Molybdenum shall be ceased.

Note 3: 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 rate of Tungsten resources tax is 6.5%. The applicable rate of molybdenum resource tax is 11%.

Name of tax entities	Income tax rate
The Company and its domestic subsidiaries	25%
China Molybdenum (Hong Kong) Company Limited	16.5%
CMOC Co., Ltd	16.5%
CMOC Mining Pty Limited	30%
CMOC Mining Services Pty. Limited	30%
CMOC Sales & Marketing Limited	20%
Copebras Indústria Ltda, Niobras Mineração Ltda	34%
CMOC BRASIL SERVICOS ADMINISTRATIVOS E PARTICIPACOES LTDA.	34%
The subsidiaries of the Group established in Bermuda and the British Cayman Islands.	0%
TFM	30%

2. Tax Incentive

Pursuant to the “Notice of Publishing the Directory of Enterprise Income Tax Rebates for Enterprises with Comprehensive Utilization of Resources” (Cai Shui [2008] No. 117) jointly issued by the Ministry of Finance, the State Administration of Taxation and the 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 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 Reissuance of Certificates Due to Name Change (Yu Fa Gai Huan Zi [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 Directory of Enterprise Income Tax Rebates for Enterprises with Comprehensive Utilization of Resources. Therefore, the company still recognized 90% of sales of powdered Tungsten (scheelite concentrates) to taxable income during 1 July 2015 to 31 December 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. Therefore, 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%.

VI. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All notes are presented in Ten Thousand Renminbi Yuan Unless Defined Separately)

1. Cash and Cash Equivalents

Item	30 June 2017	31 December 2016
Cash	156.93	112.02
Bank deposits	1,128,859.18	841,908.78
Other cash and bank balances	125,271.55	155,001.61
Total	1,254,287.66	997,002.41
Including: total amount deposited abroad	335,644.49	336,429.30

As of 30 June 2017, other cash and bank balances include structured bank deposit and guarantee deposit, in which the structured bank deposit is RMB740,000,000.00 (31 December 2016: RMB400,000,000.00) and the guarantee deposit of bank acceptances is RMB250,000,000.00 (31 December 2016: RMB450,000,000.00), the loan guarantee deposit is RMB232,500,000.00 (31 December 2016: RMB630,000,000.00), the special deposit for mine environmental restoration and management is of RMB30,215,500.00 (31 December 2016: RMB20,016,000.00), and the letter of credit deposit is Nil (31 December 2016: RMB50,000,000.00).

The structured bank deposits has maturity period of less than one year and interest rate ranges from 3.6% to 5.15%. The abovementioned structured deposits cannot be withdrawn till its maturity.

2. Financial Assets Measured at Fair Value through Profit or Loss

Item	30 June 2017	31 December 2016
Forward foreign exchange contract (<i>note</i>)	3,806.90	5,559.90
Total	3,806.90	5,559.90

Note: Gain or loss arising from changes in the fair value of the forward exchange contract not designated as hedging instrument are recognised in profit or loss immediately.

3. Notes Receivable

(1) Disclosure of notes receivables by categories

Item	30 June 2017	31 December 2016
Bank acceptances	124,066.38	81,823.76
Commercial acceptances	13,150.00	13,262.40
Total	137,216.38	95,086.16

(2) Notes receivable pledged at the end of the period

Item	Amount pledged at 30 June 2017
Bank acceptances	935.00
Total	935.00

As of 30 June 2017, the notes receivable of RMB9,350,000.00 were used for loan pledge.

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

Item	Amount derecognized at 30 June 2017	Amount not derecognized at 30 June 2017
Bank acceptances	21,876.44	–
Commercial acceptances	–	–
Total	21,876.44	–

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. At of 30 June 2017, the Group has no commercial acceptances discounted which have not yet expired.

4. Account Receivables

(1) Disclosure of accounts receivable by categories

Category	Book Value		30 June 2017 Bad Debt Provision		Carrying value	Book Value		31 December 2016 Bad Debt Provision		Carrying 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	60,110.38	30.14	3,318.00	5.52	56,792.38	52,269.27	34.64	3,318.00	6.35	48,951.27
Accounts receivables for which bad debt are provided based on credit risk characteristics portfolio	8,753.16	4.39	1,389.73	15.88	7,363.43	6,666.01	4.42	1,389.73	20.85	5,276.28
Accounts receivable that are not individually significant and for which bad debts are provided	130,593.10	65.47	-	-	130,593.10	91,953.17	60.94	-	-	91,953.17
Total	199,456.64	/	4,707.73	/	194,748.91	150,888.45	/	4,707.73	/	146,180.72

The subsidiaries of the Group located in PRC and Australia consider the single item with book value more than RMB5,000,000.00 as individually significant and assess bad debt provision individually for these items; bad debt provision for other items that are not individually significant of these subsidiaries is made in accordance with the combination of credit risk characteristics. Bad debt provision for subsidiaries situated in Brazil and DRC is made by specific identification method.

Entity	30 June 2017			Reason for bad debt provision
	Accounts receivable	Bad debt Provision	Ratio of the Proportion	
Entity A	845.93	422.96	50.00	Bad debt risk
Entity B	2,464.92	2,464.92	100.00	Bad debt risk
Entity C	1,954.47	430.12	22.01	Bad debt risk
Total	5,265.32	3,318.00	/	/

Details of account receivables for which bad debts are provided using aging analysis as follows:

Aging	30 June 2017		
	Accounts receivable	Bad debt provision	Ratio of the proportion
Within 2 years	7,363.43	–	–
Above 2 years	1,389.73	1,389.73	100.00
Total	8,753.16	1,389.73	15.88

(2) *Top five account receivable balances by debtors as of period end*

Name of Entity	Relationship with the Company	Amount	Proportion of the amount to the total account receivable (%)	Closing balance of bad debt Reserve
Entity D	Third Party	57,777.47	28.97	–
Entity E	Third Party	10,193.69	5.11	–
Entity F	Third Party	9,614.41	4.82	–
Entity G	Third Party	8,915.10	4.47	–
Entity H	Third Party	8,812.78	4.42	–
Total		95,313.45	47.79	–

The prices of the main products of the Group's subsidiaries, such as Cathode Copper and Cobalt hydroxide, are tentatively determined at the time of delivery. The temporary price is usually based on the monthly average spot price of Copper and Cobalt at the London Metal Exchange, and finalized one month later after delivery.

5. Prepayments

(1) *Aging analysis of prepayments as follows:*

Aging	30 June 2017		31 December 2016	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	31,009.97	99.69	29,462.77	99.68
1 to 2 years	34.73	0.11	38.86	0.13
2 to 3 years	19.86	0.06	12.21	0.04
Above 3 years	41.48	0.14	43.37	0.15
Total	31,106.04	100.00	29,557.21	100.00

(2) *Top five prepayment balances based on debtors as of period end:*

Name of Entity	Relationship with the Company	Amount	Proportion of the amount to the total prepayments (%)
Entity F	Third Party	16,982.66	54.60
Entity I	Third Party	2,435.61	7.83
Entity J	Third Party	1,740.52	5.60
Entity K	Third Party	1,297.34	4.17
Entity L	Third Party	485.82	1.56
Total		22,941.95	73.76

6. Interests Receivable

(1) *Disclosure of interests receivable by categories*

Item	30 June 2017	31 December 2016
Time deposits	1,507.81	1,673.68
Entrusted loans	720.05	2,375.60
Total	2,227.86	4,049.28

7. Other Receivables

(1) Disclosure of other receivables by categories

Category	30 June 2017					31 December 2016				
	Book Value		Bad Debt Provision			Book Value		Bad Debt Provision		
	Amount	Proportion (%)	Amount	Ratio of the provision (%)	Carrying value	Amount	Proportion (%)	Amount	Ratio of the provision (%)	Carrying value
Other receivables that are individually significant and for which bad debts are provided for individually	8,292.39	9.49	1,177.89	14.20	7,114.50	6,639.01	5.67	1,177.89	17.74	5,461.12
Other receivables for which bad debt are provided based on credit risk characteristics portfolio	6,854.18	7.85	1,302.58	19.00	5,551.60	3,974.76	3.39	1,302.58	32.77	2,672.18
Other receivables that are not individually significant and for which bad debts are provided	72,212.71	82.66	-	-	72,212.71	106,570.63	90.94	-	-	106,570.63
Total	87,359.28	/	2,480.47	/	84,878.81	117,184.40	/	2,480.47	/	114,703.93

The subsidiaries of the Group located in PRC and Australia consider the single item with the book value more than RMB5,000,000.00 as individually significant, and access bad debt provision individually for this items; bad debt provision for other items that are not individually significant of these subsidiaries is made in accordance with the combination of credit risk characteristics. Bad debt provision for subsidiaries situated in Brazil and DRC is made by specific identification method.

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

Other receivables (By company)	Closing balance			
	Other receivables	Bad debt provision	Ratio of the Proportion	Reason for bad debt provision
Entity M	2,195.09	1,177.89	53.66	Bad debt risk
Total	2,195.09	1,177.89	/	/

Details of other receivables for which bad debts are provided using aging analysis as follows:

Aging	Other receivables	30 June 2017 Bad debt provision	Ratio of the Proportion
Within 2 years	5,551.60		
Above 2 years	1,302.58	1,302.58	100
Total	6,854.18	1,302.58	

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

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

(3) *Other receivables by nature*

Nature of item	30 June 2017	31 December 2016
Refund of land-transferring fee receivable	700.00	700.00
Guarantee deposit	801.00	1,065.72
Compensation receivable	-	22,978.81
Deductible Brazil social contribution tax	11,763.60	10,587.94
DRC VAT refund	59,214.65	62,697.30
Acquisition consideration refund	-	7,127.77
Others	14,880.03	12,026.86
Total	87,359.28	117,184.40

(4) *Top five other receivables balances based on debtors as of period end:*

Name of company	Relationship with the Company	Closing Balance	Aging	Proportion of the amount to the total balance (%)	Closing balance of bad debt provision
DRC VAT refunds receivable	Third Party	59,214.65	Within 2 years	67.78	
Brazil's federal government	Third Party	11,763.60	Within 2 years	13.47	
Entity M	Third Party	2,195.09	More than 2 years	2.51	1,177.89
Entity R	Third Party	1,409.00	Within 2 years	1.61	
England's Federal Revenue	Third Party	1,232.26	Within 2 years	1.41	
Total	/	75,814.60	/		-

8. Inventories

(1) Disclosure of inventories by categories

Item	30 June 2017			31 December 2016		
	Gross balance	Provision	Carrying value	Gross balance	Provision	Carrying value
Current:						
Raw materials	202,245.37	200.52	202,044.85	226,194.21	312.04	225,882.16
Work-in-progress	198,852.53		198,852.53	160,527.03		160,527.03
Finished goods	117,127.60	209.50	116,918.10	122,021.99	154.43	121,867.56
Subtotal	518,225.50	410.02	517,815.48	508,743.23	466.47	508,276.76
Non-current:						
Raw materials ^(note)	436,369.07	2,090.16	434,278.91	424,854.93	2,119.85	422,735.07
Consumptive biological assets	4,027.33	–	4,027.33	4,226.71	–	4,226.71
Subtotal	440,396.40	2,090.16	438,306.24	429,081.64	2,119.85	426,961.79
Total	958,621.90	2,500.18	956,121.72	937,824.87	2,586.32	935,238.55

Note: Raw materials include: The sulphide ore exploited and reserved in 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 2024, the mining period of E48 mine shaft. Therefore, the amount is presented as non-current assets;

Low-grade ores were produced from DRC Copper-Cobalt mine, ore recovery process is further demanded in the future; the management estimates that these ores will not be ready for sales within one year, so it will be presented as non-current assets.

(2) Changes in provision of inventory

Item	Opening balance	Increases for the period		Decreases for the period		Closing balance
		Provision	Others	Reversal or write-off	Others	
Raw materials ^(note) current	312.04		–	105.68	5.84	200.52
Raw materials ^(note) non-current	2,119.85		–	–	29.69	2,090.16
Finished goods	154.43	568.32	–	513.25	–	209.50
Total	2,586.32	568.32	–	618.93	35.53	2,500.18

Note: "Others" in the decreases for the period of raw materials refer to differences of foreign currency translation.

