

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



CMOC

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 2020**

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 2020. This announcement contains the full text of the interim report of the Group for the six months ended 30 June 2020 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 and risk committee of the Company. This results announcement is also published on the websites of the Company (www.cmoc.com) and the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2020 will be despatched to shareholders and will also be available at the abovementioned websites in due course.

SUMMARY OF 2020 INTERIM REPORT

- The Company overcame the adverse effects of the pandemic and kept stable operating performance. During the reporting period, the Company recorded an operating revenue of RMB46.744 billion, representing a year-on-year increase of 368.44%, an increase of 8.84% in the second quarter compared with that in the first quarter, and a net profit of RMB1.002 billion, representing a year-on-year increase of 29.56%, an increase of 38.39% in the second quarter compared with that in the first quarter. Among them, net profit attributable to the parent company amounted to RMB1.008 billion, representing a year-on-year increase of 24.73%, an increase of 24.89% in the second quarter compared with that in the first quarter;
- The net cash flow from operating activities amounted to RMB4.251 billion, representing a year-on-year increase of 90.66%; total EBITDA amounted to RMB3.2 billion; monetary capital balance amounted to approximately RMB18.2 billion; gearing ratio was 58.95%. Despite the impact of the pandemic outbreak, the Company maintained strong cash generating capabilities and a relatively stable financial structure;
- Focusing on ensuring stable production, the Company facilitates cost reduction and efficiency enhancement with combined measures to enhance its operation. During the reporting period, the Company continued to explore its potential by actively promoting various technological renovation projects. Production and operation cost for each mining business segment of the Company achieved a reduction of more than RMB1,000 million compared with the same period of last year under the same caliber;
- As the synergy effect between the mining and trading segment gradually took effect, the trading business had a good performance. During the reporting period, utilizing the excellent risk management system together with steady and healthy operation style, IXM effectively countered emergency risk with operational model combining the futures and cash commodities trading, which achieved good performance with a net profit attributable to the parent company of RMB300 million;
- The Company innovated business model and obtained low-cost long-term funds. As of the reporting date, the Company further increased its capital strength and reduced its financing costs through measures like entering into the Metal Streaming Agreement, which will be helpful to implement our positive capital structure management strategies and provide sufficient liquidity support to the development strategies driven by both endogenous growth and denotative expansion in the future.

MAJOR FINANCIAL INDICATORS FOR THE FIRST HALF OF 2020

(I) Major Accounting Data

Unit: 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	46,743,857,426.26	9,978,669,307.74	368.44
Net profit attributable to shareholders of the listed company	1,007,820,700.18	807,990,808.81	24.73
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the listed company	507,764,801.78	697,558,648.53	-27.21
Net cash flow from operating activities	4,251,397,720.59	2,229,813,554.56	90.66

	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 the shareholders of the listed company	40,732,237,416.38	40,802,774,133.85	-0.17
Total assets	120,671,609,453.13	116,862,226,476.73	3.26

(II) Major Financial Indicators

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 (<i>RMB/share</i>)	0.047	0.037	27.03
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	N/A
Basic earnings per share excluded non-recurring profits or losses (<i>RMB/share</i>)	0.024	0.032	-25.00
The Weighted Average Rate of Return on net assets (%)	2.44	1.95	Increased by 0.49 percentage point
The Weighted Average Rate of Return on net assets excluded non-recurring profits or losses (%)	1.23	1.69	Decreased by 0.46 percentage point

COMPANY PROFILE

China Molybdenum Co., Ltd. (hereinafter referred to as “**CMOC**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) is a joint stock company established in the People’s Republic of China (the “**PRC**” or “**China**”) on 25 August 2006. The Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock code: 03993) on 26 April 2007 and the Shanghai Stock Exchange (the “**SSE**”) (Stock code: 603993) on 9 October 2012.

The Company engages in the non-ferrous metal industry, mainly the mining and processing business, which includes mining, beneficiation, smelting and refining of base and rare metals, and mineral trading business. With its main business located over five continents: Asia, Africa, South America, Oceania and Europe, the Company is the largest tungsten producer, the second largest cobalt and niobium producer, one of the top five molybdenum producers and a leading copper producer in the world. It is also the second largest producer of phosphatic fertilizers in Brazil. In terms of trading business, the Company is among the third biggest base metals merchants in the world. The Company ranks 1,463 among the top 2,000 global listed companies by Forbes 2020, 151 among the 2020 Fortune China 500, and 18 among the top 50 Chinese non-ferrous metal companies in terms of operating income in 2019.

VISION AND DEVELOPMENT STRATEGY

The Company’s vision is to become a respected world-class resource company. Adhering to the operation principle of meritocracy, cost control, continuous improvement, and achievement sharing, the Company is committed to reinforcing and maintaining the current competitiveness of the Company’s business, and strengthening competitive cost advantages of existing business through continuously identifying cost reduction opportunities and improving efficiency; optimizing business development fueled by organic growth of current production capacity and outward investment, based on existing resource endowment, while continuously optimizing the Company’s production capacity structure. Appropriate external investment should be made to expand resources & reserves and growth capacity; continuously managing and optimizing the balance sheet by rationalizing financing structure and reducing capital costs; creating synergies with minerals trading business while ensuring stable domestic and overseas operations; relying on its comprehensive competitive advantages of scale, industrial chain, technology, capital, market and management, and diversified financing platform, the Company is stepping firmly towards its strategic goals.

MARKET REVIEW AND OUTLOOK

(I) Market Review

Price comparison of relevant products of the Company in the first half of 2019 and 2020

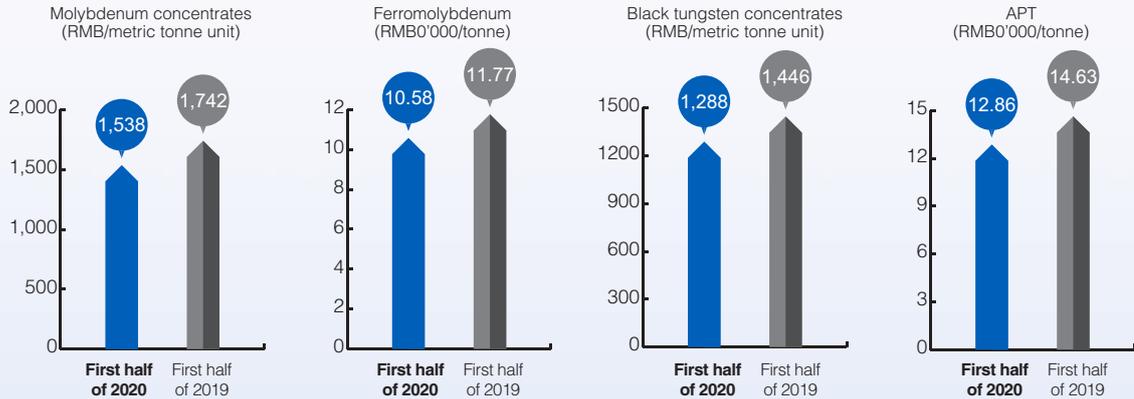
Domestic market prices of relevant products of the Company				Increase/ decrease on a year-to- year basis (%)
Products		First half of 2020	First half of 2019	
Molybdenum	Molybdenum concentrates (RMB/metric tonne unit)	1,538	1,742	-11.71
	Ferromolybdenum (RMB'000/tonne)	10.58	11.77	-10.11
Tungsten	Black tungsten concentrates (RMB/metric tonne unit)	1,287.78	1,446.15	-10.95
	APT (RMB'000/tonne)	12.86	14.63	-12.10

Note: Data from the average prices quoted on the website of Comelan (product standard: 47.5% for molybdenum concentrate, 60% for ferromolybdenum, grade I national standard for black tungsten concentrate, APTGB-0)

