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CMOC

洛陽欒川鉬業集團股份有限公司

China Molybdenum Co., Ltd.*

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

(Stock Code: 03993)

2019 THIRD QUARTERLY FINANCIAL REPORT

The board of directors (the “**Board**”) of China Molybdenum Co., Ltd.* (the “**Company**” or “**CMOC**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) prepared in accordance with the Accounting Standards for Business Enterprises of the People’s Republic of China for the third quarter ended 30 September 2019. This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

* *For identification purpose only*

* *This report was prepared in both Chinese and English versions. Where there is discrepancy between the Chinese and English versions, the Chinese version shall prevail.*

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I. IMPORTANT NOTICE

- 1.1 The Board, supervisory committee, directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents set out in this quarterly report, and that it contains no false representation, misleading statement nor material omission, and assume several and joint legal responsibilities.
- 1.2 All the directors of the Company attended the board meeting to consider the quarterly report.
- 1.3 Li Chaochun, the person in charge of the Company, Wu Yiming, the person in charge of accounting affairs and Rong Yinjie, the person responsible for the accounting department, warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.
- 1.4 The third quarterly financial report of the Company is unaudited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Key Financial Data

Items	<i>Unit: Yuan Currency: RMB</i>		
	As at the end of the reporting period	As at the end of last year (adjusted)	Increase/decrease as at the end of the reporting period as compared with the end of last year (%)
Total assets	122,554,480,303.91	101,393,051,651.39	20.87
Net assets attributable to the shareholders of the listed company	40,212,225,639.92	40,948,873,571.40	-1.80

Unit: RMB

Items	From the beginning of the year to the end of the reporting period (January-September)	From the beginning of last year to the end of the reporting period of last year (January-September)	Increase/decrease as compared with the same period last year (%)
Net cash flow from operating activities	1,402,583,365.31	8,195,408,376.82	-82.89
Operating revenue	33,409,050,982.82	20,083,814,004.36	66.35
Net profit attributable to shareholders of the listed company	1,244,135,605.10	4,136,840,896.02	-69.93
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the listed company	869,588,538.19	4,133,423,307.19	-78.96
The weighted average rate of return on net assets (%)	3.04	10.35	decreased by 7.31 percentage points
Basic earnings per share (RMB/Share)	0.058	0.192	-69.79

Items and amounts for non-recurring profits or losses

Unit: Yuan Currency: RMB

Items	Amount for the period (July- September)	From the beginning of the year to the end of the reporting period (January- September)	Explanations
Profit or loss from disposal of non-current assets	-613,316.84	-11,289,365.68	
Government subsidy included in current profits and losses (excluding government grants which are closely related to the Company's business and conform with the national standard amount or quantity)	3,116,747.59	13,929,789.09	Including low-grade scheelite project subsidies of RMB5 million.
Profit and loss of changes in fair value arising from holding of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities and investment gains from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other credit investments, except for effective hedging activities associated with normal business operations of the Company	347,864,969.99	405,025,747.15	The Company completed the acquisition of IXM B.V. ("IXM") in July. During the reporting period, the net incomes from changes of fair value and disposal of derivative financial instruments related to the metal commodity trading business were RMB388 million, which were designated as non-recurring items. While gain/loss arising from physical business and changes of fair value of trading-related inventories were designated as recurring items.
Other non-operating revenue and expenses other than the above items	7,398,360.09	2,696,386.51	
Other profit/loss items falling within the definition of non-recurring profit and loss	0.00	52,245,779.61	Investment income recognized by re-measuring the fair value of the original shareholding portion at the step-by-step acquisition of Luoyang High-Tech Molybdenum & Tungsten Materials Co., Ltd.
Effect of minority interests (after tax)	87,977.46	1,538,046.78	
Effect of income taxes	-93,739,831.67	-89,599,316.55	
Total	264,114,906.62	374,547,066.91	

2.2 Table showing total number of shareholders, top 10 shareholders and top 10 holders of tradable shares (or shareholders not subject to trading moratorium) as of the end of the reporting period

Total number of shareholders (shareholder) 310,591

Top 10 shareholders

Unit: 0'000 Shares

Name of shareholders (full name)	Number of shares held as at the end of the period (A shares/ H shares)	Percentage of shareholding (%)	Number of shares held with selling restrictions	Subject to pledge or moratorium		Nature of shareholders
				Status of shares	Number	
Cathay Fortune Corporation (鴻 商產業控股集團有限公司)	533,322.00 (A shares & H shares)	24.69	0	Nil	0	Domestic non-state owned legal corporation
Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司)	532,978.04 (A shares)	24.68	0	Nil	0	State-owned legal corporation
HKSCC NOMINEES LIMITED (香港中央結算(代理人) 有限公司)	358,743.28 (H shares)	16.61	0	Unknown	0	Unknown
Jianxin Fund – Industrial and Commercial Bank of China – Shaanxi Province International Trust – Shan Guotou • Jinyu No. 6 Directional Investment Collection Fund Trust Plan (建信基金-工商銀行- 陝西省國際信託-陝國投• 金玉6號定向投資集合資 金信託計劃)	77,748.69 (A shares)	3.60	0	Nil	0	Unknown
China Structural Reform Fund Corporation Limited (中國 國有企業結構調整基金 股份有限公司)	73,970.68 (A shares)	3.42	0	Nil	0	State-owned legal corporation