(3) *Finished and unsettled assets under construction contracts at the end of the period:*

Item	Quantity	Opening balance	Increase in business combination	Increase for the period	Changes in fair value	Decrease for the period	Foreign exchange translation losses	Closing balance
Eucalyptus forest in Brazil	2,978 hectares	4,226.71				46.39	-152.99	4,027.33

9. Non-current Assets Due within One Year

Item	30 June 2016	31 December 2016
Interests receivable due within one year	18,488.44	
Wealth management products due within one year	55,000.00	
Total	73,488.44	

10. Other Current Assets

Item	30 June 2017	31 December 2016
Wealth management products of banks	127.51	20,452.26
Other wealth management products by non-banking financial institutions	–	10,148.04
Loan to third party	19,916.50	19,000.00
Prepayment of enterprise income tax	725.58	3,790.38
Prepayment of VAT	2,974.63	9,965.78
Prepayment of electricity charge (note 1)	10,474.33	11,021.51
Others	7,041.56	5,481.29
Total	41,260.11	79,859.26

Note 1: The amount receivable is due from Société Nationale d'Electricité which is provided by the subsidiary of the Group in DRC. According to the agreement, the amount will be settled by electricity bill when the company actually uses electricity. The current part is the portion expected to be settled over the next 12 months.

11. Available-for-sale Financial Assets

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

Item	30 June 2017			31 December 2016		
	Carrying balance	Provision	Carrying value	Carrying balance	Provision	Carrying value
Equity instruments :	288,955.98		288,955.98	300,060.25		300,060.25
Measured at fair value	196,521.71		196,521.71	202,848.20		202,848.20
Measured at cost	92,434.27		92,434.27	97,212.05		97,212.05
Total	288,955.98		288,955.98	300,060.25		300,060.25

(2) *Available-for-sale financial assets measured at fair value at the end of the period*

Category of available-for-sale financial assets	Target Asset Management Plans	Fund shares	Equity shares of listed companies	Partnership shares	Total
Cost of equity instruments/ amortized cost of debt instruments	176,346.89	5,055.31	10,000.00	42,000.00	233,402.20
Fair value	140,003.51	4,518.20	10,000.00	42,000.00	196,521.71
Changes of fair value included in other comprehensive income		-537.11			-537.11
Impairment	-29,114.98	-	-	-	-29,114.98

(3) *Available-for-sale financial assets measured at cost at the end of the period*

Investee	Carrying balance				Provision				Proportion of shareholding in the investee (%)	Cash dividends for the period
	Opening balance	Increases for the period	Decreases for the period	At the end of the period	Opening balance	Increases for the period	Decreases for the period	At the end of the period		
Equity of unlisted Entity A (note 1)	40,000.00	0.00	0.00	40,000.00					5.30%	
Equity investment of partnership entity C	5,000.00	0.00	5,000.00	0.00						
Equity investment of partnership entity E (note 2)	46,020.49	0.00	0.00	46,020.49					N/A	
Equity investment of partnership entity F (note 2)	4,883.97	0.00	145.13	4,738.84					25.39%	
Equity of unlisted Entity G (note 1)	888.47	0.00	26.40	862.07					3.45%	
Equity of unlisted Entity H (note 1)	418.63	787.49	393.75	812.37					2.21%	
Others	0.49	0.00	0.00	0.49						
Total	97,212.05	787.49	5,565.28	92,434.26					/	

Note 1: Refers to the equity of unlisted companies, which the Group does not have control (including common control) or significant influence on. At the end of the period, such equity instrument is measured at cost, as it does not have a quoted market price, and the fair value cannot be reliably measured.

Note 2: Refers to equity of limited liability partnership companies, in which the Group participates in as a limited partner. The Group does not have control (including common control) or have significant influence on these investees. Such equity instrument is measured at cost, as it does not have a quoted market price, and the fair value cannot be reliably measured.

12. Long-term Equity Investments

Unit under investment	Opening Balance	Additional investment	Decreased investment	Investment income determined under equity method	Changes increase/(decrease)					Closing balance	Closing balance of provision for impairment
					Adjustment to other comprehensive income	Other changes in equities	Declared cash dividends or profits	Provision for impairment losses	Other		
I. Joint ventures											
Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. (" High-Tech ") (note 1)	8,876.23			-617.83						8,258.40	-
Xuzhou Huanyu Molybdenum Co., Ltd. (" Huan Yu ") (note 2)	103,179.34			-2,611.20						100,568.15	-
Subtotal	112,055.57			-3,229.03						108,826.55	
II. Associates											
Luoyang Yulu Mining Co., Ltd. (" Yulu Mining ") (note 3)	6,962.95			4,850.22			3,680.00			8,133.16	
Caly Nanomoly Development, Inc. (" Nanomoly Development ") (note 4)	-			0.00			-				
Luoyang Shenyu Molybdenum Co., Ltd. (" Luoyang Shenyu ") (note 5)	131.41			0.00			-			131.41	
Subtotal	7,094.36			4,850.22			3,680.00			8,264.57	-
Total	119,149.93			1,621.20			3,680.00			117,091.12	-

Note 1: On 27 January 2016, the Company entered into an equity transfer agreement with another shareholder of "High-Tech", and the Company invested RMB531,163.62 to acquire a 0.25% equity in "High-Tech" held by "High-Tech". Upon completion of the equity transaction, the Company holds 50.25% equity in "High-Tech" and continues to control "High-Tech" with another shareholder.

Note 2: Huan Yu, 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 parties were all suspended. According to the notification issued by Luoyang Municipal People's Government in March 2013, Fuchuan and the disputing party reached an 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: According to the result of Yulu Mining's 2007 annual general meeting, both investors would share the net profit at the ratio of 1:1 since 2008. Therefore, the Group holds 40% equity interest in Yulu Mining but recognizes investment income of 50% out of its net profit.

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 year, the Group has decreased its investment in Nanomoly Development to zero.

Note 5: In 2016, the Company entered into a collaboration agreement with a third party, and the Company invested RMB1.5 million by way of intangible assets and the counterparty invested RMB8.5 million of cash to establish Luoyang Shenyu. Meanwhile, the Company appointed a director and a supervisor to Luoyang Shenyu and due to its important influence, it is accounted as an associate.

There are no significant limits on the Group's ability to transfer cash to these investees regarding long-term equity investments.

All investees of the Group's long-term investments are unlisted entities.

13. Fixed Assets

(1) Fixed assets

Item	Buildings and architectures	Machinery equipment	Transport equipment	Electronic equipment, fixture and furniture	Total
I. Original carrying amount:					
1. Opening balance	1,147,575.31	1,934,751.97	19,563.07	15,615.90	3,117,506.25
2. Increases for the period	24,441.95	10,812.94	123.14	42.38	35,420.41
(1) Purchase	2,741.62	3,069.99	90.31	44.64	5,946.56
(2) Transfer from construction in progress	2,720.63	1,138.04	10.39		3,869.06
(3) Increase in business combination					-
(4) Differences in foreign currency translation	18,979.70	6,604.91	22.44	-2.26	25,604.79
3. Decreases for the period	683.83	308.74			992.57
(1) Disposal or retirement	683.83	308.74			992.57
4. Closing balance	1,171,333.43	1,945,256.17	19,686.21	15,658.28	3,151,934.09
II. Accumulated depreciation					
1. Opening balance	223,966.00	138,490.31	13,837.75	13,525.54	389,819.60
2. Increases for the period	55,853.19	97,388.86	672.89	134.23	154,049.17
(1) Provision	43,075.54	93,114.53	664.64	135.66	136,990.37
(2) Differences in foreign currency translation	12,777.65	4,274.33	8.25	-1.43	17,058.80
3. Decreases for the period	2,679.89	-249.82			2,430.07
(1) Disposal or retirement	2,679.89	-249.82			2,430.07
4. Closing balance	277,139.30	236,128.99	14,510.64	13,659.77	541,438.70
III. Impairment provision					
1. Opening balance		394.52			394.52
2. Increases for the period					
(1) Provision					
3. Decreases for the period					
(1) Disposal or retirement					
4. Closing balance		394.52			394.52
IV. Carrying amount					
1. Closing carrying amount	894,194.13	1,708,732.66	5,175.57	1,998.51	2,610,100.87
2. Opening carrying amount	923,609.31	1,795,867.14	5,725.32	2,090.36	2,727,292.13

(2) *Temporarily idle fixed assets*

Item	Original carrying amount	Accumulated depreciation	Impairment provision	Carrying amount
Closing balance – machinery equipment	1,648.56	1,149.36	394.52	104.68

14. Construction in Progress

(1) *Details of construction in progress*

Item	30 June 2017			31 December 2016		
	Carrying balance	Impairment provision	Carrying amount	Carrying balance	Impairment provision	Carrying amount
Luchanggou tailing pond project of No. 2 Ore Processing Plant	875.78		875.78	690.39		690.39
Tailing pond project of No. 3 Ore Processing Plant	68.77		68.77	27.53		27.53
Liushuigou tailing pond replacement project	266.76		266.76	1,425.07		1,425.07
30,000 tonne/day open-pit mining project	151.53		151.53	108.69		108.69
Ore-crushing system transformation project of No.3 Ore Processing Plant	2,748.85		2,748.85	88.62		88.62
Molybdenum project in East Gobi, Hami, Xinjiang	7,503.34		7,503.34	7,503.34		7,503.34
Northparkes E48 mine northern extension project	747.19		747.19	671.58		671.58
Northparkes E26 underground mine development project	204.22		204.22	135.29		135.29
Australian tailing storage project AANB smelting process improvement	9,011.25		9,011.25	7,629.59		7,629.59
AANB tailing dam heightening project	23,802.02		23,802.02	24,061.68		24,061.68
Others	38,352.58		38,352.58	27,129.90		27,129.90
Total	83,795.14		83,795.14	69,535.90		69,535.90

(2) Changes in significant construction in progress during the period

Name of project	Budget amount	Opening balance	Increases for the period	Transfer to fixed assets for the period	Other decreases for the period	Differences in foreign currency translation	Closing balance	Amount injected as a proportion of budget amount (%)	Progress	Amount of accumulated capitalized interest	Including: Amount of interest capitalisation for the period	Interest capitalisation rate for the period (%)	Capital sources
Luchanggou tailing pond project of No. 2 Ore Processing Plant	34,388.60	690.39	185.39				875.78	47.00					Funds in hand
Tailing pond project of No. 3 Ore Processing Plant	5,000.00	27.53	41.24				68.77	80.00					Funds in hand
Liushuigou tailing pond replacement project	13,000.00	1,425.07	401.13		1,559.44		266.76	99.00					Funds in hand
30,000 tonne/day open-pit mining project	20,000.00	108.69	61.29	18.45			151.53	100.00					Funds in hand
Ore-crushing system transformation project of No.3 Ore Processing Plant	5,486.00	88.62	2,660.23				2,748.85	100.00					Funds in hand
Molybdenum project in East Gobi, Hami, Xinjiang	284,900.00	7,503.34					7,503.34	3.00					Funds in hand
Northparkes E48 mine northern extension project	18,168.59	671.58	91.77			-16.16	747.19	93.00					Funds in hand
Northparkes E26 underground mine development project	15,779.67	135.29	72.10			-3.17	204.22	81.00					Funds in hand
Australian tailing storage project	14,503.94	64.22	0.14			-1.51	62.85	99.00					Funds in hand
ANB tailing dam heightening project	10,078.07	7,629.59	1,560.51			-178.85	9,011.25	36.00					Funds in hand
NB smelting process improvement	24,975.97	24,061.68	308.96			-568.62	23,802.02	100.00					Funds in hand
Others	N/A	27,129.90	15,745.98	3,850.61	480.49	-192.18	38,352.60	N/A					Funds in hand
Total		69,535.90	21,128.74	3,869.06	2,039.93	-960.49	83,795.16	/	/			/	/

15. Intangible Assets

(1) Details of intangible assets

Item	Land use rights	Mining rights	Others	Total
I. Original carrying amount				
1. Opening balance	52,157.35	2,493,789.35	4,258.97	2,550,205.67
2. Increases for the period	1,040.68	1,705.49	516.59	3,262.76
(1) Purchase	1,040.68	402.06	565.03	2,007.77
(2) Internal research and development				
(3) Increase in business combination				
(4) Transfer from construction in progress				
(5) Differences in foreign currency translation		1,303.43	-48.44	1,254.99
3. Decreases for the period			1,116.00	1,116.00
(1) Disposal			1,116.00	1,116.00
4. Closing balance	53,198.03	2,495,494.84	3,659.56	2,552,352.43
II. Accumulated amortization				
1. Opening balance	8,514.47	90,297.41	1,262.39	100,074.27
2. Increases for the period	971.99	152,768.34	781.01	154,521.34
(1) Provision	971.99	151,610.08	800.78	153,382.85
		1,158.26	-19.77	1,138.49
3. Decreases for the period				
(1) Disposal				
4. Closing balance	9,486.46	243,065.75	2,043.40	254,595.61
III. Impairment provision				
1. Opening balance				
2. Increases for the period				
(1) Provision				
3. Decreases for the period				
(1) Disposal				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount	43,711.57	2,252,429.09	1,616.16	2,297,756.82
2. Opening carrying amount	43,642.88	2,403,491.94	2,996.58	2,450,131.40

At the end of the period, the proportion of intangible assets arising from the Company's internal research and development to intangible asset balances was zero.