International market prices of relevant products of the Company				Increase/ decrease on a year-to- year basis (%)
Products		First half of 2020	First half of 2019	
Molybdenum	Molybdenum oxide (USD/pound)	9.05	11.98	-24.46
Copper	Copper cathode (USD/tonne)	5,502	6,164	-10.74
Cobalt	Cobalt metal (USD/pound)	15.67	16.50	-5.03
Phosphate	MAP (USD/tonne)	312	397	-21.41
Lead	Lead concentrate (USD/tonne)	1,763	1,960	-10.05
Zinc	Zinc concentrate (USD/tonne)	2,049	2,732	-25.00

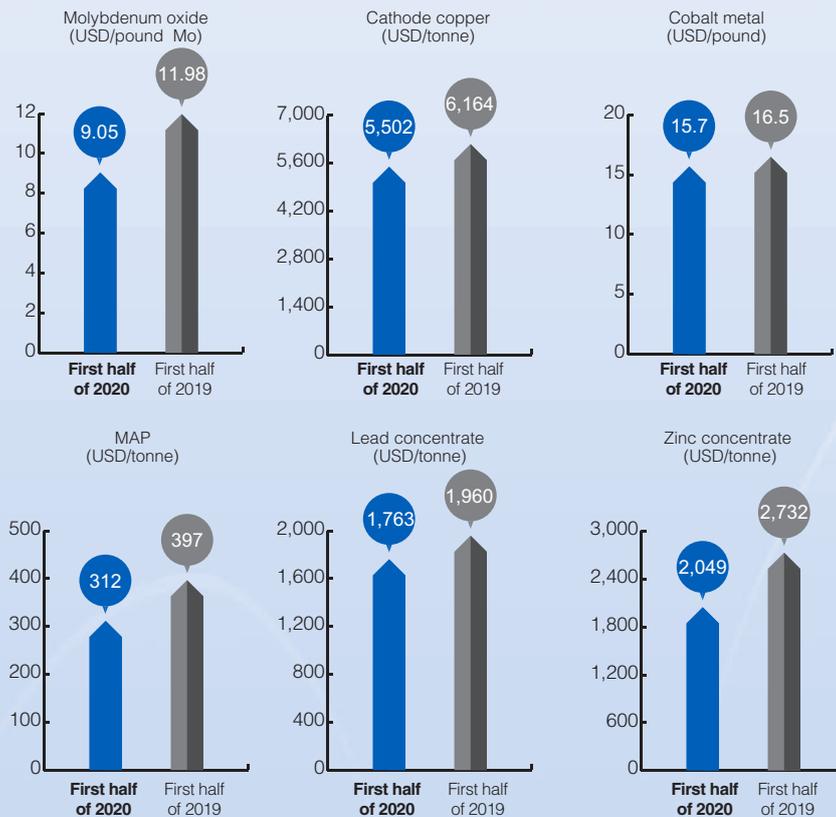
Note: the price of molybdenum oxide is the average price quoted on the Metals Week; the prices of copper, lead and zinc is the spot average price on LME (London Metal Exchange); cobalt price is the low range average price of cobalt that reaches MB (British Metal Bulletin) standard grade; phosphate fertilizer price is from Argus Media.

Price comparison of relevant products of the Company in the first half of 2019 and 2020



Note: Data from the average prices quoted on the website of Comelan (product standard: 47.5% for molybdenum concentrate, 60% for ferromolybdenum, grade I national standard for black tungsten concentrate, APTGB-0)

International market price comparison of relevant products of the Company in the first half of 2019 and 2020



Note: the price of molybdenum oxide is the average price quoted on the Metals Week; the prices of copper, lead and zinc is the spot average price on LME (London Metal Exchange); cobalt price is the low range average price of cobalt that reaches MB (British Metal Bulletin) standard grade; phosphate fertilizer price is from Argus Media.

(1) Copper market

The Company mainly sells both copper concentrate and copper cathode to the international markets. After the outbreak of the COVID-19 pandemic in the first quarter of 2020, the copper prices tumbled against sharply deteriorating market sentiment as well as tightened dollar liquidity. Since late March, benefiting from the monetary and fiscal policies of major economies around the world, the liquidity situation has improved significantly and market confidence has been gradually rebuilt. China, Europe and the United States have gradually entered the stage of resumption of work and production, especially with the massive issuance of special bonds by local governments in China, the demand for infrastructure has continuously exceeded expectations. The public statistics showed that as of the end of June, local government has issued over RMB2 trillion new special loans with a year-on-year growth exceeding 50% and the percentage of funds used for infrastructure increased significantly, which has been a huge boost for low voltage copper intensive power cables. According to the data of the China Association of Automobile Manufacturers, automobile consumption has picked up and achieved positive year-on-year monthly increase, which is also supportive for copper consumption. Meanwhile, with the continuous pandemic outbreak in Latin American regions, the output of the major production countries such as Chile, Peru and Mexico have decreased continuously. According to Wood Mackenzie, COVID-19 has induced around 500,000 tonnes of mine production loss as of the end of June, accounting for approximately 2.3% of the total global annual mine production. This has caused treatment charge of domestic copper concentrate to drop to a low level of USD50/DMT, which hurts the activeness of smelters. China's imports of scrap copper also dropped sharply and had been severely suppressed year-on-year due to the reduction of import approvals. The combination of exceeding-expected consumption and continuous supply disturbances has caused the global dominant copper cathode inventory to decline rapidly since the end of March, reaching the lowest level in recent years. All these factors have supported LME copper prices to climb up to more than USD6,000/tonne at the end of June from the trough of USD4,371/tonne this year.

(2) Cobalt market

The Company is the second largest producer of mined cobalt in the world. 2019 saw the back end of a large downside correction in the cobalt price driven by a combination of subsidy refund policy in new energy industry adopted by China, weaker demand than expectations and inventories of high cost. At the beginning of 2020, due to the impact of the COVID-19 pandemic, logistics was limited, supply was once tight, and cobalt prices rebounded briefly. Nevertheless, as the cobalt market was still in a phase of de-stocking while downstream consumption was greatly suppressed by the pandemic, the price of cobalt continued its downward trend after a short bounce-back. However, as Glencore cut supply and lowered production guidance, the supply of artisanal minerals was also limited due to the low cobalt price and the spread of the pandemic, and the supply contracted in an all-round way. Together with recoveries in the global consumer electronics and power battery markets, the cobalt market rebalanced in the coming months and cobalt prices gradually stabilized at around USD14/pound. (MB standard cobalt price quoted) and continued to rise.

(3) Molybdenum market

The major molybdenum product of the Company is ferromolybdenum, which is sold mainly in the domestic market in China. Despite the effect of the supply side reform and the normalization of environmental protection supervision of the steel industry in China in 2019, the output of crude stainless steel in China represented a year-on-year increase of 10.5% to 22,489,700 tonnes over the first three quarters, and the profitability of steel making companies still remained relatively high. The supply side of molybdenum raw materials recorded a year-on-year increase of 5.89%, though lower than the expansion speed of the downstream demand side, which brought an increase of 2.19% to the average price of domestic molybdenum concentrate, causing a market trend of restraint after a rise in the domestic molybdenum market.

There has been a sharp decline of global manufacturing investments since the outbreak of COVID-19. The price war between the two major oil industry giants, Saudi Arabia and Russia, has led to a sharp drop in crude oil prices, resulting in a significant shrinkage in molybdenum demand and driving molybdenum prices downward. Molybdenum concentrate (45%Mo) price in the first half of the year fluctuated in the range of RMB1,300 – 1,780/metric tonne unit, averaged at RMB1,538/metric tonne unit, down by 11.7% year on year, while ferromolybdenum price lied in the range of RMB90,000 – 122,000/tonne, averaged at RMB105,800/tonne, down by 10.1% year on year.