Unit: 0'000 Shares

Name of shareholders (full name)	Number of shares held as at the end of the period <i>(A shares/ H shares)</i>	Percentage of shareholding <i>(%)</i>	Number of shares held with selling restrictions	Subject to pledge or moratorium		Nature of shareholders
				<i>Status of shares</i>	<i>Number</i>	
Minsheng Bank Fund – Bank of Ningbo – Jiaying Minliu Investment Partnership (Limited Partnership)* (民生 加銀基金-寧波銀行-嘉 興民琉投資合夥企業(有 限合夥))	47,172.77 (A shares)	2.18	0	Nil	0	Unknown
Ningbo Shanshan Venture Capital Co., Ltd. (寧波杉杉 創業投資有限公司)	47,120.42 (A shares)	2.18	0	Pledge	47,111.41	Domestic non-state owned legal corporation
TEDA Manulife Fund – Minsheng Bank – Changan International Trust – Changan Trust – Minsheng Ding Zeng 1 Single Trust Fund* (泰達 宏利基金-民生銀行-長 安國際信託-長安信託- 民生定增1號單一資金 信託)	30,588.66 (A shares)	1.42	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Ltd. (香港中央結 算有限公司)	20,653.76 (A shares)	0.96	0	Nil	0	Unknown
National Social Security Fund Package No. 102 (全國社保 基金一零二組合)	11,398.66 (A shares)	0.53	0	Nil	0	State-owned legal corporation

The top 10 shareholders not subject to trading moratorium

Unit: 0'000 Shares

Name of shareholders (full name)	Number of tradable shares not subject to trading moratorium	Types and quantity of shares	
		Types	Quantity
Cathay Fortune Corporation (鴻商產業控股集團有限公司)	533,322.00	RMB-denominated ordinary shares (A shares) and overseas listed foreign-invested shares (H shares)	533,322.00
Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司)	532,978.04	RMB-denominated ordinary shares (A shares)	532,978.04
HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司)	358,743.28	Overseas listed foreign-invested shares (H shares)	358,743.28
Jianxin Fund – Industrial and Commercial Bank of China – Shaanxi Province International Trust – Shan Guotou • Jinyu No. 6 Directional Investment Collection Fund Trust Plan (建信基金–工商銀行–陝西省國際信託–陝國投•金玉6號定向投資集合資金信託計劃)	77,748.69	RMB-denominated ordinary shares (A shares)	77,748.69
China Structural Reform Fund Corporation Limited (中國國有企業結構調整基金股份有限公司)	73,970.68	RMB-denominated ordinary shares (A shares)	73,970.68
Minsheng Bank Fund – Bank of Ningbo – Jiaxing Minliu Investment Partnership (Limited Partnership)* (民生加銀基金–寧波銀行–嘉興民琉投資合夥企業(有限合夥))	47,172.77	RMB-denominated ordinary shares (A shares)	47,172.77
Ningbo Shanshan Venture Capital Co., Ltd. (寧波杉杉創業投資有限公司)	47,120.42	RMB-denominated ordinary shares (A shares)	47,120.42
TEDA Manulife Fund – Minsheng Bank – Changan International Trust – Changan Trust – Minsheng Ding Zeng 1 Single Trust Fund* (泰達宏利基金–民生銀行–長安國際信託–長安信託–民生定增1號單一資金信託)	30,588.66	RMB-denominated ordinary shares (A shares)	30,588.66
Hong Kong Securities Clearing Company Ltd. (香港中央結算有限公司)	20,653.76	RMB-denominated ordinary shares (A shares)	20,653.76

Unit: 0'000 Shares

Name of shareholders (full name)	Number of tradable shares not subject to trading moratorium	Types and quantity of shares	
		Types	Quantity
National Social Security Fund Package No. 102 (全國社保基金一零二組合)	11,398.66	RMB-denominated ordinary shares (A shares)	11,398.66
Explanation of the aforesaid shareholders' related relations or concerted action	A wholly-owned subsidiary of Cathay Fortune Corporation (鴻商產業控股集團有限公司) in Hong Kong, holds 303 million H shares of the Company, which is registered under HKSCC NOMINEES LIMITED (香港中央結算(代理人)有限公司). Therefore, Cathay Fortune Corporation, which holds a total of 5,333.22 million shares of the Company, accounting for 24.69% of the shareholding, is the largest controlling shareholder of the Company.		

III. SIGNIFICANT EVENTS

3.1 Particulars of and reasons for material changes in major accounting items and financial indicators of the Company

3.1.1 Items in Balance Sheet

Items	<i>Unit: Yuan Currency: RMB</i>			
	30 September 2019	1 January 2019 (Note 1)	Increase/ decrease (%)	Reasons of changes
Cash and bank balances	15,475,704,577.40	26,647,644,058.81	-41.92	The decrease in cash and bank balances was mainly due to repayment of loans and the consideration of equity acquisition, dividends and APT auction bid to Kunming Fanya Metal Exchange Inc. ("Kunming Fanya") during the period.
Held-for-trading financial assets	8,275,241,619.58	774,326,692.25	968.70	<i>Note 2</i>
Derivative financial assets	2,659,208,187.97	0.00	100.00	<i>Note 2</i>