16. Goodwill

(1) Original carrying amount of goodwill

Investee or item leading to the goodwill	Opening balance	Increases for the period Increase in business combination	Decreases for the period Differences in foreign currency translation	Closing balance
Phosphorus business in Brazil (Note)	111,480.36		2,595.29	108,885.07
Total	111,480.36		2,595.29	108,885.07

(2) Goodwill impairment provision

Allocation of goodwill to an asset group

The Group uses business segments as its primary segment for reporting segment information. For the purpose of impairment testing, goodwill has been allocated to asset group by the Group. The carrying amount of goodwill allocated to an asset group and related impairment provision as at 30 June 2017 were as follows:

	Cost	Impairment provision	30 June 2017
Asset group – Phosphorus business in Brazil	108,885.07	–	108,885.07

The recoverable amount of the asset group of phosphorus business in Brazil is determined according to the present value of the expected future cash flows. Future cash flows are determined based on the financial budget of the next five years approved by the management and based on the production life of available reserves and future mining plans, and a discount rate of 13.5% is used. As products sold under the phosphorus business are denominated by USD and settled by BRL, the management holds the inflation risks faced by relevant business in the course of operation are mainly incurred by the inflation in the currency context of US dollar. Therefore, the inflation rate used to infer the cash flow from the asset group after 5 years is 3% (in the currency context of US dollar). Presumably from the characteristics of upstream mineral prices and costs, it is subject to minor impact of inflation, and the management believes, such forecast method is reasonable.

The key assumptions for calculating the present value of future cash flows for the above asset group as at 30 June 2017 are as follows:

Key assumptions	Consideration of the management
Budget gross margin	On the basis of the realized average gross margin in the year before the budget year, appropriately modify the average gross margin according to the changes in the expected efficiency and the fluctuation of metal market price.
Discount rate	The discount rate used is the pre-tax discount rate that reflects the specific risk of related asset group.
Inflation of raw material price	Consider the expected price index for the operating environment in the budget year.

The data of key assumptions of the sales price, discount rate, raw material price inflation used in the above asset group are consistent with the external information.

17. Long-term Deferred Expenses

Item	Opening balance	Increases for the period	Amortization amount for the period	Other decreases	Closing balance
Relocation compensation (note 1)	5,630.35		318.25		5,312.10
Geological Museum project (note 2)	2,760.00		30.00		2,730.00
Others	3,134.39	5,458.80	1,205.07		7,388.12
Total	11,524.74	5,458.80	1,553.32		15,430.22

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 from 1 January 2013 for a term of 50 years to promote and exhibit the Company's product.

18. Deferred Tax Assets/liabilities

(1) Deferred tax assets before offset

Item	30 June 2017		31 December 2016	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Asset impairment provision	28,441.30	8,724.17	42,883.92	12,739.29
Unrealized profit from internal transaction	9,777.86	2,444.47	14,876.77	4,019.05
Deductible losses	64,269.76	16,067.44	67,157.74	17,411.68
Differences in inventory costs	12,537.86	3,761.36	17,726.35	5,317.90
Deferred income of government grant	1,865.03	279.75	8,762.80	2,003.23
Net accrued and unpaid expenses	166,193.17	48,762.45	238,382.75	68,582.86
Exchange rate impact of non-monetary items	46,091.46	13,816.54	83,435.79	28,368.17
Retirement of fixed assets without filling	1,195.38	179.31	2,340.34	351.05
Others	1,577.04	236.56	2,085.35	621.35
Total	331,948.86	94,272.05	477,651.81	139,414.58

(2) Deferred tax liabilities before offset

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Accrued interest income	54,075.85	8,442.04	43,295.02	6,525.17
Exchange rate impact on non-monetary items (note)	180,285.07	61,296.93	75,244.01	25,582.96
Differences in depreciation of fixed assets	1,234,656.08	370,396.82	1,250,409.48	376,845.59
Profit or loss arising from change of fair value	1,879.27	281.89	5,182.12	1,157.22
Adjustment to the fair value of assets in business combination not involving enterprises under common control	1,831,048.51	571,818.45	2,292,023.99	687,607.20
Others	—	—	13,250.49	3,997.10
Total	3,301,944.78	1,012,236.13	3,679,405.11	1,101,715.24

Note: The functional currency of AANB is USD, and AANB uses BRL for tax declaration and settlement for operating activities in Brazil. As the historical exchange rate is used for recognition and subsequent measurement of non-monetary items of inventories and fixed assets, which results in timing difference between the tax base and carrying amount of non-monetary items, the Company accordingly recognizes the timing difference as a deferred tax asset/liability.

(3) *Net amount of deferred tax assets or liabilities after offset :*

	Offset amount at the end of the period	Net Closing balance after offset	Offset amount at the beginning of the period	Net Opening balance after offset
Deferred tax assets	55,063.03	39,209.02	96,202.45	43,212.14
Deferred tax liabilities	55,063.03	957,173.10	96,202.45	1,005,512.79

(4) *Details of unrecognized deferred tax assets*

Item	30 June 2017	31 December 2016
Deductible temporary difference	11.28	71.78
Deductible tax losses	9,550.63	6,817.87
Total	9,561.91	6,889.65

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

Year	30 June 2017	31 December 2016
2017	424.58	424.58
2018	498.13	498.13
2019	719.37	719.37
2020	1,011.35	1,011.35
2021	4,164.43	4,164.43
2022	2,732.76	–
Total	9,550.62	6,817.86

19. Other Non-current Assets

Item	30 June 2017	31 December 2016
Prepayments for land <i>(Note 1)</i>	865.99	865.99
Time deposit more than one year <i>(Note 2)</i>	129,471.94	141,864.93
Prepayment for water charges <i>(Note 3)</i>	6,300.00	6,300.00
Structured deposit more than one year		30,000.00
Wealth management bank product due after more than one year <i>(Note 4)</i>	25,000.00	80,000.00
Deductible social contribution tax <i>(Note 5)</i>	10,369.57	10,618.47
Amount due from TFM minority shareholders <i>(Note 6)</i>	29,439.41	29,029.96
Amount receivable from Société Nationale d'Electricité of DRC <i>(Note 7)</i>	121,531.48	122,435.28
Prepayment for income tax <i>(Note 8)</i>	34,446.47	37,907.24
Prepayments of farmland occupation tax <i>(Note 9)</i>	2,595.90	2,595.90
Land acquisition compensation due from government <i>(Note 10)</i>	13,878.27	14,359.59
Compensatory assets	7,792.17	19,693.73
Borrowings due from Bohai Harvest <i>(Note 11)</i>	67,697.76	69,771.78
Litigation guarantee <i>(Note 12)</i>	7,170.65	7,543.99
Others	1,114.82	2,052.76
Total	457,674.43	575,039.62

Note 1: The Group made prepayment for land transfer charges and relevant tax charges.

Note 2: This amount included principal of RMB1,097,962,500 (31 December 2016: RMB1,097,962,500) and interest of RMB196,756,900 (31 December 2016: RMB320,686,800), among which, the principal of RMB797,962,500 of 5-year time deposit was pledged to secure USD127,500,000.00 (equivalent to RMB967,711,500.00) long-term borrowings of CMOC Mining Pty Limited and the principal of RMB300,000,000.00 was the Company's general time deposit.

Note 3: Refers to the water charges pre-paid by Xinjiang Luomu.

Note 4: Principle-protected wealth management product plan purchased by the Group from financial institutions in China which will be matured in July 2018, with a yield of 5.24%. The management of the Group is in view that the exposure with respect to the Group's interest in the wealth management product plans is no significantly different from their carrying amount.

Note 5: AANB and AAFB apply the social contribution tax of Brazil. The tax base is the balance of the income from sales of goods and rendering of services in Brazil less the deductible costs. As export goods are not required to pay the social contribution tax and goods circulation tax, the Company did not record any tax credit at the end of the year. The social contribution tax is levied by the Brazil's federal government, so the tax credit can be used to deduct the enterprise income tax levied by the federal government without expiry date. The portion of tax credit to be deductible within one year is accounted for as other receivables by the Group.

Note 6: Refers to the borrowings to Gécamines. As at 30 June 2017, the principal amount of loan to Gécamines by TFM is USD30,000,000.00 (equivalent to RMB203,232,000.00) with the interests receivable of USD13,456,900 (equivalent to RMB91,162,200). The applicable interest rate for the loan is determined according to the 1-year Libor interest rate plus 6%. Interests receivables will be deducted from the dividends to Gécamines in the future.

Note 7: Refers to loan to Société Nationale d'Electricité ("**SNEL**") by TFM. The applicable interest rate for the loan is determined by 1-year Libor interest rate plus 3%, which will be settled by electricity charges payable in the future.

Note 8: Refers to the enterprise income tax prepaid by TFM, and the Company expects that the relevant tax cannot be deducted within one year.

Note 9: The land occupation tax prepaid by the Group for the land to be used in the future as tailing pond of its mine.

Note 10: The amount held by AAFB receivable from the state government of San Paulo, Brazil, which is the remaining payment suspended by the local government for disagreement proposed by it. Related issues are currently in the litigation stage, the management of the Group, based on the information and opinion of external lawyers, believes that the relevant funds can be recovered.

Note 11: USD100 million loan provided by the Group to BHR Newwood Investment Management Limited ("**BHR**") in this year as security deposit underlying a bank guarantee for BHR's acquisition of 24% indirect interests in TFM. The loan is interest-free.

Note 12: Certain legal proceedings relating to tax, labour and civil affairs arising in the course of business of the AANB and AAFB. Some of these proceedings require the submission of litigation collateral at the request of the court. The deposit is restricted from use and the interest is calculated at the Brazilian benchmark interest rate during this period. After litigation ends in the future, according to the results, the company can call back the deposit or settle the litigation by the deposit.

20. Short-term Borrowings

(1) Categories of short-term borrowings

Item	30 June 2017	31 December 2016
Secured borrowings		80,677.31
Credit loans	480,235.50	356,566.04
Total	480,235.50	437,243.35

Statement on categories of short-term borrowings:

As at the end of the period, there were no outstanding short-term borrowings of the Group that were overdue.

21. Financial Liabilities Measured at Fair Value through Profit or Loss

Item	30 June 2017	31 December 2016
1. Forward foreign exchange contracts (<i>Note 1</i>)		2,377.27
2. Forward commodity contract and gold lease liabilities measured at fair value (<i>Note 2</i>)	388,565.66	275,206.53
3. Contingent consideration for the acquisition of copper/cobalt business in DRC (<i>Note 3</i>)	51,001.61	4,560.38
Total	439,567.27	282,144.18

Note 1: Changes in the fair value of the forward foreign exchange contracts that are not due and are not designated as hedging instrument are recognised in profit or loss for the period 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 Group manages its risk exposure to the gold return obligation with same quality and weight under the gold lease agreement, in order to avert the risk arising from changing fair value of such a held-for-trading financial liability caused by the fluctuation of gold market price, by using gold forward contract. The gold return obligation of the Group and the corresponding forward gold contracts are designated as financial liabilities measured at fair value through profit or loss.

Note 3: It refers to the contingent consideration for the Group's acquisition of the copper/cobalt business in DRC, which is measured at fair value at the end of the period.

22. Notes Payable

Category	30 June 2017	31 December 2016
Commercial acceptances		
Bank acceptances	31,750.00	66,000.00
Total	31,750.00	66,000.00

As at the end of the period, there was no notes payable that were overdue.