(4) Tungsten market

The major tungsten products of the Company are tungsten concentrate and ammonium paratungstate (APT), which are sold into the Chinese domestic market. In recent years, the tungsten industry has been in the status of overcapacity, oversupply and destocking for a long time. Under the pressure of weakening demand and difficulty of destocking, the tungsten market continues to fluctuate at a low level. After the outbreak of COVID-19 in 2020, domestic and overseas manufacturing industries have successively seen temporary closures or production disruptions in the first and second quarters, which have driven the demand and prices down further, breaking the cost line of many tungsten producers with most smelters choosing to suspend production due to high raw material prices and limited new orders. After the Dragon Boat Festival, the Chinese tungsten market has stabilized with tungsten concentrate price standing at RMB80,000/tonne.

In the first half of 2020, the average price of tungsten concentrate was RMB83,700/tonne, down by 10.95% year on year; the average price of APT was RMB128,600/tonne, down by 12.10% year on year.

According to Metal Bulletin, the average price of APT in the European market in the first half of 2020 was USD232.9/metric tonne unit (exchange rate was 7.0043, the same below, equivalent to RMB163,100/tonne in China), representing a year-on-year decrease of 13.72% (USD269.94/metric tonne unit, equivalent to RMB189,100/tonne in the same period of last year). In the first half of the year, the lowest price was USD205/metric tonne unit (equivalent to RMB143,600/tonne), and the highest price was USD245/metric tonne unit (equivalent to RMB171,600/tonne).

(5) Niobium market

In the first half of 2020, due to the dual suppressions of the COVID-19 pandemic and severe market volatility, market demand has experienced a significant decline. Both domestic and international ferroniobium prices have experienced significant month-on-month and year-on-year declines. According to customs data, China imported 17,769 tonnes of ferroniobium during the reporting period, a year-on-year decrease of 33% and a month-on-month decrease of 12%. However, with the effective control of COVID-19 pandemic in China, domestic demand began to gradually recover. In addition, the Politburo meeting held at the end of July 2020 set the tone for the economy in the second half of the year. Under the complex and severe external economic and political situation, Chinese government will continue to increase the implementation of macroeconomic policies, and adhere to the "internal circulation" and stimulate domestic demand. It is expected that the government's special debt will continue to support infrastructure projects in the third and fourth quarters and even the first half of 2021, which will benefit the demand for ferroniobium.

(6) Phosphates market

In the first half of 2020, the world's major phosphate fertilizer manufacturers reduced or stopped production to varying degrees under the influence of the COVID-19 pandemic and multi-country restrictions on activities, helping digest the previous backlog of inventories. As demand continued to pick up, phosphate fertilizer prices stabilized and rebounded. In the second quarter, the international phosphate fertilizer market continued to strengthen under the impetus of increasing domestic demand and tight supply in India and Brazil. The diammonium phosphate CFR Brazil price increased by 5.7% from the beginning of the year to USD337-340/tonne, and it is expected to remain stable or increase slightly in the third quarter. In addition, Brazil's domestic crops, especially soybeans, have not been affected by the COVID-19 pandemic. Instead, production has been stable and exports have continued to rise. It is expected that Brazil's domestic production may hit a record high in 2020 and 2021, bringing benefits to phosphate fertilizer consumption.

(7) Mineral trade market

Copper concentrates: the production suspension of a 300,000-tonne Chinese copper smelter and the indefinite closure of the 400,000-tonne Sterlite smelter in India have greatly helped the global copper concentrate market to tilt away from the originally expected extreme tightness. In the first quarter of 2020, China's economic activities were suspended due to the COVID-19 pandemic, and the logistics was limited. As a result, China's major smelters were forced to reduce production due to the expansion of sulfuric acid, thereby reducing the raw material demand of nearly 150,000 tonnes of metals. Changes in short-term fundamentals have driven the treatment charge to climb up to USD70/DMT or 7.0 cents/pound or above from USD50/DMT or 5.0 cents/pound seen at the beginning of 2020. However, the spread of COVID-19 in copper producing countries such as Chile, Peru and Africa in the second quarter have caused many copper mines to cut production with restricted logistics. Besides, China, as the world's largest copper consumer, has gradually resumed its economic activities since March, which in turn led to a strong recovery in demand, pulling the treatment charge of the domestic spot copper concentrate to fall back from a high to USD50/DMT or around 5.0 cents/pound in early May 2020.

Zinc and lead concentrates: the overall zinc and lead concentrate market was in a heavy surplus before COVID-19. The outbreak of the pandemic first affected the supply of domestic mines in China, leading to shutdown of domestic mines and decline in treatment charges. The overseas pandemic broke out after March 2020, and overseas mines suspended production due to the pandemic or reduced production due to price pressure. During this period, due to the steady demand for raw materials, smelters ordered far more than previous years, and treatment charges showed a downward trend; as the supply side gradually recovered, treatment charges have stabilized in the near future.

Refined metal: the market experienced severe volatility in the first half of 2020. In the initial stage of the outbreak of the pandemic, the market was extremely pessimistic, and metal prices fell deeply. Copper cathodes, copper prices fell above USD4,300/tonne in March, close to the lowest of 2016. As China took the lead in resuming production and work in the second quarter, it rebounded to over USD6,000/tonne at the end of June. Electrolytic aluminum: With high overseas inventories, the LME has a positive basis structure. There were import opportunities in May and June as China changed from its net exporter position for aluminum cast and rolled products. Lead, zinc and nickel: there were some full carry opportunities because of the widened contango in LME futures markets.

Specialty metals: according to the unified arrangement of the Company, IXM started to trade in niobium and cobalt, which gradually expanded the market influence and exercised the sales team.

(II) Market Outlook

(1) *Copper market*

Global visible copper stocks have decreased to historically low levels. On the supply side, major supply regions such as Latin America and Africa are still severely affected by the pandemic, resulting in continued disruption of the supply of copper raw materials. The treatment charge of copper concentrate has been around USD50/DMT for a long time. The long-term treatment charges for the first half of 2021 signed between leading Chinese copper smelters and Antofagasta only stood at USD60.8/DMT, signaling that the supply shortage could last longer than expected. In terms of copper scrap, China will ban the import of solid waste at the end of 2020. Although the new national standard for recycled copper has been implemented, it still needs a certain process to execute, thus curbing the import of scrap copper in China. On the consumer side, in the first half of the year, China's local governments have issued more than RMB2 trillion in new special bonds, and the proportion used for infrastructure projects has increased significantly. According to the government work report, there is still more than RMB1 trillion of special debt to be issued in the second half of the year, which is expected to continue to support domestic copper consumption through infrastructure projects. Overseas manufacturing, especially Europe, continues to recover, which also supports global copper consumption. With major economies continuing their monetary and fiscal stimulus, the global macro sentiment has improved substantially, lending a huge support for "Doctor Copper" — the global macro barometer.

(2) *Cobalt market*

In 2020, it is expected that the global cobalt market will generally maintain a balance under the situation of weak supply and weak demand, and the price of cobalt will fluctuate with the cyclic replenishment and destocking activities of the industry chain. The EV industry and consumer electronics, as key drivers for cobalt demand, cannot see any big growths without stable macro environment and steadily increasing disposable income. In the long term, the global cobalt supply concentration risk still exists. Moreover, due to some controversial issues in the upstream supply chain of cobalt, more and more end customers hope to standardize the supply source of cobalt and implement responsible procurement, which puts strict requirements on the quality and quantity of cobalt supply. In addition, although the outbreak of the pandemic has had a huge impact on automotive industry, the trend of global clean energy has not changed, consumer electronics and energy storage demand has grown steadily, and cobalt prices in the medium and long term still have an upward range.