Items	30 September 2019	1 January 2019 (Note 1)	Increase/ decrease (%)	Reasons of changes
Financing receivables	505,592,555.84	1,623,841,101.38	-68.86	The decrease in financing receivable was mainly due to the receipt of notes receivable during the period.
Prepayments	5,533,281,421.99	151,004,234.22	3,564.32	The increase in prepayment was mainly due to the increase of the payment for APT auction bid to Kunming Fanya and the increase of metal commodity trading business due to the completion of the acquisition of IXM in July.
Inventories	20,476,519,687.34	6,615,914,805.21	209.50	Note 3
Other current assets	3,746,899,246.79	1,450,605,120.41	158.30	Note 2
Long-term equity investments	1,216,153,673.77	2,522,865,277.94	-51.79	During the reporting period, NCCL Natural Resources Investment Fund LP, an associate of the Company, has completed the disposal of its investment in IXM and quitted the project.
Other equity instrument investments	1,103,351,492.50	448,174,198.06	146.19	Note 2
Deferred tax assets	856,051,622.52	525,597,815.59	62.87	Note 2
Short-term borrowings	20,091,514,788.08	4,588,152,515.23	337.90	Note 2
Held-for-trading financial liabilities	1,797,742,778.94	4,250,711,352.44	-57.71	The decrease of held-for-trading financial liabilities was mainly due to the repayment of gold lease.
Derivative financial liabilities	3,310,543,828.40	75,423,332.52	4,289.28	Note 2
Accounts payable	6,162,882,323.29	1,119,073,099.06	450.71	Note 2
Taxes payable	713,358,740.79	1,110,201,369.36	-35.75	Profit for the period decreased, with a corresponding decrease in taxes payable.
Other payables	2,078,280,399.08	1,027,781,797.06	102.21	Note 2
Contract liabilities	697,107,552.50	200,667,461.95	247.39	Note 2
Other current liabilities	2,132,450,224.55	129,395,442.32	1,548.01	The increase in other current liabilities was mainly due to the issue of super short-term commercial paper.

Items	30 September 2019	1 January 2019 (Note 1)	Increase/ decrease (%)	Reasons of changes
Bonds payable	4,121,870,000.00	2,000,000,000.00	106.09	The increase in bonds payable was mainly due to the issue of US dollar bonds of 300 million.
Other non-current liabilities	73,205,862.25	3,294,336,000.00	-97.78	The decrease in other non-current liabilities was mainly due to the completion of the acquisition of 24% of the shares of Congo (DRC) Copper-Cobalt business during the period.
Other comprehensive income	-403,624,558.80	-799,327,420.21	49.50	The increase in other comprehensive income was mainly due to the effect of exchange differences arising from translation of financial foreign currencies.

Note 1: The financial statements as at 1 January 2019 was restated according to the new Leasing Standards and revised format of Financial Statements.

Note 2 : The metal commodity trading business was consolidated into the financial statement of the Group during the reporting period as compared to the same period last year since the completion of acquisition of IXM on 24 July 2019.

Note 3: During the reporting period, the metal commodity trading business was consolidated into the financial statements of the Group since the completion of the acquisition of IXM on 24 July 2019. At the period end non-trading related inventories were measured at the lower of cost and net realisable value and trading-related inventories were measured at fair value less cost to sell.

3.1.2 Items in Income Statement

Unit: Yuan Currency: RMB

Items	January to September 2019	January to September 2018	Increase/ decrease (%)	Reasons of changes
Operating revenue	33,409,050,982.82	20,083,814,004.36	66.35	Note 4
Operating costs	29,910,362,495.41	12,064,402,717.30	147.92	Note 4
Research and development expenses	227,394,798.72	136,386,583.03	66.73	The increase in research and development expenses was mainly due to the increase of research and development investment of each business unit for the period.
Financial expenses	842,991,677.57	576,013,049.55	46.35	The increase in financial expenses was mainly due to the increase of net interest expenses for the period.
Investment income	133,996,635.86	198,945,214.39	-32.65	The Company entered into forward foreign exchange contracts to mitigate exchange rate fluctuation risk arising from foreign currency dominated loans. Such contracts were settled at a loss during the reporting period.
Gains (losses) from changes in fair values	417,517,784.90	-22,133,540.60	1,986.36	Note 4
Income tax expenses	242,508,674.81	1,284,964,812.95	-81.13	The decrease in income tax expenses was mainly due to the decrease in income tax expenses of Copper and Cobalt operation for the period.

Note 4 : The metal commodity trading business was consolidated into the financial statements of the Group during the reporting period as compared to the same period last year since the completion of acquisition of IXM on 24 July 2019.

3.1.3 Items in Cash Flow Statement

Unit: Yuan Currency: RMB

Items	January to September 2019	January to September 2018	Increase/ decrease (%)	Reasons of changes
Net cash flow from operating activities	1,402,583,365.31	8,195,408,376.82	-82.89	The decrease in the net cash flow from operating activities was mainly due to the decrease of the revenue caused by the decline of the copper and cobalt market price during the reporting period. Meanwhile the working capital taken by IXM was increased.
Net cash flow from investing activities	-10,503,146,731.95	-3,012,633,613.42	-248.64	The decrease in the net cash flow from investing activities was mainly due to the increase of the payment for the acquisition of subsidiary's equity during the period and the bid for APT auction to Kunming Fanya was paid in September.
Net cash flow from financing activities	-1,508,802,709.38	-1,636,315,293.60	7.79	The net cash flow from financing activities for the period was basically the same as that of the same period last year.