23. Accounts Payable

(1) Details of accounts payable

Item	30 June 2017	31 December 2016
Payables for purchase of goods	72,447.88	63,817.77
Others	16,602.38	10,333.06
Total	89,050.26	74,150.83

(2) Significant accounts payable aging more than one year

Aging analysis on accounts payable is set out as follows:

Item	30 June 2017	31 December 2016
Within 1 year	87,671.46	72,754.02
1 to 2 years	483.29	417.26
Over 2 years	895.52	979.55
Total	89,050.26	74,150.83

24. Receipts in Advance

(1) Details of receipts in advance

Item	30 June 2017	31 December 2016
Sales of goods	23,087.90	5,186.75
Total	23,087.90	5,186.75

25. Employee Benefits Payable

(1) Details of employee benefits payable :

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
I. Short-term compensation	28,302.32	96,212.80	92,378.71	32,136.41
II. Retirement benefits – defined contribution plans	3,906.96	15,556.10	17,758.38	1,704.68
III. Termination benefits				
IV. Other benefits due within one year				
Others	3,272.94	664.13	592.24	3,344.83
Total	35,482.22	112,433.03	110,729.33	37,185.92

(2) Details of short-term compensation:

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
I. Wages, bonuses, allowances and subsidies	27,201.75	88,453.43	84,590.81	31,064.37
II. Staff welfare	29.03	992.08	1,021.11	–
III. Social security contributions	6.00	2,050.70	2,056.70	–
Including: Basic medicare insurance	3.43	1,667.88	1,671.31	–
Work injury insurance	2.31	282.72	285.03	–
Maternity insurance	0.26	85.33	85.59	–
Medicare insurance covering critical illness	0.00	14.77	14.77	–
IV. Housing funds	0.97	4,179.88	4,180.85	–
V. Labour union and employee education fund	1,064.57	536.71	529.24	1,072.04
Total	28,302.32	96,212.80	92,378.71	32,136.41

(3) Details of defined contribution plans

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
1. Basic pension insurance	3,906.27	15,336.87	17,611.47	1,631.67
2. Unemployment insurance	0.69	219.23	146.91	73.01
3. Corporate annuity payment				
Total	3,906.96	15,556.10	17,758.38	1,704.68

26. Taxes Payable

Item	30 June 2017	31 December 2016
Enterprise income tax of PRC	-3,602.80	-5,757.99
Enterprise income tax of Australia	1,873.41	588.86
Enterprise income tax of Brazil	5,937.08	2,317.15
Enterprise income tax of DRC	77,108.25	-
VAT	-3,412.09	254.37
Individual income tax	1,929.63	5,366.75
City maintenance and construction tax	-195.48	-249.02
Resources tax	2,889.60	2,474.77
Price adjustment fund		0.97
Educational surcharge	-115.76	-224.29
Others	1,180.35	1,014.55
Total	83,592.19	5,786.12

27. Interests Payable

Item	30 June 2017	31 December 2016
Interests payable on medium-term notes with periodic payments of interest and return of principal at maturity	11,345.32	10,700.60
Interests of bank borrowings	7,213.34	7,667.82
Total	18,558.65	18,368.42

28. Dividends Payable

Item	30 June 2017	31 December 2016
Luanchuan Chengzhi Mining Co., Ltd. <i>(note)</i>	531.97	531.97
Luanchuan Taifeng Industry and Trading Co., Ltd. <i>(note)</i>	662.31	662.31
Luanchuan Hongji Mining Co., Ltd. <i>(note)</i>	1,594.30	1,594.30
Total	2,788.58	2,788.58

Note: Minority shareholders of subsidiaries of the Group.

29. Other Payables

(1) Other payables by nature

Item	30 June 2017	31 December 2016
Project fund	19,682.04	19,219.05
Government compensation		69,508.74
Loyalty due to Gécamines <i>(note 1)</i>	3,387.30	12,228.89
Service and transportation expenses	8,372.76	8,536.67
Electricity charge compensation due to SNEL	6,774.40	6,937.00
Production progress payment due to Gécamines	932.16	3,468.50
Deposits, security deposits, and advances	1,841.04	3,173.42
Service fees payable	4,562.96	2,806.20
Resource expenses payable	1,353.62	2,779.66
Land compensation	992.74	1,706.98
Others	4,040.24	11,312.47
Total	51,939.26	141,677.58

Note 1: Gécamines charges a monthly loyalty fees to TFM for providing technical support and management consult services. According to the mining rights agreement between TFM and the DRC government, loyalty shall be calculated and paid at 2% of the adjusted sales revenue for the Group's business in DRC.

(2) *Other significant payables aging more than one year*

Item	Closing balance	Reason for amount outstanding or unrealized
Individual M	1,017.52	Current account is outstanding
Land compensation fee	992.74	Land compensation is paid step by step
Total	2,010.26	/

30. Non-Current Liabilities Due within One Year

Item	30 June 2017	31 December 2016
Long-term borrowings due within one year	85,584.77	56,708.01
Bonds payable due within one year	200,000.00	200,000.00
Long-term payables due within one year		
Deferred income to be realized within one year	741.72	741.73
Payables for exploration right in Hami, Xinjiang	1,000.00	1,000.00
Total	287,326.49	258,449.74

31. Other Current Liabilities

Item	30 June 2017	31 December 2016
Short-term bonds payable	200,000.00	250,000.00
Acquisition transaction cost		11,489.31
Other accrued expenses	11,240.94	9,400.41
Total	211,240.94	270,889.72

Changes in short-term bonds payable:

Name of bonds	Par value	Issuance date	Bonds term	Issue amount	Opening balance	Issuing in this period	Interest based on par Value	Interests paid during the year	Closing interests payable	Premium and discount amortization	Payment in this period	Closing balance
16 Luanchuan Molybdenum CP001 (note 1)	50,000.00	26 February 2016	One year	50,000.00	50,000.00			1,594.36			50,000.00	
16 Luanchuan Molybdenum SCP001 (note 2)	100,000.00	19 October 2016	270 days	100,000.00	100,000.00		2,087.67		2,087.67			100,000.00
16 Luanchuan Molybdenum SCP002 (note 3)	100,000.00	1 November 2016	270 days	100,000.00	100,000.00		2,152.49		2,152.49			100,000.00
Total	/ /	/		250,000.00	250,000.00		4,240.16	1,594.36	4,240.16		50,000.00	200,000.00

Note 1: 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%.

Note 2: As at 19 October 2016, the Company issued the 2016 first tranche of super-short-term financing bonds with a total of a nominal value amount of RMB1,000 million with a coupon rate of 3.00%.

Note 3: As at 1 November 2016, the Company issued the 2016 second tranche of super-short-term financing bonds with a total of a nominal value amount of RMB1,000 million with a coupon rate of 3.26%.

32. Long-term Borrowings

(1) Categories of long-term borrowings

Item	Closing balance	Opening balance
Secured borrowings	1,762,970.59	1,797,206.74
Unsecured and non-guaranteed loans	569,098.57	597,189.26
Long-term borrowings due within one year	-85,584.77	-56,708.01
Total	2,246,484.40	2,337,687.99

Statements to categories of long-term borrowings:

Borrowings obtained by the Group are through pledge of time deposits and equity of subsidiaries, including:

In September 2016, CMOC LUXEMBOURG S.À.R.L (hereinafter referred to as “**CMOC LUXEMBOURG**”) and CMOC BRASIL SERVICOS ADMINISTRATIVOS E PARTICIPACOES LTDA (hereinafter referred to as “**CMOC BRASIL**”), the subsidiaries of the Group, obtained a total of USD900 million (equivalent RMB6.2 billion) acquisition syndicated loan for the payment of the consideration of acquisition of the Brazil Niobium-Phosphorus business, which will be repaid by the agreed instalments during the period from 14 September 2018 to 14 September 2023, with interest rates ranging from 3-month USD Libor + 1.8% to 3-month USD Libor + 2.75%; the Group pledged the 100% equity interest in CMOC LUXEMBOURG to the Bank of China Luxembourg branch and provide a joint guarantee. According to the agreement between the Group and the banks of syndicate loans, the Group should fulfil a series of requirements of financial indicators, if breach these covenants, the loans will be required to repay immediately.

In November 2016, CMOC DRC LIMITED (hereinafter referred to as “**CMOC DRC**”), a subsidiary of the Group, obtained a total of US \$1.59 billion (equivalent to RMB11 billion) acquisitions syndicated loan for the payment of the consideration of acquisition of the DRC Copper-Cobalt business, which will be repaid by the agreed instalments during the period from 15 March 2018 to 15 November 2023, with interest rates ranging from 3-month USD Libor + 1.7% to 3-month USD Libor + 2.2%; the Group pledged the 100% equity interest in CMOC DRC to the bank and provided a joint guarantee. According to the agreement between the Group and the banks of syndicate loans, the Group should fulfil a series of requirements of financial indicators, if breach these covenants, the loans will be required to repay immediately.

Other statements: including rate range:

As at 30 June 2017, the annual interest rates for the above mentioned borrowings ranged from 1.50% to 4.5125% (31 December 2016: 0.9% to 4.5125%). As at 30 June 2017, there was no outstanding long-term borrowings of the Group in due but not paid.

33. Bonds Payable

(1) Bonds payable

Item	Closing balance	Opening balance
Medium-term notes	200,000.00	200,000.00
Total	200,000.00	200,000.00

(2) Changes in bonds payable: (preference share, perpetual bonds, and other financial investment excluded)

Name of bonds	Par value	Issuance date	Bonds term	Issue amount	Opening balance	Issue in the period	Interest based on par value	Premium and discount amortization	Payment in the period	Amount due within one year	Closing Balance
12 CMOC MTN1	200,000.00	2 August 2012	5 years	200,000.00	200,000.00		8,986.74			200,000.00	
16 Luanchuan Molybdenum MTN1	200,000.00	17 March 2016	5 years	200,000.00	200,000.00		2,358.58				200,000.00
Total	/ /	/	/	400,000.00	400,000.00		11,345.32				200,000.00

34. Provisions

Item	Opening balance	Closing balance	Reasons
Rehabilitation and asset abandonment cost (Note 1)	94,803.63	94,657.85	
Litigation and disputes (Note 2)	80,975.74	85,852.11	
Total	175,779.37	180,509.96	/

Note 1: The Group has the obligation of rehabilitation, environmental restoration and related assets dismantling with respect to environmental impact caused by mineral production and development activities. Future economic benefits outflow generated from the above obligations to the best estimate of the management of the Group is recognized as provision upon discounting. The above estimate is determined based on the industry practices and the current local laws and regulations, and significant changes in related laws and regulations may have a material impact on the Group's estimate.

Note 2: The Group's niobium/phosphorus business in Brazil is facing with a series of local litigations related to tax, labour and other civil cases in the course of operation. When the relevant litigations are likely to lose and result in economic benefits outflow, the management of the Group estimates the amount of potential economic benefits outflow and makes corresponding provisions.

35. Other Non-current Liabilities

Item	Closing balance	Opening balance
Deferred income of land grant fee refund (<i>note 1</i>)	1,535.73	1,574.48
Deferred income of research and development expenses subsidy (<i>note 2</i>)	300.00	300.00
Deferred income of demonstration base project subsidy (<i>note 2</i>)	6,187.83	6,888.33
Long-term service leave (<i>note 3</i>)	4,854.42	4,327.87
Borrowings payable to a third party and related deferred income (<i>note 4</i>)	36,958.86	36,958.86
Service fees payable to a third party (<i>note 5</i>)	5,920.97	6,063.08
Production progress fee payable to Gécamines	6,774.40	6,937.00
Long-term payment obligation based on 24% interests in TFM (<i>note 6</i>)	753,780.90	
Others	1,526.63	1,535.64
Deferred income released within 1 year	-369.52	-741.73
Total	817,470.22	63,843.53

Note 1: It refers to land grant fee refund received by the Group, which is included in deferred income and amortised on straight-line over the period of the land use rights.

Note 2: It includes special funds for major science and technology programs of Henan Province, special funds for mineral resources conservation and comprehensive utilization, subsidies for central mineral resources comprehensive utilization demonstration base received by the Group. These subsidies are planned for key technology research in floating and deep processing of molybdenum-tungsten ore, which will be recognized in the deferred income, and recognized as the current non-operating revenue when relevant technology research costs are incurred in the future.

Note 3: It is related liabilities accrued for the annual leave and long-term service leave accrued for employees of overseas subsidiaries of the Group. The portion expected to be paid within 12 months is accounted in employee benefits payable.

Note 4: They are long-term borrowings from a third party in this year with a term of ten years and an annual interest rate of 0.4%. The impact of discounting relevant amounts is recognized as deferred income.

Note 5: It refers to long-term salary for employees payable to a third-party service agency named Mining Overseas Service Company ("MOSCO"). MOSCO is a wholly-owned subsidiary of Freeport, which provides TFM with agency payment services for the salaries and expenses of foreign employees. According to the transition arrangements between the Company and Freeport, MOSCO will continue to provide TFM with such services during the transition period.