(3) *Molybdenum market*

In 2020, with the outbreak of the COVID-19, the global economy began to fall into the worst economic recession since the Great Depression in the last century. The global molybdenum market has taken a heavy blow as the deteriorating manufacturing investments have caused the demand for molybdenum products to weaken. China might be the only country in the world to see some positive growths in the end. Taking into account the government's determination to stimulate the economy, investment in railway, highway and infrastructure construction will continue to increase. In particular, in the first half of this year, more than RMB2 trillion new special bonds were issued across the country, and the approval and construction progress of a large number of key projects were accelerated, which will benefit the overall demand for steel. China's crude steel output in the first half of the year is expected to grow by 2% year-on-year. The supply side story might be less optimistic as the deteriorating overseas molybdenum market has pushed large quantities of molybdenum concentrates to China, breaking the balance of domestic supply and demand. The lowering of molybdenum price has caused many smelters to reduce or suspend production, with the first half of this year seeing a 10,000 tonnes oversupply even after a 12% production contraction. Taking into account the acceleration of infrastructure investment and construction in the later period, the consumption side will be obviously driven after the domestic market stabilizes, and the molybdenum market is expected to remain stable.

In terms of molybdenum supply in the international market, despite the decline in molybdenum production in many large and medium-sized mines and the suspension of production caused by the pandemic, which hedged part of the shrinking demand caused by the pandemic, the international molybdenum market still saw a certain degree of decline. It is expected that the pandemic will still have a greater impact on market demand in the short term, and the fluctuations will become more intense.

(4) Tungsten market

In 2020, with the continuous tightening of environmental protection supervision, the grade decline of tungsten ore sources, the reserve decline of large tungsten mines, the level-by-level strengthening of the safety entry threshold for regional small mines, the overall raised operational costs of mines, and the overall trend of steady decline in the domestic tungsten concentrate output will become more obvious, which would gradually consume the surplus output capacity of 2019 and facilitate the healthy rise of the price of primary tungsten products. In terms of domestic economic development trends, the Chinese government is expected to continuously promote the economic stimulus plans including tax reduction to deal with the severe impact of the pandemic, and vigorously promote the upgrade of the high-tech industry and equipment manufacturing industry. Domestic tungsten market demand is expected to rebound with the strong support of the above policies. Although the tungsten resources in China are highly reliable on export, the macro-cycle recovery after the overseas pandemic will also boost the export-oriented tungsten market.

(5) Niobium market

COVID-19 has caused Chinese manufacturing activities to contract sharply and the downstream consumption was frozen in the first quarter, but with various supportive measures that the government has launched, including large liquidity programs being released to restore financial and market confidence as well as quicker approvals of local government bonds, domestic infrastructure construction and manufacturing activities showed a faster rebound in the second quarter. This will contribute to more consumption of ferroniobium. In addition, due to the relatively balanced supply and demand in the global niobium market, niobium prices are mainly affected by steel mills tendering and price fluctuations in the international ferro-vanadium market. However, the recent supply of ferro-vanadium in the international market has been blocked, and the rise in ferro-vanadium prices has also supported the price of ferro-niobium. The domestic price of ferro-niobium has remained the same as last year and is expected to stabilize and rise in the future.

(6) Phosphates market

Global phosphates demand is expected to rebound in 2020 and increase by approximately 1.5%, according to the International Fertilizer Association (IFA). It is expected that crop production in the United States will return to normal level, and Brazil and India will maintain a strong demand for fertilizers in order to reach grain production goals. Additionally, major global fertilizer producers have announced production cuts, and the market is expected to rebalance in 2020. For the long term, IFA forecasts an annual average demand growth of approximately 1.2%, based on robust drivers such as population growth, food per capita consumption improvement and limitations in resources for agriculture, such as water and fertile soils.

(7) Mineral trading

Copper concentrates: most major copper mines have started to resume production slowly from a complete lockdown in mid-Q2 and late-Q2, while the smelters have maintained their normal operations. However, due to time delays, the fundamentals are still in a tight supply stage in Q3. At present, the quick and smooth pick up in Chinese economic activities continued to provide strong support for copper demand and positive arbitrage between SHFE and LME copper prices. This has helped and will continue to help Chinese smelters to buy spot raw materials at low treatment charge levels. We expect spot concentrate treatment charge might stabilize at current levels in Q3 and in theory, supply and demand in Q4 will be more balanced, which may create room for upward treatment charge. Downside risks could include deterioration in copper producing countries and potential labor disputes because of the COVID-19 pandemic as well as seasonally demand weakness in China.

Zinc and lead concentrates: domestic mine production in China is expected to stabilize while the supply of overseas mines has also been gradually restored, driving treatment charge to go up slowly.

Refined metals: we expect positive arbitrage between SHFE and LME metals contracts would be maintained for a prolonged period, creating import opportunities for copper, aluminum and other refined metals. For zinc and nickel, the mismatch between supply and demand is not large enough, so we will wait for potential opportunities as the market changes. For lead, the visible stocks are starting to increase and we expect demand for this metal to go up at the end of Q3.

Specialty metals: IXM will continue to consolidate and improve the market share of specialty metals, and accelerate the expansion of APT overseas market.

INDUSTRY POLICIES

1. Within the PRC

Indicators for controlling the aggregate mining volume of tungsten mines

On 15 July 2020, the Ministry of Industry and Information Technology and the Ministry of Natural Resources jointly issued the "Notice on Total Amount Control Indicators of Rare Earth and Tungsten Mining for the Year 2020" (《關於下達2020年度稀土礦鎢礦開採總量控制指標的通知》). The indicator for controlling the aggregate mining volume of tungsten concentrates (containing 65% tungsten trioxide) in China was 105,000 tonnes, including 78,150 tonnes of main indicators and 26,850 tonnes of indicators for comprehensive utilization.

Export qualification of tungsten

On 30 December 2019, the Company was approved with the export qualification of tungsten, which was the 15th enterprise with export qualification of tungsten in China.

Value-added tax

In order to implement the decisions and deployments made by the CPC Central Committee and the State Council and promote the substantive value-added tax (VAT) reduction, the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs announced to implement new VAT policies on 1 April 2019 with details as follows:

1. The tax rate of 16% and 10% originally applicable to the value-added tax taxable sales or import of goods of the ordinary taxpayer (hereinafter referred to as "taxpayer") shall be adjusted to 13% and 9%, respectively.
2. The deduction rate of 10% originally applicable to taxpayer's purchase of agricultural products shall be adjusted to 9%. The tax shall be calculated according to the deduction rate of 10% for taxpayer's purchase of agricultural products for the production or commissioned processing of goods with a tax rate of 13%.
3. For the exported goods and labor services to which a tax rate of 16% was originally applicable and the export rebate rate was 16%, the export rebate rate is adjusted to 13%. For the export goods and cross border taxable activities to which a tax rate of 10% was originally applicable and the export rebate rate was 10%, the export rebate rate is adjusted to 9%.

Resource tax

On 26 August 2019, the 12th Session of the Standing Committee of the 13th National People's Congress voted on and passed the "Resource Tax Law of the People's Republic of China" (hereinafter referred to as the "**New Resource Tax Law**"), which will come into force on 1 September 2020. The New Resource Tax Law stipulates that the resource tax rate for molybdenum mines will be reduced from 11% to 8%. The exemption or reduction of the associated resource tax shall be decided by the Provincial People's Congress. According to the decision of the 19th meeting of the Standing Committee of the 13th People's Congress of Henan Province on 31 July 2020, associated mines are exempt from resource tax. The Company's tungsten, iron and other associated mines will continue to be exempted from resource tax from 1 September 2020.

Others

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (the 2019 Version) (《外商投資准入特別管理措施(負面清單)(2019年版本)》) promulgated by the National Development and Reform Commission and the Ministry of Commerce on 30 June 2019, the requirement on prohibiting foreign investment in exploration and exploitation of molybdenum was eliminated with effect from 30 July 2019.