3.1.4 Major Products

Products	Production volume (Tonnes)	Sales volume (Tonnes)	Production	Sales volume
			volume increase/ decrease for the reporting period as compared with the same period last year (%)	increase/decrease for the reporting period as compared with the same period last year (%)
Mineral processing :				
Molybdenum	10,897	11,864	-7	-15
Tungsten	8,135	8,156	-6	4
Niobium	6,422	5,389	-6	-18
Phosphate (HA+LA)	807,855	862,282	-2	3
Copper (TFM)	131,122	112,570	4	-13
Cobalt	12,611	11,123	-9	-22
Copper (calculated based on 80% NPM equity interest)	21,158	19,293	-13	-20
Gold (ounces)	14,688	13,740	-24	-28
			Purchase volume increase/decrease for the reporting period as compared with the same period last year (%)	Sales volume increase/decrease for the reporting period as compared with the same period last year (%)
Mineral trade:				
Mineral metal (Note 5)	511,921	426,174	N/A	N/A
Refined metal (Note 6)	545,113	587,674	N/A	N/A
Others	27,058	14,242	N/A	N/A
Total	1,084,092	1,028,090	N/A	N/A

Note 5: Primary products of mineral metal, mainly concentrated mineral.

Note 6: Smelting and processing mineral metal.

3.2 Analysis and explanations of the progress of significant events and their impacts and solutions

(1) Completion of acquisition of 100% equity interests in IXM, the world's third largest metal trader

CMOC Limited, a wholly-owned subsidiary of the company, purchased the 100% equity interests in New Silk Road Commodities SA (NSRC) from New Silk Road Commodities Limited (NSR) with a consideration of USD495 million plus an agreed final net profits, thereby indirectly holding 100% equity interests in IXM through NSRC. The acquisition was completed on 24 July 2019.

(2) Completion of acquisition of 24% minority equity interests in TFM, to enhance the respective control ability and influence

Pursuant to the share transfer agreement entered into among CMOC BHR Limited, a wholly-owned subsidiary of CMOC Limited (a wholly-owned subsidiary of the Company) and BHR Newwood Investment Management Limited (“BHR”) and BHR’s shareholders, the Company intended to purchase from the transferor 100% equity interests held by it in BHR, so as to gain 24% interests indirectly held by BHR in Tenke Fungurume Mining S.A. (TFM). The consideration of the transaction was USD470,000,000. At the same time, BHR had bank loans with a principal amount of USD690,000,000, which was previously applied in the acquisition of 24% interests in TFM, as well as assets including bank deposit. On 27 September 2019, the equity transfer was completed.

(3) Successful bidding for ammonium paratungstate (APT) to enhance the reserve of advantageous resources

On 16 September 2019, the Company publicly participated in the judicial auction of APT seized by the former Kunming Pan-Asian Nonferrous Metals Exchange Co., Ltd. through its wholly-owned subsidiary Luomu Group Sales Co., Ltd., and won the auction of 28,336 tons of APT with RMB3.268 billion.

Tungsten metal is a kind of superior resource in China. Through this successful bidding, the Company realizes commercial purchasing and storage of tungsten raw materials, which means an increase of the Company's tungsten reserves.

For details of the above, please refer to the relevant announcements issued by the Company.

3.3 The warning and explanation in the forecast of the possible aggregate net profits from the beginning of the year to the end of the next reporting period becoming a loss or significant changes over the corresponding period of the previous year

During the reporting period, the Company's operating results had a large decline on a year-on-year basis, mainly due to the significant decrease of market prices of the Company's major products related to copper, cobalt and tungsten, as well as a corresponding decrease of provisional sales of cobalt.

Affected by the above factors, although the prices of major products related to cobalt and molybdenum have rebounded and stabilized since the second quarter of 2019, it is expected that the net profit of the Company of 2019 will still decline to a certain extent compared with last year.

This note does not constitute a substantial commitment to investors, and investors shall exercise caution on investment risks.

IV. APPENDIX

4.1 Financial statements

CONSOLIDATED BALANCE SHEET

30 September 2019

Unit: Yuan Currency: RMB Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	15,475,704,577.40	26,647,644,058.81
Held-for-trading financial assets	8,275,241,619.58	774,326,692.25
Derivative financial assets	2,659,208,187.97	0.00
Accounts receivable	819,379,187.26	860,999,687.88
Financing receivables	505,592,555.84	1,623,841,101.38
Prepayments	5,533,281,421.99	151,004,234.22
Other receivables	1,093,037,560.53	1,040,048,708.23
Including: Interests receivable	205,898,267.73	226,186,602.19
Inventories	20,476,519,687.34	6,615,914,805.21
Other current assets	3,746,899,246.79	1,450,605,120.41
Total current assets	58,584,864,044.70	39,164,384,408.39
Non-current assets:		
Long-term equity investments	1,216,153,673.77	2,522,865,277.94
Other equity instrument investments	1,103,351,492.50	448,174,198.06
Other non-current financial assets	4,338,579,107.03	3,906,621,612.87
Non-current derivative financial assets	0.00	3,179,157.60
Fixed assets	24,104,405,718.40	23,620,517,589.11
Construction in progress	2,433,011,849.55	1,893,822,308.19
Right-of-use assets	205,957,668.75	N/A
Intangible assets	21,025,342,219.47	20,931,052,279.34
Long-term inventories	5,653,505,710.70	5,122,434,298.15
Goodwill	647,140,455.82	674,886,645.02
Long-term prepaid expenses	119,052,249.97	129,022,870.55
Deferred tax assets	856,051,622.52	525,597,815.59
Other non-current assets	2,267,064,490.73	2,273,558,775.22
Total non-current assets	63,969,616,259.21	62,051,732,827.64
Total assets	122,554,480,303.91	101,216,117,236.03