Note 6: On 20 April 2017, BHR completed the acquisition of the 100% interests in Lundin Shell Company from THL. BHR indirectly owns 24% interests in TFM. BHR has entered into a cooperation agreement with the Company, to award the Company with exclusive right to purchase the 24% TFM indirect interests from BHR. According to cooperation arrangements under the agreement, upon completion of acquiring the minority interests from BHR, the Company shall consolidate the 24% interests in TFM. Thereafter, the company recognized payment obligations to BHR's shareholders or upper-level investors.

36. Share Capital

	Opening balance	Changes for the period (+, -)			Sub-total	Closing balance
		Issuance of new shares	Bonus issue	Capitalisation of surplus reserve		
Total amount of shares	1,688,719.87					1,688,719.87

37. Capital Reserve

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
Capital premium (share premium)	1,072,030.66			1,072,030.66
Other capital reserve		817.69		817.69
Total	1,072,030.66	817.69		1,072,848.35

Other statements include increases/decreases for the period and change reasons:

Increase in capital reserve generated from equity transactions occurred in the period.

38. Other Comprehensive Income

Item	Opening balance	Actual amount before income tax in the period	Amount for the period			After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholder	Closing balance
			Less: Amount previously included in other comprehensive income transferred into profit or loss	Less: income tax expense				
I. Other comprehensive income to be reclassified into the profit or loss subsequently	28,285.43	-63,703.57			-27,930.47	-35,773.09	354.95	
Including: The shares of other comprehensive income to be reclassified subsequently to profit or loss by the investee under the equity method								
Changes in fair value of available-for-sale financial assets	-371.17	-165.93			-165.93		-537.10	
Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets								
Effective portion of profit or loss on cash flow hedge								
Exchange difference on translation of financial statements in foreign currency	28,656.60	-63,537.64			-27,764.54	-35,773.09	892.05	
Total of other comprehensive incomes	28,285.43	-63,703.57			-27,930.47	-35,773.09	354.95	

39. Special Reserve

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
Safety production expense	857.01	4,989.79	5,199.46	647.34
Total	857.01	4,989.79	5,199.46	647.34

40. Surplus Reserve

Item	Opening balance	Increases for the period	Decreases for the period	Closing balance
Statutory surplus reserve	84,009.89			84,009.89
Total	84,009.89			84,009.89

41. Retained Earnings

Item	For the period	For the prior period
Retained profit at ending of prior period before adjustment	350,878.86	298,697.68
Adjusted retained profit at beginning of period (Add +, Less -)	-	-
Retained profit at the end of the period after adjustment	350,878.86	298,697.68
Add: Net profit attributable to owners of the company for the period	83,513.87	51,190.63
Less: Statutory surplus reserve	-	-
Discretionary surplus reserves	-	-
Provisions for ordinary risks	-	-
Common stock dividends payable	59,105.19	42,218.00
Ordinary shares dividends converted to shares	-	-
Retained profit at the end of the period	375,287.54	307,670.31

42. Operating Revenue and Operating Costs

Item	Amount for the period		Amount for the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,156,585.61	745,109.67	218,395.63	135,376.01
Other operating activities	8,908.45	7,049.28	7,589.53	5,418.60
Total	1,165,494.06	752,158.95	225,985.16	140,794.61

43. Taxes and Surcharges

Item	Six Months Ended 30 June	
	2017	2016
Business tax	2.41	157.07
City maintenance and construction tax	836.29	740.50
Educational surcharge	521.90	440.76
Resource tax	11,844.23	6,910.22
Others	1,057.04	293.00
Total	14,261.87	8,541.55

44. Selling Expenses

Item	Six Months Ended 30 June	
	2017	2016
Salary, bonus and allowances	954.65	189.63
Transportation costs	3,477.10	2,747.14
Entertainment expenditures	46.28	53.31
Traveling expense	174.82	37.52
Market consulting fee	4,443.21	
Tax	76.38	51.75
Others	946.84	655.14
Total	10,119.28	3,734.49

45. Administrative Expenses

Item	Six Months Ended 30 June	
	2017	2016
Salary, bonus and allowances	14,939.21	4,919.68
Depreciation and amortization	2,318.43	1,875.55
Audit fees	721.83	215.23
Consulting and agency fees	12,837.32	1,541.14
Entertainment expenditures	669.22	358.38
Technology development fees	3,328.33	3,778.60
Others	11,525.53	5,433.94
Total	46,339.87	18,122.52

46. Financial Expenses

Item	Six Months Ended 30 June	
	2017	2016
Interest expenses on bonds	12,512.67	10,186.74
Discount interest of notes	826.68	1,145.54
Bank loans interest expenses	71,739.97	8,391.19
Including: the interest expense of bank loads due within 5 years		
Total interest expenses:		
Less: Capitalised interest expenses		
Less: Interest income	-29,806.17	-22,061.55
Exchange differences	33,459.55	4,501.85
Less: Capitalised exchange differences		
Others	13,880.82	6,735.98
Total	102,613.52	8,899.75

47. Assets Impairment Loss

Item	Six Months Ended 30 June	
	2017	2016
I. Bad debt loss		906.33
II. Impairment loss of inventories	568.32	1,127.57
III. Fixed assets impairment loss		119.39
Total	568.32	2,153.29

48. Gains/(losses) on Changes of Fair Value

Source resulting in gains on change in fair value	Six Months Ended 30 June	
	2017	2016
1. Gains (losses) on change in fair value of forward foreign exchange contract	624.27	3,277.43
2. Gains (losses) on gold lease measured at fair value and change in fair value of forward contract		220.85
3. Gains on change in fair value of consumable biological assets		
4. Change in fair value of contingent consideration for the acquisition of copper/cobalt business in DRC	-33,225.54	
Total	-32,601.27	3,498.28

49. Investment Income

Item	Six Months Ended 30 June	
	2017	2016
Income from long-term equity investments under equity method	1,621.19	395.42
Investment income from bonds and wealth investment product	2,937.60	6,215.52
Investment loss on disposal of available-for-sale financial assets		8,887.76
Derivatives not designated as hedging instruments		-1,550.56
Total	4,558.79	13,948.14

50. Non-operating Revenue

Item	Six Months Ended 30 June		Amount for non-regular profit and loss
	2017	2016	
Gains on disposal of non-current assets	19.41	2.65	19.41
Including: Gains on disposal of fixed assets	19.41	2.65	19.41
Government grants	538.40	319.47	538.40
Others	31.84	31.86	31.84
Total	589.65	353.98	589.65

Government grants in profit or loss

Subsidy item	Six Months Ended 30 June		Related to assets/related to income
	2017	2016	
Deferred income-subsidies for low-grade Scheelite demonstration project	350.24		Related to assets
Subsidies of foreign investment		300.00	Related to income
Land reclamation subsidy	142.64		Related to assets
Others	45.52	19.47	
Total	538.40	319.47	/

51. Non-operating Expenses

Item	Six Months Ended 30 June		Amount for non-regular profit and loss
	2017	2016	
Total losses on disposal of non-current assets	481.27	14.63	481.27
Including: Losses on disposal of fixed assets	481.27	14.63	481.27
External donations	2,194.22	1,703.29	2,194.22
Others	299.50	275.25	299.51
Total	2,974.99	1,993.17	2,975.00

52. Income Tax Expenses

(1) Income tax expenses

Item	Six Months Ended 30 June	
	2017	2016
Current income tax expenses for the period	94,515.40	4,989.92
Deferred tax expenses	-25,978.16	4,400.02
Difference arising on settlement of income tax for the previous years	3,522.42	
Total	72,059.66	9,389.94

(2) Reconciliation of Income tax expense to accounting profit is as below:

Item	Amount for the period
Total profit	209,004.43
Income tax expenses based on statutory applicable tax rate	38,094.77
Impact of the different tax rates applicable to subsidiaries	31,785.43
Impact of adjustment to previous years' income tax	
Impact of non-taxable income	-2,598.17
Impact of non-deductible cost, expenses and losses	-333.26
Impact of the utilization of tax losses of unrecognized deferred tax assets for the previous period	
Impact of deductible temporary differences or deductible losses of unrecognized deferred tax assets for the period	770.98
Impact of goodwill from business combination not involving enterprises under common control	
Differences arising on settlement of income tax for the previous year	3,522.63
Impact of taxation on non-monetary items	817.28
Others	
Income tax expenses	72,059.65

53. Other Comprehensive Income

Please refer to the notes to the Consolidated Income Statement for details

54. Cash Flow Statement

(1) Cash received relating to other operating activities

Item	Six Months Ended 30 June	
	2017	2016
Receipts of compensation and penalties.	–	58.16
Receipts of interest income	8,441.44	7,675.61
Government grants	538.40	3,155.92
Others	4,715.74	4,761.45
Total	13,695.58	15,651.14

(2) Cash paid relating to other operating activities

Item	Six Months Ended 30 June	
	2017	2016
Payments for consulting fee, technology development fee and transportation fee, etc.	5,441.52	2,823.88
Payments of donations and penalties, etc.	1,754.16	1,703.00
Payments of bank charges, etc.	5,291.28	1,044.72
Payments of compensation fees, vegetation recovery fees and others	2,170.32	–
Payments of M&A service charges	17,301.33	–
Others	20,500.28	6,116.25
Total	52,458.89	11,687.85

(3) Cash received relating to other investing activities

Item	Six Months Ended 30 June	
	2017	2016
Others	2,631.51	–
Total	2,631.51	–

(4) *Cash paid relating to other investing activities*

Item	Six Months Ended 30 June	
	2017	2016
Loan to third party	8,286.74	53.72
Total	8,286.74	53.72

(5) *Cash received relating to other financing activities*

Item	Six Months Ended 30 June	
	2017	2016
Cash receipts for gold leases business	154,552.61	107,071.96
Total	154,552.61	107,071.96

(6) *Cash paid relating to other financing activities*

Item	Six Months Ended 30 June	
	2017	2016
Cash paid for gold leasing business	37,193.78	91,439.27
Commission charge related to gold leasing business	7,147.18	2,293.28
Commission charge related to issue of letter of guarantee for loan business	990.14	2,245.52
Commission charge related to bond operation.	–	2,300.00
Other	4,517.52	–
Total	49,848.62	98,278.07

55. Supplementary Information to Cash Flow Statement

(1) Supplementary information to cash flow statement

Supplementary Information	Six Months Ended 30 June	
	2017	2016
1. Reconciliation of net profit to cash flows from operating activities:		
Net Profit	136,944.77	50,156.24
Add: Impairment provision for assets	568.32	2,153.29
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	136,990.37	27,128.04
Intangible asset amortization	153,382.85	5,087.96
Amortization of long-term deferred expenses	1,553.32	1,353.54
Loss on disposal of fixed assets, intangible assets and other long-term investments	461.86	-
Loss/(gain) on change in fair value	32,601.27	-3,498.28
Financial expenses	107,401.64	8,899.75
Investment loss	-4,558.79	-13,948.14
Decrease in deferred tax assets	4,003.13	3,463.96
Increase in deferred tax liabilities	-48,339.69	-
Decrease in inventories	-20,883.19	12,622.31
Decrease in operating receivable items	-62,422.11	-39,400.61
Increase in operating receivable items	-11,677.96	15,891.02
Other	-77,884.64	-16,413.33
Net cash flow from operating activities	348,141.15	53,495.75
2. Net changes in cash and cash equivalents:		
Closing amount of cash	1,129,016.10	1,234,368.69
Less: Opening amount of cash	842,020.81	898,216.23
Add: Closing amount of cash equivalents.	-	-
Less: Opening amount of cash equivalents.	-	-
Net increase in cash and cash equivalents	286,995.29	336,152.46

(2) Cash and cash equivalents

Item	30 June 2017	31 December 2016
I. Cash	1,129,016.10	842,020.81
Including: Cash on hand	156.93	112.03
Bank deposits always available for payment	1,128,859.17	841,908.78
II. Cash equivalents		
Including: bond investments due within 3 months		
III. Closing Amount of cash and cash equivalents	1,129,016.10	842,020.81
Including: restricted cash and cash equivalents of the parent company or subsidiaries of the Group		

56. Notes to Statement of Changes in Owners Equity

Description of "Other" items for the adjustment to the closing balance in the previous year and the amount of adjustment and other matters:

57. Foreign Currency Monetary Item

(1) Foreign currency monetary item:

Item	Closing balance of foreign currency	Exchange rate	Closing balance of RMB equivalent
Cash and bank balances			
Including: USD	5,866.23	6.7744	39,775.15
EUR	1,911.35	7.7496	14,843.99
EUR	2.90	0.8679	2.51
RMB	37.68	1.0000	37.68
CAD	116.14	5.2144	605.46
AUD	1,619.38	5.2099	8,436.80
BRL	23,717.58	2.0505	48,632.86
GBP	3.30	8.8144	29.50
ZAR	2,137.40	0.5182	1,107.51
SGD	0.30	4.9135	1.46
Short-term borrowings			
Including: USD			
EUR			
HKD			
RMB			
RMB			
Long-term borrowings			
Including: USD			
EUR	23,800.00	7.7496	184,314.78
HKD			
RMB			
RMB			
Other non-current liabilities due within one year			
EUR	1,400.00	7.7496	10,837.55

58. Government Grant

1. Basic information on government grant

Category	Amount	Reported item	Amount through profit or loss
Deferred income of subsidy for low-grade scheelite demonstration project	350.24	Non-operating revenue	350.24
Land reclamation subsidy	142.64	Non-operating revenue	142.64
Others	45.52	Non-operating revenue	45.52
Total	538.40	Non-operating revenue	538.40

VII. INTERESTS IN OTHER ENTITIES

1. Equity of Subsidiaries

(1) Constitution of subsidiaries

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Molybdenum Refining Co., Ltd.	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
China Molybdenum Tungsten Sales and Trading Co., Ltd.	China	Luanchuan, Henan	Sales of mineral products	100.00	-	Investment Establishment
Luoyang Dachuan Molybdenum Tungsten Technology Co., Ltd.	China	Luanchuan, Henan	Processing and sales of mineral products	100.00	-	Investment Establishment
Luoyang Mudu International Hotel Co., Ltd.	China	Luoyang, Henan	Hotel	100.00	-	Investment Establishment
China Molybdenum Tungsten Co., Ltd.	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
China Molybdenum (Hong Kong) Company Limited	Hong Kong, China	Hong Kong	Sales of mineral products	100.00	-	Investment Establishment
China Molybdenum Metal Material Company Limited	China	Luoyang, Henan	Processing and sales of mineral	100.00	-	Investment Establishment
Xinjiang Luomu Mining Co., Ltd.	China	Xinjiang	Purchase and sales of mineral	70.00	-	Investment Establishment
China Molybdenum Sales Co., Ltd.	China	Luanchuan, Henan	Sales of mineral products	100.00	-	Investment Establishment
CMOC Co., Ltd.	Hong Kong, China	Hong Kong	Investment & Holding	100.00	-	Investment Establishment
CMOC Mining Pty Limited	Australia	Australia	Mining, processing and sales of mineral products	-	100.00	Investment Establishment
CMOC Mining Services Pty. Limited	Australia	Australia	Mining services	-	100.00	Investment Establishment
Luochuan Huqi Mining Company Limited	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
Luanchuan Fu Kai Trading Co., Ltd.	China	Luanchuan, Henan	Purchase and sales of molybdenum and tungsten related products	100.00	-	Investment Establishment

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Luanchuan Qixing Mining Company Limited	China	Luanchuan, Henan	Refining and sales of mineral products	90.00	-	Investment Establishment
Luanchuan Furun Mining Co., Ltd	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd.	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luanchuan County Jiuyang Mining Co., Ltd.	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luanchuan County Sanqiang Molybdenum & Tungsten Co., Ltd.	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luoyang Mudulihao Business Co., Ltd.	China	Luoyang, Henan	HOTEL MANAGEMENT	-	100.00	Investment Establishment
Schmoke (Shanghai) International Trading Co., Ltd.	China	Shanghai	Import and export of goods and technology	100.00	-	Investment Establishment
CMOC Mining USA LTD	America	America	Consultancy	-	100.00	Investment Establishment
Shanghai Ruichao Investment Co., Ltd.	China	Shanghai	Consulting and corporate planning and management	-	100.00	Investment Establishment
Schmocker (Tibet) International Trading Co., Ltd	China	Tibet	Consulting and asset management and sales	-	100.00	Investment Establishment
Upnorth Investment Limited	China	BVI	Investment holding	-	100.00	Investment Establishment
Beijing Yongbo Resources Investment holding Co., Ltd.	China	Beijing	Consulting and asset management and sales	100.00	-	Investment Establishment
Luoyang Yuehe Properties Co., Ltd	China	Luoyang	Consulting, asset management	100.00	-	Investment Establishment
Molybdenum Congo	Hong Kong	Hong Kong	Mining services	-	100.00	Investment Establishment
CMOC Sales & Marketing Limited	UK	London	Mining services and sales	-	100.00	Investment Establishment
CMOC LUXEMBOURG	Luxembourg	Luxembourg	Investment holding	-	100.00	Investment Establishment
CMOC BRAZIL	Brazil	Brazil	Investment holding	-	100.00	Investment Establishment
Tibet Zhaoxu Venture Capital Investment Co., Ltd.	China	Tibet	Consulting, business planning, management	-	100.00	Investment Establishment
Long March No.1 Investment Limited	Hong Kong	Hong Kong	Investment holding	-	100.00	Investment Establishment
Bandra Investment Limited	China	BVI	Investment holding	-	100.00	Investment Establishment
Copebras Indústria Ltd.	Brazil	Brazil	Mining and processing	-	100.00	Business combination not involving enterprises under common control
Niobras Mineração Ltda.	Brazil	Brazil	Mining and processing	-	100.00	Business combination not involving enterprises under common control
CMOC International DRC Holdings Limited	Bermuda	Bermuda	Investment holding	-	100.00	Business combination not involving enterprises under common control
TFHL	Bermuda	Bermuda	Investment holding	-	70.00	Business combination not involving enterprises under common control
TFM	DRC	DRC	Mining and processing	-	80.00	Business combination not involving enterprises under common control
Purveyors South Africa Mine Services CMOC	The Republic of South Africa	The Republic of South Africa	Transportation	-	100.00	Business combination not involving enterprises under common control

2. Transactions that Result in Change of Owners' Equity in Subsidiaries without Losing Control

(1) Impact of transactions on non-controlling interests and equity attributable to owners of the parent company:

Unit: 0'000 Yuan Currency: RMB

	24% equity of TFM held by BHR
Acquisition costs/disposal considerations	
– Debt assumed	785,666.59
– Fair value of non-cash assets	
Total acquisition costs/disposal considerations	785,666.59
Less: Share in subsidiaries' net assets based on acquired/disposed net assets proportion	786,484.28
Balance	-817.69
Including: Capital reserve adjusted	-817.69
Surplus reserve adjusted	
Retained profit adjusted	

Note: According to the cooperation agreement entered into between the Group and the shareholders of BHR, the Group granted the shareholders of BHR a put option in respect of the 24% equity of TFM held by BHR as well as the right to purchase the relevant assets. Since the Group enjoys variable return on the 24% equity of TFM based on the arrangement under the agreement, the Group has recognized such matter as an equity transaction.

3. Equity in Joint Ventures and Associates

(1) Significant joint ventures and associates

Unit: 0'000 Yuan Currency: RMB

Name of the joint venture or associate	Major place of business	Place of incorporation	Nature of business	Shareholding ratio (%)		Accounting methods of joint ventures and associates
				Direct	Indirect	
Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd	Luoyang, Henan	Luoyang, Henan	Processing and sales of minerals products	50.25%	-	Equity method
Xuzhou Huanyu Molybdenum Co., Ltd.	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Investment	50.00%	-	Equity method
Luoyang Yulu Mining Co., Ltd.	Luoyang, Henan	Luoyang, Henan	Refining and sales of minerals products	40.00%	-	Equity method
Luoyang Shenyu Molybdenum Co., Ltd	Luoyang, Henan	Luoyang, Henan	Refining and sales of minerals products	15.00%	-	Equity method

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

Unit: 0'000 Yuan Currency: RMB

	Closing balance/Amount for the period		Opening balance/Amount for the prior period	
	High-tech	Huan Yu	High-tech	Huan Yu
Current assets	6,599.25	21,881.02	7,332.98	21,484.45
Including: cash and cash equivalents	712.93	614.85	456.80	611.45
Non-current assets	12,152.14	44,978.82	12,889.55	269,856.35
Total assets	18,751.39	66,859.84	20,222.53	291,340.80
Current liabilities	1,388.71	12,537.15	2,470.07	8,324.88
Non-current liabilities	-	80,000.00	-	80,000.00
Total liabilities	1,388.71	92,537.15	2,470.07	88,324.88
Non-controlling interests				-1,657.58
Total equity interest attributable to parent company	17,362.68	-23,464.74	17,752.46	204,673.50
Net assets shares calculated by percentage of shareholding	8,681.34	-11,732.37	8,876.23	102,336.75
Adjusted items	-	-	-	842.59
Carrying amount in the investment of associates	8,681.34	-11,732.37	8,876.23	103,179.34
Fair value of the joint venture investment with public offer	N/A	N/A	N/A	N/A
Operating revenue	4,569.51	0.52	7,649.96	20.36
Financial expenses	-2.40	1,997.01	19.94	3,993.57
Income Tax Expense	-	-	-	-
Net Profit	-1,229.51	-5,556.41	-2,720.75	-10,528.68
Discontinued operation net profit	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-1,229.51	-5,556.41	-2,720.75	-10,528.68
Dividends received from joint ventures for the period	-	-	-	-

(3) Main Financial Information of Significant Associates

Unit: 0'000 Yuan Currency: RMB

Yulu Mining	Closing balance/ Amount for the period	Opening balance/ Amount for the prior period
Current assets	17,712.96	13,010.74
Non-current assets	5,787.80	6,087.46
Total assets	23,500.76	19,098.20
Current liabilities	4,915.01	2,802.88
Non-current liabilities	350.00	400.00
Total liabilities	5,265.01	3,202.88
Non-controlling interests	–	–
Total equity interest attributable to parent company	18,235.74	15,895.31
Net assets shares calculated by percentage of shareholding	7,294.30	6,358.13
Adjusted items	–	604.82
Carrying amount in the investment of associates	7,294.30	6,962.95
Fair value of the joint venture investment with public offer	N/A	N/A
Operating revenue	14,223.04	30,092.73
Net profit	6,829.08	14,193.92
Discontinued operation net profit	–	–
Other comprehensive income	–	–
Total comprehensive income	6,829.08	14,193.92
Dividends received from associates for the period	3,680.00	7,825.00

4. Significant Joint Ventures

Name of joint control operation	Main business site	Place of registration	Nature of business	Shareholding proportion/entitled shares (%)	
				Direct	Indirect
Nothparkes Joint Venture	Australia	Australia	Exploitation of copper and gold mines		80

VIII. THE RISK RELEVANT FOR FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank equivalents, held-for-trading financial assets, accounts receivable, notes receivable, other receivables, other current assets, other non-current assets, available-for-sale financial assets, held-for-trading financial liabilities, accounts payable, notes payable, other payables, borrowing and bonds payables and etc. 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 is 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, EUR, CAD, RMB, BRL, GBP, CDF 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 AUD/USD for quoting price and settling account. The Group's niobium and phosphates businesses in Brazil mainly use USD and BRL for quoting price and settling account. The Group's copper and cobalt businesses in Democratic Republic of Congo mainly use USD and CDF 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, the operating activities of subsidiaries in Australia, which adopt USD as functioned currency and use AUD for settling account, the operating activities of subsidiaries in Brazil, which adopt USD as functioned currency and use BRL for settling account, and the operating activities of subsidiaries in Democratic Republic of Congo, which adopt USD as functioned currency and use CDF for settling account.

On 30 June 2017, the financial assets and financial liabilities as described in the table below are balance of USD, HKD, AUD, EUR, CAD, RMB, BRL, GBP and CDF (already being converted into RMB). All the other financial assets and financial 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.

Item	30 June 2017	31 December 2016
USD		
Cash and cash equivalents	39,775	4,813
Short-term borrowings		(88,447)
Sub-total	39,775	(83,634)
HKD		
Cash and cash equivalents	3	19
Short-term borrowings		
Sub-total	3	19
AUD		
Cash and cash equivalents	8,437	3,075
Sub-total	8,437	3,075
EUR		
Cash and cash equivalents	14,844	18,848
Short-term borrowings		
Long-term borrowings	(184,315)	(168,620)
Sub-total	(169,471)	(149,772)
CAD		
Cash and cash equivalents	606	600
Sub-total	606	600
RMB		
Cash and cash equivalents	38	155
Sub-total	38	155
BRL		
Cash and cash equivalents	48,633	19,675
Sub-total	48,633	19,675

Item	30 June 2017	31 December 2016
GBP		
Cash and cash equivalents	30	17
Sub-total	30	17
CDF		
Cash and cash equivalents	-	31,882
Sub-total	-	31,882
ZAR		
Cash and cash equivalents	1,108	-
Sub-total	1,108	-
SGD		
Cash and cash equivalents	2	-
Sub-total	2	-
Total	-70,839	-177,983

The Group closely monitors the effect of exchange rate changes on its foreign exchange, and avoids foreign exchange risk through acquisition of appropriate forward foreign exchange contracts.