2. Overseas

(1) *Copper and cobalt business in the DRC*

The Democratic Republic of the Congo (DRC) promulgated the Law No.18/001 (hereinafter referred to as the "**New Mining Code**") on 28 March 2018 after multiple major modifications on the prior Mining Code No.007/2002 issued on 11 July 2002. The applicable regulations of the New Mining Code, namely the 2018 Mining Regulations (hereinafter referred to as the "**Mining Regulations**"), were adopted and promulgated by Council of Ministers of the DRC government on 8 June 2018.

The New Mining Code made significant adjustments on the following tax policies:

Resources royalties (resources tax): the tax rate increased from 2% of net amount (sales less deductible costs) to 3.5% of gross sales income, while the tax rate of strategic resources increased to 10% of gross sales income. At this stage, cobalt was regarded as strategic resources in November 2018. The tax rate is 10%;

Super profit tax: In accordance with Article 251 bis of the New Mining Code, when the market price is higher than 125% of the assumption price mentioned in the originally submitted "Bankable Feasibility Report", the mining company shall pay the super profit tax for the part exceeding 125% of the pre-tax profit of the target mentioned in the Bankable Feasibility Report, and the tax rate shall be 50%. Super profit tax will be levied on each mineral product, and the income being levied of super profit tax shall not be subject to corporate income tax.

In addition, the New Mining Code made major adjustments to foreign investment in mining industry including entry of mining industry, equity transfer, foreign exchange administration, collection of tax and import and export, etc. The major changes are set out as below:

Foreign exchange policies: the proportion of remittance of the Company's export income to domestic DRC during the outstanding payment period of shareholders' loans in relation to the investment shall increase from 40% to 60%, and such export income shall only be used for its domestic expenses. Meanwhile, after the settlement of shareholders' loans in relation to the investment, the export income shall be 100% remitted to DRC, and shall only be used for domestic expenses of DRC;

Equity transfer: the direct or indirect change in control of shares or equity of the Company with mining rights shall obtain prior national approval, and the transfer of stocks or shares of the Company with mining rights shall be levied upon based on the premium.

The tax policies adjusted by DRC according to the New Mining Code and Mining Regulations will increase the tax cost of the Company and have negative impact on the future profit of the Company.

In addition, the new Mining Code requires that the subcontracting business of mining enterprises shall be carried out in accordance with Law No. 17/001 (hereinafter referred to as the "**Subcontractor Law**") issued by DRC on 8 February 2017.

On 24 May 2018, the DRC government issued government order No.18/018, setting up the Subcontractor Regulatory Agency to supervise the enforcement of Subcontractor Law.

The DRC government and the business community are still very much divided on how to apply the Subcontractor Law to mining enterprises. At present, mining enterprises in DRC generally refuse to implement the relevant laws in accordance with the understanding of the Subcontractor Regulatory Authority. The Company also did not require the contractor to register with the Subcontractor Regulatory Authority and pay the service fee. If the abovementioned Subcontractor Law and government order are strictly carried out at the discretion of the Subcontractor Regulatory Authority, the scope of the Company's selection of contractors will be limited, and the cost for the engagement of contractors will increase, which will have a certain negative impact on the Company's future profits.

Since the New Mining Code and Mining Regulations of DRC, the Subcontractor Law and government order No.18/018 were evidently in conflict with the Amended and Restated Mining Convention signed between the former TFM and the DRC government (hereinafter referred to as the "**Mining Convention**") and Agreement of Government of the People's Republic of China and the Government of the Democratic Republic of the Congo on Promotion and Protection of Investment (hereinafter referred to as the "**PRC-DRC Agreement**"), the Company will pay close attention to updates on circumstances for mining industry development in the DRC, seek solutions to protect rights of the Company to the greatest extent under the Mining Convention and the PRC-DRC Agreement through positive communication with the DRC government and meanwhile try to build a mutually beneficial and win-win harmonious relationship with the host government.

(2) Niobium and phosphates in Brazil

In Brazil, the operations (mines and plants) are regulated by the National Mining Agency in Brazil ("Agência Nacional de Mineração" / "ANM") together with labour, environmental and other agencies. The municipal, state and federal governments and the public prosecutor's office are responsible for the enforcement of the relevant laws and regulations.

From the legal perspective, in the labor aspect, the impact of the new legislation has been positive for employers since the introduction of the law reforms. The new legislation gives employers more flexibility in handling labour disputes brought against them by employees and contractors, objectively reducing abuse of rights of action by the employees, as well as the number of labour cases in the courts, and also significantly reducing the number of labour lawsuits against the Company.

On the other hand, after the dam accidents in Mariana/MG and Brumandinho/MG, the government and the agencies have given much more attention to the legislation of the mineral sector. As a result, the House and Senate are considering several Bills of law to tighten mining legislation for environmental protection and safety. For example, Normative Resolution no.4 and no.13 as well as the newly released Normative Resolution no. 40 in 2020 stipulated that the inspection and authorization shall be more severe in the process of dam construction and the criteria for approving the expansion of tailing dams shall be more stringent. In addition, the Prosecutor has been focusing on the mining sector and the lawsuits (Public Civil Action) against the segment have increased the industry pressure exponentially. The new norms and regulations have given very short deadlines for the Company, all relevant controls are in place and the operations are fully compliant with the relevant limits and regulations.

(3) *Copper & gold related products in Australia*

Mining in the State of New South Wales ("NSW") is mainly regulated by the Mining Act 1992, and administered by the Department of Trade and Investment. The NSW Government owns all mineral resources in NSW and all exploration and mining activities for minerals in NSW require a valid authorization and a mining lease. Under the Mining Act 1992, royalties are payable to the State of NSW on all publicly and privately owned minerals exploited by the holder of a mining license.

The NSW Work Health and Safety (Mines and Petroleum Sites) Act 2013 and NSW Work Health and Safety (Mines and Petroleum Sites) Regulation 2014 align specific mine safety laws with general work health and safety laws. They also provide a single legislative framework for the regulation of safety in mines.

BUSINESS REVIEW

1. Mineral exploration and processing

(1) *Copper and cobalt sector*

During the reporting period, TFM Copper/Cobalt Mine achieved a production volume of 90,972 tonnes of copper metal; and achieved a production volume of 6,543 tonnes of cobalt metal.

(2) *Molybdenum and tungsten sector*

During the reporting period, the Company achieved a production volume of molybdenum metal of 7,070 tonnes and achieved a production volume of tungsten metal of 4,664 tonnes (excluding Yulu Mining). Production volume of iron concentrate (65% content) reached 71,400 tonnes.

(3) *Niobium and phosphate sector*

During the reporting period, Brazil achieved a production volume of phosphate fertilizers (high concentration fertilizer and low concentration fertilizer) of 550,183 tonnes; and achieved a production volume of niobium metal of 4,980 tonnes.

(4) *Copper and gold sector*

During the reporting period, where calculated based on 80% of equity interests, NPM achieved a production volume of copper metal of 13,933 tonnes; and achieved a production volume of gold of 10,889 ounces.

2. Mineral trading

During the reporting period, IXM achieved a physical trading volume (sales volume) of metal mineral of 1.24 million tonnes and 1.14 million tonnes of refined metal minerals.