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	20,091,514,788.08	4,588,152,515.23
Held-for-trading financial liabilities	1,797,742,778.94	4,250,711,352.44
Derivative financial liabilities	3,310,543,828.40	75,423,332.52
Notes payable	167,211,063.76	29,000,000.00
Accounts payable	6,162,882,323.29	1,119,073,099.06
Employee benefits payable	582,069,908.71	517,344,459.78
Taxes payable	713,358,740.79	1,110,201,369.36
Other payables	2,078,280,399.08	1,027,781,797.06
Including: Interests payable	272,406,478.93	230,624,891.14
Dividends payable	27,885,796.67	27,885,796.67
Contract liabilities	697,107,552.50	200,667,461.95
Non-current liabilities due within one year	3,508,564,479.72	2,922,422,080.00
Other current liabilities	2,132,450,224.55	130,541,907.62
Total current liabilities	41,241,726,087.82	15,971,319,375.02
Non-current liabilities:		
Long-term borrowings	17,417,525,438.53	20,196,854,832.74
Bonds payable	4,121,870,000.00	2,000,000,000.00
Non-current derivative financial liabilities	243,583,513.78	23,312,327.42
Lease liabilities	136,088,121.28	N/A
Long-term accounts payable	8,347,231.68	0.00
Long-term employee benefits payable	293,753,948.49	129,064,725.83
Provisions	2,113,101,679.12	1,908,084,106.78
Deferred income	69,779,552.54	74,092,394.24
Deferred tax liabilities	7,789,069,974.40	8,021,118,162.47
Other non-current liabilities	73,205,862.25	3,294,336,000.00
Total non-current liabilities	32,266,325,322.07	35,646,862,549.48
Total liabilities	73,508,051,409.89	51,618,181,924.50

Items	30 September 2019	31 December 2018
Owners' equity (or shareholders' equity):		
Paid-in capital (Share capital)	4,319,848,116.60	4,319,848,116.60
Capital reserve	27,582,794,983.23	27,582,794,983.23
Other comprehensive income	-403,624,558.80	-799,327,420.21
Special reserve	2,468,453.08	3,038,386.94
Surplus reserve	1,160,396,190.21	1,160,396,190.21
Retained profits	7,550,342,455.60	8,682,123,314.63
Total equity attributable to the owners (or shareholders) of the parent company	40,212,225,639.92	40,948,873,571.40
Minority interests	8,834,203,254.10	8,649,061,740.13
	<u>49,046,428,894.02</u>	<u>49,597,935,311.53</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>122,554,480,303.91</u>	<u>101,216,117,236.03</u>

BALANCE SHEET OF THE COMPANY

30 September 2019

Unit: Yuan Currency: RMB Unaudited

Items	30 September 2019	31 December 2018
Current assets:		
Cash and bank balances	3,995,246,512.19	14,766,503,386.80
Accounts receivable	180,241,075.35	178,457,336.22
Financing receivables	75,069,404.23	1,610,443,851.38
Prepayments	55,467,059.83	50,305,999.43
Other receivables	6,903,002,496.49	4,783,176,527.20
Including: Interests receivable	367,439,059.24	378,516,688.14
Dividends receivable	44,006,084.08	44,006,084.08
Inventories	136,849,315.45	142,318,149.08
Other current assets	872,065,055.80	77,471,224.51
Total current assets	12,217,940,919.34	21,608,676,474.62
Non-current assets:		
Long-term equity investments	29,881,385,239.63	23,164,431,184.76
Other equity instrument investments	194,111,260.26	194,111,260.26
Other non-current financial assets	1,075,013,349.54	951,571,101.88
Non-current derivative financial assets	0.00	3,179,157.60
Fixed assets	1,367,937,953.56	1,338,742,434.52
Construction in progress	171,910,099.99	171,760,810.63
Intangible assets	332,113,365.55	355,554,503.18
Long-term prepaid expenses	130,533,514.42	145,047,198.03
Deferred tax assets	71,095,014.86	30,011,327.13
Other non-current assets	138,836,266.71	218,836,266.71
Total non-current assets	33,362,936,064.52	26,573,245,244.70
Total assets	45,580,876,983.86	48,181,921,719.32

Items	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	1,550,000,000.00	2,006,257,000.00
Held-for-trading financial liabilities	1,230,899,354.24	3,700,673,914.84
Derivative financial liabilities	0.00	70,753,781.72
Notes payable	24,905,468.54	20,000,000.00
Accounts payable	189,252,400.08	134,109,971.43
Contract liabilities	1,395,546,077.95	390,137,050.79
Employee benefits payable	70,973,533.83	108,566,407.54
Taxes payable	1,294,526.80	117,362,547.14
Other payables	1,644,871,686.71	2,179,902,221.07
Including: Interests payable	78,200,314.70	72,907,618.95
Non-current liabilities due within one year	0.00	696,000,000.00
Other current liabilities	2,173,175,938.32	174,999,888.99
Total current liabilities	8,280,918,986.47	9,598,762,783.52
Non-current liabilities:		
Bonds payable	2,000,000,000.00	2,000,000,000.00
Non-current derivative financial liabilities	235,259,456.46	23,312,327.42
Provisions	47,570,371.67	47,570,371.67
Deferred income	18,886,308.49	19,175,497.84
Other non-current liabilities	231,406,625.65	307,006,153.71
Total non-current liabilities	2,533,122,762.27	2,397,064,350.64
Total liabilities	10,814,041,748.74	11,995,827,134.16
Owners' equity (or shareholders' equity):		
Paid-in capital (Share capital)	4,319,848,116.60	4,319,848,116.60
Capital reserve	27,636,530,888.88	27,636,530,888.88
Other comprehensive income	-5,005,428.78	-5,005,428.78
Special reserve	2,082,917.40	2,594,582.62
Surplus reserve	1,160,396,190.21	1,160,396,190.21
Retained profits	1,652,982,550.81	3,071,730,235.63
Total owners' equity (or shareholders' equity)	34,766,835,235.12	36,186,094,585.16
Total liabilities and owners' equity (or shareholders' equity)	45,580,876,983.86	48,181,921,719.32