The following table details the sensitivity of this Group to 10% of the change of foreign exchanges rate from recording currency of related group entities (including: RMB, USD, HKD and BRL) 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 registered by companies using RMB as recording currency due to foreign currency appreciation of RMB against the USD, HKD and EUR bank loans. Negative refers to the pre-tax profit decrease registered by companies using HKD as recording currency due to foreign currency appreciation of HKD against the USD and RMB Cash and bank balances, and companies using USD as recording currency due to foreign currency appreciation of USD against the AUD, HKD, EUR, CAD, RMB, BRL, GBP and CDF assets and liabilities. If the recording currency of our group depreciate when exchange these foreign currencies, it will have opposite impact on pre-tax profit. The impact from current forward foreign exchange contracts has not been taken into consideration in the following sensitive analysis.

Unit: 0'000 Yuan Currency: RMB

Item	Change of exchange 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
Entities which are denominated in RMB					
Pre-tax profit and equity	Depreciation of 10% of USD against RMB	(1,077)	(1,077)	8,132	8,132
	Depreciation of 10% of HKD against RMB				
	Depreciation of 10% of EUR against RMB	6,975	6,975	-	-
Entities which are denominated in HKD					
Pre-tax profit and equity	Depreciation of 10% of USD against HKD	(2,900)	(2,900)	(931)	(931)
	Depreciation of 10% of CAD against HKD	(61)	(61)		
	Depreciation of 10% of RMB against HKD			(4,553)	(4,553)
Entities which are denominated in USD					
Pre-tax profit and equity	Depreciation of 10% of AUD against USD	(844)	(844)	(308)	(308)
	Depreciation of 10% of HKD against USD	-	-	(4)	(4)
	Depreciation of 10% of EUR against USD	9,972	9,972	19,965	19,965
	Depreciation of 10% of CAD against USD	-	-	-	-
	Depreciation of 10% of RMB against USD	4	4	(102)	(102)
	Depreciation of 10% of BRL against USD	4,863	4,863	-	-
	Depreciation of 10% of GBP against USD	3	3	-	-
	Depreciation of 10% of CDF against USD	-	-	-	-
	Depreciation of 10% of JPY against USD	-	-	5,000	5,000
	Depreciation of 10% of ZAR against USD	111	111	-	-
	Depreciation of 10% of SGD against USD			-	-

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:

Unit: 0'000 Yuan Currency: RMB

Item	Change of interest rate	Amount for the year		Amount for the prior year	
		Impact on profit	Impact on shareholder's equity	Impact on profit	Impact on shareholder's equity
Floating rate	Increase 50 base points of interest rate	-4448	-4448	-1312	-1312
Floating rate	Decrease 50 base points of interest rate	4448	4448	1312	1312

1.2. Credit risk

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 maintains and monitors 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:

Unit: 0'000 Yuan

Amount for the period	Within 1 year.	1 to 2 years.	2 to 5 years	Total
Borrowing	480,235.50	614,650.77	811,182.08	1,906,068.35
Held-for-trading financial liabilities at fair value through profit or loss	439,567.27	–	–	439,567.27
Notes payable	31,750.00	–	–	31,750.00
Accounts payable	89,050.26	–	–	89,050.26
Dividends payable	2,788.58	–	–	2,788.58
Other payables	68,395.09	–	–	68,395.09
Non-current liabilities due within one year	287,326.48	–	–	287,326.48
Other current liabilities	211,240.93	–	–	211,240.93
Bonds payable	–	–	200,000.00	200,000.00
Total	1,610,354.11	614,650.77	1,011,182.08	3,236,186.96
Amount for the prior period	Within 1 year.	1 to 2 years.	2 to 5 years	Total
Borrowing	436,741.90	36,471.60	282,358.00	755,571.50
Held-for-trading financial liabilities at fair value through profit or loss	163,635.90	–	–	163,635.90
Notes payable	83,000.00	–	–	83,000.00
Accounts payable	16,735.80	–	–	16,735.80
Dividends payable	45,006.60	–	–	45,006.60
Other payables	24,761.10	–	–	24,761.10
Non-current liabilities due within one year	1,000.00	–	–	1,000.00
Other current liabilities	103,905.60	–	–	103,905.60
Bonds payable	18,320.00	218,320.00	208,440.00	445,080.00
Other non-current liabilities	–	–	–	–
Total	893,106.90	254,791.60	490,798.00	1,638,696.50

IX. DISCLOSURE OF FAIR VALUE

1. The Closing Fair Value of Assets and Liabilities Measured at Fair Value

Unit: 0'000 Yuan Currency: RMB

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 at fair value through profit or loss	-	3,806.90	-	3,806.90
1. Held-for-trading financial assets	-	3,806.90	-	3,806.90
(3) Derivative financial assets	-	3,806.90	-	3,806.90
(II) Available-for-sale financial assets	-	-	196,521.71	196,521.71
1. Debt instrument investment	-	-	-	-
2. Equity instrument investment	-	-	196,521.71	196,521.71
(III) Biological assets	-	-	4,027.33	4,027.33
1. Consumptive biological assets	-	-	4,027.33	4,027.33
2. Productive biological assets	-	8,863.35	-	8,863.35
The total assets measured continuously at fair value	-	12,670.25	200,549.04	213,219.29
Liabilities formed by gold lease measured in fair value	-	386,638.04	-	386,638.04
Contingent consideration at fair value	-	-	51,001.61	51,001.61
The total liabilities measured continuously at fair value	-	386,638.04	51,001.61	437,639.65

2. Continual and Non-Continual Second Level Fair Value Measurement Items, Qualitative and Quantitative Information of The Valuation Techniques and Significant Parameters Adopted

Items that are continuously measured at the second level of fair value are liabilities arising from forward foreign exchange contracts, gold forward contracts and the embedded derivatives financial instrument contained in accounts receivable. The discounted cash flow as its fair values was applied as a basis in the valuation. The main input values include forward foreign exchange quotations and discount rates of similar projects in banks, observable prices of related investment portfolios, the closing prices of related commodity and forward quoted prices.

3. Continual and Non-Continual Third Level Fair Value Measurement Items, Qualitative and Quantitative Information of The Valuation Techniques and Significant Parameters Adopted

Items that are continuously measured at the third level of fair value are consumable biological assets, available-for-sale financial assets and contingent consideration. The fair value of consumable biological assets is measured based on the prices of same kind wood, the growth period of related tree and the discounting of the subsequently input and maintenance fee. The fair value of available-for-sale financial assets is according to the valuation report provided by third-party financial institutions which is based on the comparable market investment prices and discounted future cash flow or valued by the management. The fair value of contingent consideration is based on the corresponding commodity prices calculated by Monte Carlo model.

X. RELATED PARTIES AND CONNECTED TRANSACTIONS

1. Parent Company of the Company

Unit: 0'000 Yuan Currency: RMB

Name of the parent	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
Cathay Fortune Corporation	Shanghai	Investment management	18,181.82	31.58	31.58

Information about the parent of the Company

On 12 January 2014, the Company received the Notice of Change of Control Rights of Luoyang Luanchuan Molybdenum Group Co., Ltd. from the shareholders Cathay Fortune Corporation (“**CFC**”) and Luoyang Mining Group Co., Ltd. (“**LMG**”), notifying that CFC increased its shareholding H shares of the Company in the secondary market through its wholly-owned subsidiary, Cathy Fortune Investment, incorporated in Hong Kong. Upon completion, CFC and its persons acting in concert totally hold 1,827,706,322 shares of the Company (approximately 36.01% of the total share capital of the Company), surpassing 1,776,593,475 shares (approximately 35.00% of the total share capital of the Company) held by the original largest shareholder LMG, and become the Company's largest shareholder. CFC and LMG exchanged views on the change of control of the Company. LMG confirmed that it no longer had control over the Company and had no intention to increase its shareholding in the Company. Therefore, the controlling shareholder of the Company changed to CFC.

The de facto controller of the Company is CFC. As of 30 June 2017, CFC actually holds 5,333,220,000.00 shares of the Company, accounting for 31.58% of the total share capital of the Company.

3. Associates and Joint Ventures of the Company

Other associates or joint ventures which have transactions with the Group in the period or in previous period are as follows:

Associates or joint ventures	Relationship with the Company
High-Tech	Joint Ventures
Fuchuan	Joint Ventures
Yulu Mining	Associates
Luoyang Shenyu	Associates

4. Other Related Parties

Other related parties	Relationship with the Company
LMG (Note1)	other
CFC (Note1)	other
Gécamines (Note2)	other
SNEL (Note2)	other

Note 1: LMG and CFC are the corporate shareholders of the Group.

Note 2: Gécamines is a minority shareholder of one of the Group's subsidiaries, and SNEL is a state-owned enterprise in the DRC. The Group completed the acquisition of the copper and cobalt businesses in the DRC in 17 November 2016, and Gécamines, a minority shareholder of TFM, has become a related party to the Group since the date on which the acquisition was completed. As Gécamines, a minority shareholder of TFM, is a state-owned enterprise in the DRC, SNEL, a state-owned enterprises controlled by the government of the DRC, is also regarded as a related party. The government of the DRC may hold indirect interests in various companies, and such interests, when combined with other indirect interests, may be deemed as related parties to the Group under circumstances where the Group is not aware of the situation. Nonetheless, the Group believes that these financial statements have disclosed and presented the major related party transactions of TFM relating to the government of the DRC.

5. Related Party Transactions

(1) Related parties' transaction of selling and purchasing goods and rendering and receiving labor services

Information on purchasing goods/receiving labor services

Unit: 0'000 Yuan Currency: RMB

Related party	Details of related party transaction	Amount for the period	Amount for the prior period
High-Tech	Product procurement	27.35	–
Gécamines	Technical support	4,950.68	N/A
SNEL	Electricity service	12,048.67	N/A

(2) Compensation for key management personnel

Unit: 0'000 Yuan Currency: RMB

Item	Six Months Ended 30 June	
	2017	2016
Compensation for key management personnel	100.5	107.6

6. Amounts Due from/to Related parties

(1) Receivable Item

Unit: 0'000 Yuan Currency: RMB

Item	Related party	30 June 2017		31 December 2016	
		Carrying balance	Bed debt provision	Carrying balance	Bed debt provision
Other receivables	High-Tech				
Prepayments	Fuchuan				
Other current assets	SNEL	10,474.33		11,021.51	
Other non-current assets	Gécamines	29,439.34		29,029.96	
Other non-current assets	SNEL	121,531.48		122,435.28	

(2) Payable Item

Unit: 0'000 Yuan Currency: RMB

Item	Related party	30 June 2017	31 December 2016
Other payables	Fuchuan	964.17	972.10
Other payables	SNEL	6,774.40	6,937.00
Other payables	Gécamines	4,319.46	85,206.13
Accounts payable	SNEL	4,052.71	3,865.99
Other non-current liabilities	Gécamines	6,774.40	6,937.00

XI. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

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

(1) Capital commitments

Unit: Thousand Yuan Currency: RMB

	30 June 2017	31 December 2016
Contracted but not recognised in the financial statements:		
–Commitment for acquisition and construction of long-term assets	211,287	207,821
–Commitment for external investment	527,240	527,634
Total	738,527	735,455

(2) Operating lease commitments

Till the balance sheet date, the information on irrevocable operating lease contracts that have been signed by the Group with foreign parties are as follows:

Unit: Thousand Yuan Currency: RMB

	30 June 2017	31 December 2016
Minimum lease payment under irrevocable operating		
First year after the balance sheet date	20,303	21,147
Second year after the balance sheet date	18,282	19,149
Third year after the balance sheet date	17,142	18,282
Fourth year after the balance sheet date	28,439	17,142
Subsequent years	–	16,890
Total	84,166	92,610

2. Segment Information

(1) *Determination basis and accounting policies for segment reporting*

In prior years, management divided the Group's business into five operating segments, namely Molybdenum and Tungsten related products, gold and silver related products, electrolytic lead, Copper and gold-related products and others on the basis of the Group's internal organization structure, management requirements and internal reporting system. During the year, the Group completed two significant asset acquisitions. In order to reflect the operation of the Group in a more reasonable way, the Company divided the Group's business into six operating segments, namely, Molybdenum & Tungsten related products in China, Copper & gold related products in Australia, Niobium and Phosphorus related products in Brazil, and Copper and Cobalt related products in the DRC and others; 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) Reporting segment's financial information