OPERATION REVIEW

1. Overcoming the adverse effects of the pandemic and stabilizing the production and operation of each business segment

At the beginning of this year, the sudden outbreak of COVID-19 pandemic brought a huge impact on the national economy and the normal order of production and life. In response to this, the Company immediately established a pandemic prevention and control leading group to coordinate the deployment of prevention and control response measures, study and formulate prevention and control strategies and emergency plans, and coordinate the allocation of pandemic prevention materials with its advantages of global business layout to ensure the safety of employees and the stability of production. Thanks to the effective implementation of various pandemic prevention measures, during the reporting period, the Company's production and operations in various business segments were stable. The copper metal production from the copper and cobalt business in TFM in Congo (DRC) recorded a year-on-year increase of 2.80%, the Brazilian niobium metal production recorded a year-on-year increase of 17.32%. At the same time, in response to the impact of the pandemic on logistics, especially measures such as port closures in South Africa and other countries, the Company relied on IXM's developed logistics network across the globe to quickly adjust transportation routes and seek alternative solutions so as to ensure the overall stability of the transportation of raw materials and finished products.

In response to the uncertainty of global economic development, the Company placed great emphasis on strengthening liquidity management, customer credit risk management and contractor management, evaluating various extreme situations and conducting stress tests to ensure the continuity and stability of the Company's operations. As of the end of the reporting period, the Company's monetary capital balance was RMB18.2 billion, the net interest-bearing debt ratio was 25.88%, and the unused bank credit and other liquidity reserves were sufficient.

2. Continuously promoting cost reduction and efficiency enhancement, and taking multiple measures to improve operation level

During the reporting period, the Company continued to promote the implementation of cost reduction and efficiency enhancement plans for each segment. On the one hand, by optimizing the personnel structure and management system, strictly controlling non-productive costs, the Company continuously reduced management expenses, and improved management efficiency. On the other hand, each business segment continued to promote the reduction of cash costs in the mining segment by improving production processes, strengthening on-site fine management, adjusting the supply chain layout, optimizing the procurement of raw materials and spare parts, and saving pharmaceutical consumption. During the reporting period, the production and operation costs of the Company's mining business segments achieved a year-on-year reduction of more than RMB1,000 million in the same caliber. Among them, the Congo (DRC) copper and cobalt segment achieved a reduction of over USD100 million in production and operating cash costs, the mining unit cash cost decreased by 40.6% year-on-year, and the cash cost of the smelting process decreased more than USD60 million year-on-year; China's molybdenum and tungsten business achieved a reduction of more than RMB60 million through measures such as shortening the procurement cycle, increasing the procurement frequency, introducing more suppliers to participate in the competition, strengthening technological innovation, and optimizing production methods. The above series of measures to reduce costs and enhance efficiency continued to enhance the Company's core competitiveness, especially during the special period of the pandemic, which helped the Company continuously optimize its cost structure, maintain a stable profitability level, and improve its ability to resist risks.

3. Promoting organizational structure upgrade and process reengineering, and creating a new height in corporate culture construction

Adhering to the operation principle of "meritocracy, cost control, continuous improvement and achievement sharing", the Company actively built a globally integrated management and control structure. With the gradual integration of the Company's mining and metal trading segments, the Company will continue to promote organizational optimization and management upgrades to adapt to future opportunities and challenges. The Company adjusted the positions of chairman, president, etc., with an aim to further strengthen the development strategy. With the rich experience of the new management team in corporate management, cost control and culture construction, the Company will move towards greater glory.

Culture construction is the cornerstone to ensure the Company's long-term stable development. With the continuous deepening of the Company's global layout, it is urgent to build a corporate culture with CMOC's characteristics, promote the integration of various business segments, and enhance the synergy between the segments. The Company actively guided all employees to establish the entrepreneurial spirit of taking responsibility, continuously improved team cohesion and sense of direction, and implemented the strategic development goal of combining endogenous and exogenous factors.

4. Relying on technological innovation and process innovation to continuously optimize production and operation

During the reporting period, continuously adhering to the orientation of technological innovation, relying on the unique, long-life, low-cost, and high-quality assets full of development potential, the Company carried out a series of project development, technology improvement, process research and transformation projects, and achieved good effect. In the Congo (DRC) copper and cobalt segment, through a series of technological transformation projects such as hard rock crushing, cobalt drying, and lime plant, the recovery rate, product quality and other process technical indicators were comprehensively improved; at the same time, the Company actively overcame the impact of the pandemic, promoted the construction progress of energy and efficiency enhancement projects, and sped up the development of sulfide ore and the utilization and research of low-grade resources. In China's tungsten and molybdenum segment, the Company optimized its management system, so that Sandaozhuang Molybdenum and Tungsten Mine's recovery rate saw a year-on-year increase and its equipment operation rate continued to rise; the Company further promoted the construction of smart mines and unmanned mines, to improve automation management and operation level by utilizing advanced technologies such as 5G and electric mineral trucks, so as to further save manpower and energy consumption.

5. Gradually exerting the synergistic effect of mining and trading sectors to record excellent trading business performance

During the reporting period, the Company gradually realized the integration of IXM's overseas sales business, and built an overseas sales platform. Relying on IXM's comprehensive supply chain and customer system across the globe, and leveraging IXM's advantages of its global sales network and logistics warehousing system, the Company accelerated business integration and resource sharing to tap new profit growth points. Especially under the background that the COVID-19 pandemic caused a great impact on global logistics, IXM effectively combated sudden risks with its perfect risk management system and stable operation style and the operation model integrating spot and futures, and achieved good results. During the reporting period, IXM achieved a net profit attributable to the parent company of RMB0.30 billion. After the completion of the merger, IXM and the Company's original mining segments further promoted their integration in corporate culture, resource sharing, cost reduction and efficiency enhancement.

6. Innovating business model to obtain low-cost long-term funds

As of the reporting date, the Company and Triple Flag Precious Metal Corp have reached the first metal streaming agreement for Chinese companies and received a cash advance payment of USD550 million. This transaction enables the Company to reach a long-term metal streaming agreement with an attractive capital cost, demonstrating the huge value of the Company's NPM gold and silver by-products, as well as the industry's recognition of previous outstanding safety performance, stable result level and high-quality resource potential of the mine. This transaction also shows the Company's orientation to values and constant search for any possible opportunities to reflect and create shareholder values.

Through the innovative business model, the Company further enhanced its capital strength and reduced financing costs. Such measures are conducive to the Company's implementation of active capital structure management strategies, providing sufficient liquidity support for the future development strategy of endogenous growth and extensional expansion.

FINANCIAL HIGHLIGHTS

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Change (%)
Current assets:			
Cash and bank balances	18,193,924,302.77	15,647,900,059.61	16.27
Held-for-trading financial assets	6,812,820,952.96	7,719,450,290.97	-11.74
Derivative financial assets	1,263,060,883.18	2,178,322,223.39	-42.02
Accounts receivable	949,674,938.77	1,510,508,440.50	-37.13
Financing receivables	389,841,298.97	375,935,645.39	3.70
Prepayments	1,750,552,964.30	1,065,494,520.83	64.29
Other receivables	1,912,456,894.31	1,119,039,260.19	70.90
Including: Interests receivable	254,850,660.16	198,921,505.19	28.12
Dividends receivable	77,636,763.82	2,235,286.10	3,373.24
Inventories	21,813,650,127.08	20,730,673,736.79	5.22
Other current assets	4,121,275,488.43	3,830,180,430.37	7.60
Total current assets	57,207,257,850.77	54,177,504,608.04	5.59
Non-current assets:			
Debt investment	170,000,000.00	0.00	100.00
Long-term equity investment	1,321,403,242.48	1,033,168,028.11	27.90
Other investments in equity instruments	85,347,769.82	85,344,307.06	0.00
Other non-current financial assets	4,130,576,741.34	4,356,783,464.12	-5.19
Non-current derivative financial assets	0.00	7,620,425.07	-100.00
Fixed assets	24,236,529,573.53	24,439,595,450.35	-0.83
Construction in progress	3,199,608,246.03	2,386,791,478.58	34.05
Right-of-use assets	289,524,451.57	346,815,801.39	-16.52
Intangible assets	20,002,901,988.86	20,446,930,377.08	-2.17
Long-term inventory	5,966,549,551.72	5,660,505,828.69	5.41
Goodwill	573,077,223.22	659,468,043.85	-13.10
Long-term prepaid expenses	136,098,308.72	136,987,188.97	-0.65
Deferred tax assets	1,184,247,908.41	645,508,458.12	83.46
Other non-current assets	2,168,486,596.66	2,479,203,017.30	-12.53
Total non-current assets	63,464,351,602.36	62,684,721,868.69	1.24
Total assets	120,671,609,453.13	116,862,226,476.73	3.26