CONSOLIDATED INCOME STATEMENT

January to September 2019

Unit: Yuan Currency: RMB Unaudited

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
I. Total operating revenue	23,430,381,675.08	6,024,018,256.31	33,409,050,982.82	20,083,814,004.36
Including: Operating revenue	<u>23,430,381,675.08</u>	<u>6,024,018,256.31</u>	<u>33,409,050,982.82</u>	<u>20,083,814,004.36</u>
II. Total operating costs	23,101,874,853.78	4,810,959,376.49	32,518,650,395.84	14,230,230,465.19
Including: Operating costs	<u>22,133,207,105.59</u>	4,078,114,177.58	<u>29,910,362,495.41</u>	12,064,402,717.30
Taxes and levies	216,782,092.96	283,708,502.22	703,082,413.83	700,973,676.16
Selling expenses	20,474,185.85	25,217,854.47	61,548,591.55	75,614,420.08
Administrative expenses	291,494,882.84	218,974,982.50	773,270,418.76	676,840,019.07
Research and development expenses	104,722,542.44	64,320,594.12	227,394,798.72	136,386,583.03
Financial expenses	335,194,044.10	140,623,265.60	842,991,677.57	576,013,049.55
Including: Interest expenses	472,450,305.84	383,354,551.99	1,256,046,244.84	1,079,552,419.41
Interest income	215,946,153.18	270,064,333.47	747,021,357.94	753,261,379.71
Add: Other income	3,114,866.18	6,990,536.06	13,248,933.41	11,359,763.86
Investment income (losses are indicated by "-")	-24,970,511.78	80,727,181.15	133,996,635.86	198,945,214.39
Including: Income from investments in associates and joint ventures	-33,265,287.15	47,504,916.32	131,444,030.94	98,578,772.31
Gains (losses) on changes of fair values (losses are indicated by "-")	280,565,222.89	57,163,487.76	417,517,784.90	-22,133,540.60
Credit impairment losses (losses are indicated by "-")	9,125,611.84	150,550.21	-8,311,650.78	2,986,514.21
Asset impairment losses (losses are indicated by "-")	-6,385,376.30	-9,438,535.42	-18,284,803.99	-20,219,671.06
Income (loss) from disposal of assets (losses are indicated by "-")	<u>-613,316.84</u>	<u>-9,008,086.97</u>	<u>-11,289,365.68</u>	<u>-14,071,743.23</u>
III. Operating profit (losses are indicated by "-")	589,343,317.29	1,339,644,012.61	1,417,278,120.70	6,010,450,076.74
Add: Non-operating income	9,377,152.50	1,116,884.07	11,905,555.25	1,544,216.04
Less: Non-operating expenses	<u>1,976,910.75</u>	<u>1,868,452.88</u>	<u>8,528,313.06</u>	<u>48,728,116.90</u>
IV. Total profit (total losses are indicated by "-")	596,743,559.04	1,338,892,443.80	1,420,655,362.89	5,963,266,175.88
Less: Income tax expenses	<u>192,087,475.58</u>	<u>261,516,636.62</u>	<u>242,508,674.81</u>	<u>1,284,964,812.95</u>

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
V. Net profit (net losses are indicated by “-”)	404,656,083.46	1,077,375,807.18	1,178,146,688.08	4,678,301,362.93
(I) Categorized by the nature of continuing operation				
1. Net profit from continuing operations (net losses are indicated by “-”)	404,656,083.46	1,077,375,807.18	1,178,146,688.08	4,678,301,362.93
2. Net profit from discontinued operations (net losses are indicated by “-”)	-	-	-	-
(II) Categorized by ownership:				
1. Net profit attributable to owners of the parent company	436,144,796.29	1,014,330,673.88	1,244,135,605.10	4,136,840,896.02
2. Profit and loss attributable to minority interests (losses are indicated by “-”)	-31,488,712.83	63,045,133.30	-65,988,917.02	541,460,466.91
VI. Other comprehensive income, net of tax	641,675,219.76	1,012,831,423.57	646,889,275.99	1,027,969,606.70
Other comprehensive income attributable to owners of the parent company, net of tax	404,285,996.02	706,480,171.54	395,702,861.41	625,918,335.29
(I) Other comprehensive income to be reclassified subsequently to profit or loss	404,285,996.02	706,480,171.54	395,702,861.41	625,918,335.29
1. Reserve of cash flow hedges (effective portion of profit or loss from cash flow hedges)	-51,494,902.33	24,123,008.76	-224,641,846.70	65,097,352.92
2. Translation differences of financial statements denominated in foreign currencies	455,780,898.35	682,357,162.78	620,344,708.11	560,820,982.37
Other comprehensive income attributable to minority interests, net of tax	237,389,223.74	306,351,252.03	251,186,414.58	402,051,271.41
VII. Total comprehensive income	1,046,331,303.22	2,090,207,230.75	1,825,035,964.07	5,706,270,969.63
Total comprehensive income attributable to owners of the parent company	840,430,792.31	1,720,810,845.42	1,639,838,466.51	4,762,759,231.31
Total comprehensive income attributable to minority interests	205,900,510.91	369,396,385.33	185,197,497.56	943,511,738.32
VIII. Earnings per share:				
(I) Basic earnings per share (<i>RMB/Share</i>)	0.021	0.047	0.058	0.192
(II) Diluted earnings per share (<i>RMB/Share</i>)	N/A	N/A	N/A	N/A