Unit: Thousand Yuan Currency: RMB

Item	Molybdenum & Tungsten related products	Copper & gold related products	Niobium & Phosphorus related products	Copper & Cobalt related products	Others	Unallocated item	Inter-segment eliminations	Total
Operating revenue								
External revenue	1,731,034	838,644	2,150,472	6,760,884	173,906	-		11,654,940
Inter-segment revenue								
Total segment operating revenue	1,731,034	838,644	2,150,472	6,760,884	173,906	-		11,654,940
Total operating revenue in the statements	1,731,034	838,644	2,150,472	6,760,884	173,906	-		11,654,940
Operating Costs	899,156	574,352	1,734,844	4,196,233	117,005	-		7,521,590
Business tax and surcharges	114,227	28,392	-	-	-	-		142,619
Selling expenses	10,732	29,948	13,603	46,909	-	-		101,192
Administrative expenses	-	4,368	198,846	11,982	-	248,203		463,399
Financial expenses	-	37,532	163,793	279,522	-	545,288		1,026,135
Assets impairment loss	-	755	261	-1,057	-	5,724		5,683
Add: Gains (losses) on change in fair value	-	-	-	-316,521	-	-9,491		-326,012
Investment income	-	-	-	-	-	45,588		45,588
Segment operating profit	706,920	163,298	39,124	1,910,774	56,901	-763,119		2,113,898
Operating profit in financial statements	706,920	163,298	39,124	1,910,774	56,901	-763,119		2,113,898
Add: Non-operating revenue	-	-	-	-	-	5,897		5,897
Less: Non-operating expenses	-	822	3,516	4,875	-	20,536		29,749
Total profit	706,920	162,476	35,608	1,905,899	56,901	-777,759		2,090,045
Less: Income tax expense	62,486	85,663	-51,128	623,576	-	-		720,597
Net profit	644,434	76,812	86,736	1,282,324	56,901	-777,759		1,369,448

(3) Specialty reasons if the Company has no reporting segments or cannot disclose the total assets and liabilities of each reporting segment

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

(Presented in Ten Thousand Renminbi Yuan Unless Defined Separately)

1. Accounts Receivable

(1) Disclosure of accounts receivable by categories:

Category	30 June 2017					31 December 2016				
	Book value		Bad debt provision		Carrying amount	Book value		Bad debt provision		Carrying amount
	Amount	Proportion (%)	Amount	Provision proportion (%)		Amount	Proportion (%)	Amount	Provision proportion (%)	
Accounts receivable that are individually significant and for which bad debts are provided for individually	73,257.75	99.29	422.96	0.58	72,834.79	74,548.01	99.26	422.96	0.57	74,125.05
Accounts receivables for which bad debt are provided based on credit risk characteristics portfolio	527.50	0.71	377.50	71.56	150.00	554.68	0.74	377.50	68.06	177.18
Accounts receivable that are not individually significant and for which bad debts are provided for individually										
Total	73,785.25	100.00	800.46	1.08	72,984.79	75,102.69	100.00	800.46	1.07	74,302.23

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

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

Accounts receivable (by entity)	30 June 2017			
	Accounts receivable	Bad debt provision	Provision proportion	Reason for proportion
Entity A	845.93	422.96	50.00	exposed to risk of recoverability
Total	845.93	422.96	/ /	

(2) *Top five accounts receivable balances based on debtors as of period end*

Name of entity	Relationship with the Company	Amount	Proportion of the amount to the total account receivable (%)	Closing balance of bad debt reserve
Entity N	Controlled Subsidiary	29,342.88	39.77	
Entity O	Controlled Subsidiary	20,146.81	27.30	
Entity F	Third Party	9,614.41	13.03	
Entity P	Controlled Subsidiary	8,505.41	11.53	
Entity Q	Third Party	845.93	1.15	422.96
Total		68,455.43	92.78	422.96

2. Other Receivables

(1) *Disclosure of other receivables by categories:*

Category	30 June 2017					31 December 2016				
	Book value		Bad debt provision		Carrying value	Book value		Bad debt provision		Carrying value
Amount	Proportion (%)	Amount	Provision proportion (%)	Amount		Proportion (%)	Amount	Provision proportion (%)		
Other receivables that are individually significant and for which bad debts are provided for individually	531,037.68	99.02	1,177.89	0.22	529,859.79	560,294.12	99.61	1,177.89	0.21	559,116.23
Other receivables for which bad debt are provided based on credit risk characteristics portfolio	5,228.89	0.98	1,176.64	22.50	4,052.25	2,205.37	0.39	1,176.64	53.35	1,028.73
Other receivables that are not individually significant and for which bad debts are provided for individually										
Total	536,266.57	/	2,354.53	/	533,912.04	562,499.49	/	2,354.53	/	560,144.96

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

Other receivables (by entity)	Closing balance			Reason for proportion
	Other receivables	Bad debt provision	Provision proportion	
Entity M	2,195.09	1,177.89	53.66	Bad debt risk
Total	2,195.09	1,177.89	/ /	

Details of account receivables for which had debts are provided using aging analysis as follows:

Aging	30 June 2017		
	Other receivables	Bad debt provision	Provision proportion
Within 2 years	4,052.25		
Above 2 years	1,176.64	1,176.64	100
Total	5,228.89	1,176.64	

3. Long-term Equity Investments

Item	30 June 2017			31 December 2016		
	Book value	Provision for impairment	Carrying value	Book value	Provision for impairment provision	Carrying value
Investment in subsidiaries	1,599,771.21	–	1,599,771.21	1,598,491.21		1,598,491.21
Investment in associates and joint ventures	91,989.88	–	91,989.88	93,493.11		93,493.11
Total	1,691,761.09		1,691,761.09	1,691,984.32		1,691,984.32

(1) Investment in subsidiaries

Investee entity	Opening balance	Increases for the period	Decreases for the period	Closing balance	Provision for the period	Closing balance
Ye Lian	563.83			563.83		
Da Chuan	1,750.00			1,750.00		
Xiao Shou Mao Yi	200.00			200.00		
Dadongpo	3,348.37			3,348.37		
Jiu Yang	1,702.89			1,702.89		
San Qiang	3,339.70			3,339.70		
International Hotel	21,000.00			21,000.00		
Wu Ye	10,000.00			10,000.00		
Hong Kong				–		
Metal Material	65,000.00			65,000.00		
Fu Run	880.32			880.32		
Xinjiang Luomu	98,000.00			98,000.00		
Huqi	990.00			990.00		
Fu Kai	26,152.00			26,152.00		
Sales Company	5,000.00			5,000.00		
Qi Xing	4,696.36			4,696.36		
Hong Kong CMOC (Note 1)	1,301,867.73			1,301,867.73		
Schmoeke	50,000.00			50,000.00		
Beijing YongBo	4,000.00	1,280.00		5,280.00		
Total	1,598,491.20	1,280.00		1,599,771.20		

Note 1: RMB63,000,000.00 (31 December 2015: RMB63,000,000.00) is the fair value arising from financial guarantee the Company providing to a long-term bank borrowings amounting to USD139.5 million (31 December 2015: USD179.5 million) of CMOC Mining Pty Limited, a wholly-owned subsidiary of CMOC Hong Kong. RMB110,000,000.00 (31 December 2015: Nil) is the fair value arising from the Company providing financial guarantee for USD900 million (31 December 2015: Nil) syndicated long-term borrowings to CMOC Luxembourg and CMOC Brazil whose 100% equity are held by CMOC Hong Kong, the Company's wholly-owned subsidiary; RMB308,000,000.00 (31 December 2015: Nil) is the fair value arising from the Company providing financial guarantee for USD1.59 billion (31 December 2015: Nil) syndicated long-term borrowings to CMOC DRC LIMITED, whose 100% equity is held by CMOC Hong Kong, the Company's wholly-owned subsidiary.

(2) Investment in associates and joint ventures

Investee entity	Opening balance	Additional investment	Decreased investment	Changes for the period						Closing balance	Closing balance of impairment provision
				Investment income determined under equity method	Adjustment to other comprehensive income	Other changes in equities	Declared cash dividends profits	Provision for impairment losses	Others		
I. Joint ventures											
Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. ("High-Tech")	8,876.23			-617.83							8,258.40
Xuzhou Huanyu Molybdenum Co., Ltd. ("Huan Yu")	77,522.52			-2,055.62							75,466.90
Sub-total	86,398.75			-2,673.45							83,725.30
II. Associates											
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining")	6,962.95			4,850.22			3,680.00				8,133.17
Caly Nanomoly Development, Inc. ("Nanomoly Development")											
Luoyang Shenyu Molybdenum Co., Ltd. ("Luoyang Shenyu")	131.41										131.41
Sub-total	7,094.36			4,850.22			3,680.00				8,264.58
Total	93,493.11			2,176.77			3,680.00				91,989.88

4. Operating Revenue and Operating Cost

Item	Six Months Ended 30 June			
	2017		2016	
	Revenue	Cost	Revenue	Cost
Principal operating	133,318.80	57,811.40	112,638.10	53,694.68
Other operating	3,006.40	3,191.70	2,410.12	2,490.70
Total	136,325.20	61,003.10	115,048.22	56,185.38

5. Investment Income

Item	Six Months Ended 30 June	
	2017	2016
Income from long-term equity investments under cost method		892.09
Income from long-term equity investments under equity method	2,176.77	
Investment income from disposal of long-term equity investments		6,215.52
Investment income during the holding of financial assets at fair value through profit or loss		
Investment income from disposal of financial assets at fair value through profit or loss	2,575.83	-1,550.57
Investment income during the holding of held-to-maturity investments		
Investment income during the holding of available-for-sale financial assets		
Investment income from disposal of available-for-sale financial assets		
Gains on revaluing the remaining equity at fair value after loss of control		
Total	4,752.60	5,557.04

XIII. SUPPLEMENTARY INFORMATION

1. 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	4.43	0.05	N/A
Net profit excluded non-recurring profit or loss attributable to ordinary shareholders	6.09	0.07	N/A

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

Yue Yuanbin (*appointed on 3 March 2017*)

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

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

LEGAL ADVISORS

As to Hong Kong law:

YTL & CO.
Suite 1905, Tower 2, Lippo Centre
89 Queensway
Hong Kong

As to PRC law:

Llinks Law Offices
19/F, One Lujiazui
68 Yin Cheng Road Middle
Shanghai, the PRC

WEBSITE

www.chinamoly.com

DEFINITIONS

“CMOC” or the “Company” or “We”	洛陽樂川鎢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
the “Group”	the Company and its subsidiaries
“Directors”	Directors of the Company
“Board of Directors”	Board of Directors of the Company
“Supervisors”	Supervisors of the Company
“Board of Supervisors”	Board of Supervisors of the Company
“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 Gold & Lead”	Luoyang Yongning Gold & Lead Refining Co., Ltd.
“Dadongpo”	Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd., a controlled subsidiary of the Company
“Xinjiang Luomu”	Xinjiang Luomu Mining Co., Ltd., a controlled 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
“Hong Kong CMOC”	CMOC Limited (洛陽鎢業控股有限公司), a wholly-owned subsidiary of the Company registered in Hong Kong
“Niobium/Phosphates Mine in Brazil”	a mine located in Brazil, which is owned by Hong Kong CMOC, a 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
“Luxembourg SPV”	CMOC Luxembourg S.a.r.l., a wholly-owned subsidiary established by Hong Kong CMOC registered in Luxembourg

“Sandaozhuang Mine”, “Sandaozhuang Molybdenum/ Tungsten 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 controlled 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 controlled subsidiary of the Company
“NPM” or “NPM Copper/Gold Mine” or “Northparkes 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
“Tenke Copper/Cobalt Mine” or “DRC Copper/Cobalt Mine”	Tenke Fungurume Copper/Cobalt Mine located in DRC
“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
“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
“DRC” or “Congo (DRC)”	the Democratic Republic of the Congo
“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
“BRL”	Brazilian Real, the lawful currency of Brazil
“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
“BHR”	BHR Newwood Investment Management Limited, a company incorporated in BVI
“TFM”	Tenke Fungurume Mining S.A., a public limited company governed by DRC laws
“THL”	Tenke Holdings LTD., an exempted company located in Bermuda
“Lundin Shell Company”	Lundin DRC Holdings Ltd., a company incorporated in Bermuda

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

Luoyang City, Henan Province, the People's Republic of China, 26 August 2017

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

* *For identification purposes only*