Item	Closing balance	Opening balance	Change (%)
Current liabilities:			
Short-term borrowings	17,975,338,019.92	18,589,025,832.49	-3.30
Held-for-trading financing liabilities	4,061,323,376.95	3,157,951,924.72	28.61
Derivative financial liabilities	3,490,041,389.46	2,640,928,053.07	32.15
Notes payable	975,833,335.15	233,224,073.53	318.41
Accounts payable	1,121,813,501.49	1,944,506,406.62	-42.31
Contract liabilities	345,927,231.44	416,194,761.78	-16.88
Employee benefits payable	589,261,161.62	692,638,178.24	-14.93
Taxes payable	713,946,410.39	399,251,199.18	78.82
Other payables	1,100,073,113.41	1,584,737,923.47	-30.58
Including: Interests payable	214,411,744.49	246,838,776.68	-13.14
Dividends payable	179,259,022.63	27,885,796.67	542.83
Non-current liabilities due within one year	5,233,377,172.27	3,749,103,660.62	39.59
Other current liabilities	2,153,659,594.04	1,167,803,612.80	84.42
Total current liabilities	37,760,594,306.14	34,575,365,626.52	9.21
Non-current liabilities:			
Long-term borrowings	18,482,182,207.29	16,278,909,765.88	13.53
Bonds payable	4,123,850,000.00	5,092,860,000.00	-19.03
Non-current derivative financial liabilities	478,955,160.77	202,416,693.40	136.62
Lease liabilities	185,011,006.57	273,971,191.18	-32.47
Long-term employee benefits payable	322,712,018.93	254,249,008.22	26.93
Provisions	2,578,612,150.13	2,495,171,563.70	3.34
Deferred income	64,310,022.10	68,005,249.90	-5.43
Deferred tax liabilities	6,922,856,285.61	7,887,539,765.83	-12.23
Other non-current liabilities	214,533,649.91	238,141,518.84	-9.91
Total non-current liabilities	33,373,022,501.31	32,791,264,756.95	1.77
Total liabilities	71,133,616,807.45	67,366,630,383.47	5.59
Owners' equity (or Shareholders' equity)			
Paid-in capital (or share capital)	4,319,848,116.60	4,319,848,116.60	0.00
Capital reserve	27,582,794,983.23	27,582,794,983.23	0.00
Other comprehensive income	-618,709,925.70	-468,588,363.13	-32.04
Special reserve	833,636.49	302,145.46	175.91
Surplus reserve	1,286,827,000.91	1,286,827,000.91	0.00
Undistributed profits	8,160,643,604.85	8,081,590,250.78	0.98
Total equity attributable to owners of the parent company	40,732,237,416.38	40,802,774,133.85	-0.17
Minority interests	8,805,755,229.30	8,692,821,959.41	1.30
Total owners' equity (or Shareholders' equity)	49,537,992,645.68	49,495,596,093.26	0.09
Total liabilities and owners' equity (or Shareholders' equity)	120,671,609,453.13	116,862,226,476.73	3.26

Consolidated Income Statement

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change (%)
I. Total operating income	46,743,857,426.26	9,978,669,307.74	368.44
Including: Operating income	46,743,857,426.26	9,978,669,307.74	368.44
II. Total operating costs	47,951,278,525.39	9,416,775,542.06	409.21
Including: Operating costs	46,042,234,134.31	7,777,155,389.82	492.02
Taxes and levies	473,523,891.24	486,300,320.87	-2.63
Selling expenses	42,397,113.57	41,074,405.70	3.22
Administrative expenses	652,396,360.62	481,775,535.92	35.42
Research and development expenses	45,276,058.60	122,672,256.28	-63.09
Financial expenses	695,450,967.05	507,797,633.47	36.95
Including: Interest expense	924,037,414.16	783,595,939.00	17.92
Interest income	370,946,927.96	531,075,204.76	-30.15
Add: Other income	12,913,448.92	10,134,067.23	27.43
Investment income (losses are indicated by "-")	126,538,507.86	158,967,147.64	-20.40
Including: Income from investments in associates and joint ventures	4,063,829.99	164,709,318.09	-97.53
Gains from changes in fair value (losses are indicated by "-")	1,402,251,271.09	136,952,562.01	923.90
Credit impairment losses (losses are indicated by "-")	-691,868.25	-17,437,262.62	96.03
Asset impairment losses (losses are indicated by "-")	10,936,023.88	-11,899,427.69	191.90
Income from the disposal of assets (losses are indicated by "-")	5,989,609.46	-10,676,048.84	156.10
III. Operating profit (losses are indicated by "-")	350,515,893.83	827,934,803.41	-57.66
Add: Non-operating incomes	5,483,440.40	2,528,402.75	116.87
Less: Non-operating expenses	5,456,346.06	6,551,402.31	-16.71
IV. Total profit (total losses are indicated by "-")	350,542,988.17	823,911,803.85	-57.45
Less: Income tax expenses	-651,605,940.69	50,421,199.23	-1,392.33
V. Net profit (net losses are indicated by "-")	1,002,148,928.86	773,490,604.62	29.56
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses are indicated by "-")	1,002,148,928.86	773,490,604.62	29.56
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated by "-")	1,007,820,700.18	807,990,808.81	24.73
2. Non-controlling interest (net losses are indicated by "-")	-5,671,771.32	-34,500,204.19	83.56

Item	The period	Same period last year	Change (%)
VI. Other comprehensive income, net of tax	-31,369,801.88	5,214,056.23	-701.64
(I) Other comprehensive income attributable to owners of the parent company, net of tax	-150,121,562.57	-8,583,134.61	-1,649.03
1. Other comprehensive income cannot be reclassified subsequently into the profit or loss	-16,626,602.20	0.00	-100.00
(1) Changes arising from remeasurement of defined benefit plan	-16,626,602.20	0.00	-100.00
2. Other comprehensive income that will be reclassified subsequently into the profit or loss	-133,494,960.37	-8,583,134.61	-1,455.32
(1) Cash flow hedge reserve	-592,344,995.71	-173,146,944.37	-242.11
(2) Translation difference of foreign currency financial statements	458,850,035.34	164,563,809.76	178.83
(II) Other comprehensive income, net of tax attributable to minority shareholders	118,751,760.69	13,797,190.84	760.70
VII. Total comprehensive income	970,779,126.98	778,704,660.85	24.67
(I) Attributable to owners of the parent company	857,699,137.61	799,407,674.20	7.29
(II) Attributable to minority shareholders	113,079,989.37	-20,703,013.35	646.20
VIII. Earnings per share:			
(I) Basic earnings per share (<i>RMB/per Share</i>)	0.047	0.037	27.03
(II) Diluted earnings per share (<i>RMB/per Share</i>)	N/A	N/A	N/A