INCOME STATEMENT OF THE COMPANY

January to September 2019

Unit: Yuan Currency: RMB Unaudited

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
I. Operating revenue	831,490,113.04	1,009,703,435.20	2,509,707,342.83	2,833,778,892.93
Less: Operating costs	304,149,828.66	283,150,332.38	950,782,372.08	887,964,260.18
Taxes and levies	73,334,186.83	87,876,911.00	213,228,622.15	252,187,581.09
Selling expenses	11,436.04	0.00	17,980.30	7,371.68
Administrative expenses	72,111,963.94	48,882,270.84	200,650,826.40	139,762,490.89
Research and development expenses	64,486,581.79	57,804,091.68	134,897,706.40	124,424,618.28
Financial expenses	-47,319,043.24	-82,337,509.00	-240,642,441.44	-349,402,765.82
Including: Interest expenses	67,716,989.26	79,230,461.47	95,668,096.26	129,568,754.24
Interest income	108,268,024.03	206,531,031.87	444,001,778.15	599,030,495.95
Add: Other income	1,296,396.45	5,092,378.45	4,489,189.35	5,959,171.35
Investment income (losses are indicated by "-")	29,825,812.84	29,745,149.09	-25,626,975.80	86,894,160.12
Including: Income from investments in associates and joint ventures	17,009,205.84	16,909,909.25	35,992,054.87	50,728,845.20
Gains (losses) on changes of fair values (losses are indicated by "-")	-40,774,577.65	20,111,816.29	-162,837,469.33	20,945,502.79
Credit impairment losses (losses are indicated by "-")	2,398.26	1,459,253.13	3,156,521.46	4,229,626.57
Income (loss) from disposal of assets (losses are indicated by "-")	7,097.16	0.00	7,097.16	-10,262.49
II. Operating profit (losses are indicated by "-")	355,072,286.08	670,735,935.26	1,069,960,639.78	1,896,853,534.97
Add: Non-operating income	1,978,099.84	1,103,800.02	1,628,976.30	1,127,614.02
Less: Non-operating expenses	1,216,142.61	690,083.45	5,202,404.43	39,027,712.11
III. Total profit (total losses are indicated by "-")	355,834,243.31	671,149,651.83	1,066,387,211.65	1,858,953,436.88
Less: Income tax expenses	39,245,524.75	87,324,852.10	109,218,432.34	249,817,401.68

Items	July to September 2019	July to September 2018	January to September 2019	January to September 2018
IV. Net profit (net losses are indicated by “-”)	316,588,718.56	583,824,799.73	957,168,779.31	1,609,136,035.20
(1). Net profit from continuing operations (net losses are indicated by “-”)	316,588,718.56	583,824,799.73	957,168,779.31	1,609,136,035.20
(2). Net profit from discontinued operations (net losses are indicated by “-”)	-	-	-	-
V. Other comprehensive income, net of tax	-	-	-	-
VI. Total comprehensive income	316,588,718.56	583,824,799.73	957,168,779.31	1,609,136,035.20

CONSOLIDATED CASH FLOW STATEMENT

January to September 2019

Unit: Yuan Currency: RMB Unaudited

Items	January to September 2019	January to September 2018
I. Cash flows from operating activities:		
Cash receipts from sales of goods and rendering of services	32,193,929,553.70	22,088,326,887.15
Other cash receipts relating to operating activities	2,699,447,346.95	1,106,868,266.97
Sub-total of cash inflows from operating activities	34,893,376,900.65	23,195,195,154.12
Cash payments for goods purchased and services received	25,754,455,664.69	9,025,017,749.19
Cash payments to and on behalf of employees	1,771,437,884.24	1,623,064,352.85
Payments of various types of taxes	3,941,852,629.60	3,904,507,242.88
Other cash payments relating to operating activities	2,023,047,356.81	447,197,432.38
Sub-total of cash outflows from operating activities	33,490,793,535.34	14,999,786,777.30
Net cash flow from operating activities	1,402,583,365.31	8,195,408,376.82
II. Cash flows from investing activities:		
Cash receipts from recovery of investments	2,055,352,528.12	2,391,188,600.00
Cash receipts from investment income	1,534,059,926.67	228,874,483.64
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	225,424.00	460,569.21
Other cash receipts relating to investing activities	163,657,651.70	82,267,875.80
Sub-total of cash inflows from investing activities	3,753,295,530.49	2,702,791,528.65

Items	January to September 2019	January to September 2018
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	1,705,276,049.25	1,354,148,848.33
Cash payments to acquire investments	5,554,481,072.85	2,937,510,854.22
Net cash payments for acquisitions of subsidiaries and other business units	6,826,656,657.99	267,674,160.00
Other cash payments relating to investing activities	<u>170,028,482.35</u>	<u>1,156,091,279.52</u>
Sub-total of cash outflows from investing activities	<u>14,256,442,262.44</u>	<u>5,715,425,142.07</u>
Net cash flow from investing activities	<u>-10,503,146,731.95</u>	<u>-3,012,633,613.42</u>
III. Cash flows from financing activities:		
Cash receipts from borrowings	16,253,675,160.96	5,843,736,241.34
Other cash receipts relating to financing activities	<u>1,973,492,250.65</u>	<u>3,287,891,795.76</u>
Sub-total of cash inflows from financing activities	<u>18,227,167,411.61</u>	<u>9,131,628,037.10</u>
Cash repayments of borrowings	11,841,915,081.75	6,247,062,792.45
Cash payments for distribution of dividends or profits and settlement of interests	3,561,173,523.56	2,647,238,781.21
Other cash payments relating to financing activities	<u>4,332,881,515.68</u>	<u>1,873,641,757.04</u>
Sub-total of cash outflows from financing activities	<u>19,735,970,120.99</u>	<u>10,767,943,330.70</u>
Net cash flow from financing activities	<u>-1,508,802,709.38</u>	<u>-1,636,315,293.60</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
	<u>427,097,530.99</u>	<u>351,137,769.83</u>
V. Net increase (decrease) in cash and cash equivalents	-10,182,268,545.03	3,897,597,239.63
Add: Opening balance of cash and cash equivalents	<u>23,240,703,274.03</u>	<u>19,781,418,278.86</u>
VI. Closing balance of cash and cash equivalents	<u>13,058,434,729.00</u>	<u>23,679,015,518.49</u>

CASH FLOW STATEMENT OF THE COMPANY

January to September 2019

Unit: Yuan Currency: RMB Unaudited

Items	January to September 2019	January to September 2018
I. Cash flows from operating activities:		
Cash receipts from sales of goods and rendering of services	8,541,646,616.73	4,475,474,499.11
Other cash receipts relating to operating activities	1,467,684,478.58	6,272,617,223.78
Sub-total of cash inflows from operating activities	10,009,331,095.31	10,748,091,722.89
Cash payments for goods purchased and services received	1,473,589,729.74	939,370,727.72
Cash payments to and on behalf of employees	329,835,060.28	263,076,977.19
Payments of various types of taxes	812,437,108.42	803,568,440.09
Other cash payments relating to operating activities	4,644,034,644.20	6,586,219,370.03
Sub-total of cash outflows from operating activities	7,259,896,542.64	8,592,235,515.03
Net cash flow from operating activities	2,749,434,552.67	2,155,856,207.86
II. Cash flows from investing activities:		
Cash receipts from recovery of investments	2,517,508,499.49	2,546,002,500.00
Cash receipts from investment income	136,377,217.04	144,838,517.05
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	225,424.00	0.00
Other cash receipts relating to investing activities	452,163,839.40	916,260,821.92
Sub-total of cash inflows from investing activities	3,106,274,979.93	3,607,101,838.97
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	86,775,998.77	63,622,718.42
Cash payments to acquire investments	7,918,818,800.35	1,092,854,100.00
Other cash payments relating to investing activities	4,801,112,608.28	2,789,880,000.00
Sub-total of cash outflows from investing activities	12,806,707,407.40	3,946,356,818.42
Net cash flow from investing activities	-9,700,432,427.47	-339,254,979.45

Items	January to September 2019	January to September 2018
III. Cash flows from financing activities:		
Cash receipts from borrowings	8,685,807,229.81	3,748,351,390.07
Other cash receipts relating to financing activities	<u>4,257,397,501.79</u>	<u>3,279,562,889.56</u>
Sub-total of cash inflows from financing activities	<u>12,943,204,731.60</u>	<u>7,027,914,279.63</u>
Cash repayments of borrowings	4,481,166,500.00	2,287,611,308.10
Cash payments for distribution of dividends or profits and settlement of interests	2,526,528,008.15	1,897,407,110.47
Other cash payments relating to financing activities	<u>8,568,012,491.85</u>	<u>2,571,936,662.81</u>
Sub-total of cash outflows from financing activities	<u>15,575,707,000.00</u>	<u>6,756,955,081.38</u>
Net cash flow from financing activities	<u>-2,632,502,268.40</u>	<u>270,959,198.25</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>-11,495,199.94</u>	<u>6,231,168.86</u>
V. Net increase (decrease) in cash and cash equivalents	-9,594,995,343.14	2,093,791,595.52
Add: Opening balance of cash and cash equivalents	<u>12,329,538,991.95</u>	<u>11,364,847,728.10</u>
VI. Closing balance of cash and cash equivalents	<u>2,734,543,648.81</u>	<u>13,458,639,323.62</u>

4.2 Summary of effect of the initial implementation of new leasing standards

CONSOLIDATED BALANCE SHEET

	<i>Unit: Yuan Currency: RMB</i>		
Items	31 December 2018	1 January 2019	Adjustments
Non-current assets:			
Right-of-use assets	N/A	176,934,415.36	176,934,415.36
Total non-current assets	62,051,732,827.64	62,228,667,243.00	176,934,415.36
Total assets	101,216,117,236.03	101,393,051,651.39	176,934,415.36
Current liabilities:			
Non-current liabilities due within one year	2,922,422,080.00	2,991,278,685.55	68,856,605.55
Other current liabilities	130,541,907.62	129,395,442.32	-1,146,465.30
Total current liabilities	15,971,319,375.02	16,039,029,515.27	67,710,140.25
Non-current liabilities:			
Lease liabilities	N/A	109,224,275.11	109,224,275.11
Total non-current liabilities	35,646,862,549.48	35,756,086,824.59	109,224,275.11
Total liabilities	51,618,181,924.50	51,795,116,339.86	176,934,415.36

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

Luoyang City, Henan Province, the People's Republic of China, 29 October 2019

As at the date of this announcement, the Company's executive directors are Mr. Li Chaochun and Mr. Li Faben; the Company's non-executive directors are Mr. Guo Yimin, Mr. Yuan Honglin and Mr. Cheng Yunlei; and the Company's independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.