Consolidated Statement of Cash Flow

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change (%)
I. Cash flow from operating activities:			
Cash receipts from sales of goods and rendering of services	48,949,846,676.45	11,703,527,306.59	318.25
Other cash receipts relating to operating activities	781,707,825.21	708,907,690.84	10.27
Subtotal of cash inflows from operating activities	49,731,554,501.66	12,412,434,997.43	300.66
Cash payments for goods purchased and services received	42,288,527,671.78	6,024,336,579.39	601.96
Cash payments to and on behalf of employees	1,296,728,745.08	1,191,997,453.22	8.79
Payments of various types of taxes	1,689,369,433.90	2,781,190,067.67	-39.26
Other cash payments relating to operating activities	205,530,930.31	185,097,342.59	11.04
Subtotal of cash outflows from operating activities	45,480,156,781.07	10,182,621,442.87	346.64
Net cash flows from operating activities	4,251,397,720.59	2,229,813,554.56	90.66
II. Cash flow from investing activities:			
Cash receipts from disposal or recovery of investments	10,397,960,735.43	134,520,006.44	7,629.68
Cash receipts from investment income	107,643,039.24	94,959,714.86	13.36
Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets	358,336.64	0.00	100.00
Other cash receipts relating to investment activities	262,090,210.78	49,606,955.40	428.33
Subtotal of cash inflows from investing activities	10,768,052,322.09	279,086,676.70	3,758.32
Cash payments to acquire or construct fixed assets, intangible assets, and other long-term assets	1,090,311,581.94	1,077,057,909.12	1.23
Cash payments to acquire investments	10,806,594,084.80	894,760,803.43	1,107.76
Net cash payments for acquisition of subsidiaries and other business units	0.00	3,345,174,091.53	-100.00
Other cash payments relating to investing activities	620,792,511.33	109,671,977.50	466.04
Subtotal of cash outflows from investing activities	12,517,698,178.07	5,426,664,781.58	130.67
Net cash flows from investing activities	-1,749,645,855.98	-5,147,578,104.88	66.01

Item	The period	Same period last year	Change (%)
III. Cash flows from financing activities:			
Cash receipts from borrowings	34,133,407,773.74	10,162,713,690.48	235.87
Other cash receipts relating to financing activities	3,728,554,335.62	1,747,460,913.94	113.37
Subtotal of cash inflows from financing activities	37,861,962,109.36	11,910,174,604.42	217.90
Cash repayments of borrowings	32,237,322,920.13	6,862,098,377.83	369.79
Cash payments for distribution of dividends, profits or payment of interest expenses	1,580,264,427.41	2,724,392,026.34	-42.00
Other cash payments relating to financing activities	3,608,659,212.86	2,350,781,206.82	53.51
Subtotal of cash outflows from financing activities	37,426,246,560.40	11,937,271,610.99	213.52
Net cash flows from financing activities	435,715,548.96	-27,097,006.57	1,707.98
IV. Effect of foreign exchange rate changes on cash and cash equivalents	44,484,344.76	94,289,764.23	-52.82
V. Net increase in cash and cash equivalents	2,981,951,758.33	-2,850,571,792.66	204.61
Add: Opening balance of cash and cash equivalents	12,392,247,511.85	23,240,703,274.03	-46.68
VI. Closing balance of cash and cash equivalents	15,374,199,270.18	20,390,131,481.37	-24.60

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2020, the net profit of the Group increased by RMB229 million or 29.56% from RMB773 million for the six months ended 30 June 2019 to RMB1,002 million. For the six months ended 30 June 2020, the net profit of the Group attributable to owners of the parent company was RMB1,008 million, representing an increase of RMB200 million or 24.73% from RMB808 million for the six months ended 30 June 2019.

Operating Results

For the six months ended 30 June 2020, the operating revenue of the Group increased by RMB36,765 million or 368.44% from RMB9,979 million for the six months ended 30 June 2019 to RMB46,744 million. For the six months ended 30 June 2020, the gross profit of the Group was RMB702 million, representing a decrease of RMB1,500 million or 68.12% from RMB2,202 million for the same period last year.

The operating revenue, operating cost and gross profit margin of the principal businesses in the first half of 2020 and the same period last year are set out as below:

Principal businesses by product and by region:

Unit: Yuan Currency: RMB

By product	Operating revenue	Operating cost	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 (%)
Mineral exploration and processing						
Molybdenum and tungsten	2,009,137,777.19	1,245,173,857.27	38.02	-2.97	33.32	Decreased by 16.87 percentage points
Copper and gold	640,110,019.54	513,699,180.83	19.75	-1.82	-1.69	Decreased by 0.10 percentage point
Niobium and phosphate	2,142,075,808.96	1,777,868,168.09	17.00	-9.03	-2.31	Decreased by 5.71 percentage points
Copper and cobalt	4,296,670,158.37	3,862,013,612.70	10.12	-3.98	-6.25	Increased by 2.18 percentage points
Mineral trading (note)						
Mineral metals	14,215,340,676.75	13,983,606,530.88	1.63	—	—	—
Refined metals	23,243,114,588.35	24,515,277,357.78	-5.47	—	—	—
Others	10,223,049.88	9,413,982.19	7.91	-96.94	-96.93	Decreased by 0.18 percentage point
Total	46,556,672,079.04	45,907,052,689.74	1.40	370.96	496.00	Decreased by 20.68 percentage points

By region	Operating revenue	Operating cost	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 (%)
Mineral exploration and processing						
China	2,009,137,777.19	1,245,173,857.27	38.02	-2.97	33.32	Decreased by 16.87 percentage points
Australia	640,110,019.54	513,699,180.83	19.75	-1.82	-1.69	Decreased by 0.10 percentage point
Brazil	2,142,075,808.96	1,777,868,168.09	17.00	-9.03	-2.31	Decreased by 5.71 percentage points
Congo (DRC)	4,296,670,158.37	3,862,013,612.70	10.12	-3.98	-6.25	Increased by 2.18 percentage points
Mineral trading (Note)						
China	11,767,222,871.17	12,314,028,436.25	-4.65	-	-	-
Outside China	25,691,232,393.93	26,184,855,452.41	-1.92	-	-	-
Others						
China	10,223,049.88	9,413,982.19	7.91	-96.94	-96.93	Decreased by 0.18 percentage point
Total	46,556,672,079.04	45,907,052,689.74	1.40	370.96	496.00	Decreased by 20.68 percentage points

Note: IXM is engaged in the metal trading business which combines the futures and spot commodities. The Group only included the corresponding cost of the spot commodities in accordance with the requirements of the Accounting Standards for Enterprises when accounting for the operating cost of the metal trade; the profit and loss related to the futures business is recognized in gains and losses from changes in fair value.

ANALYSIS OF PRODUCTION/PURCHASE AND SALES VOLUME OF PRINCIPAL PRODUCTS

Principal products	Unit	Production/procurement volume	Sales volume	Inventory volume	Increase or decrease of production/procurement volume as compared with the same period last year (%)	Increase or decrease of sales volume as compared with the same period last year (%)	Increase or decrease of inventory volume as compared to the end of last year (%)
Mineral exploration and processing (Note 1)							
Molybdenum	Tonnes	7,070	7,334	1,025	-3.18	-7.31	-41.27
Tungsten	Tonnes	4,664	4,208	1,529	-9.73	-16.36	17.18
Niobium	Tonnes	4,980	4,856	1,007	17.32	42.49	-62.37
Phosphate fertilizer (HA+LA)	Tonnes	550,183	482,062	179,856	4.47	-13.65	-7.94
Copper (TFM)	Tonnes	90,972	86,347	12,559	2.80	-8.35	-60.90
Cobalt	Tonnes	6,543	9,086	542	-24.05	33.47	-85.07
Copper (80% equity interest of NPM)	Tonnes	13,933	13,863	718	-0.26	-4.38	-52.33
Gold	Ounces	10,889	11,683	-	10.73	11.17	-
Mineral trading							
Mineral metals (Note 2)	Tonnes	1,335,178	1,238,129	388,598	-	-	-17.49
Refined metals (Note 3)	Tonnes	1,374,788	1,145,232	571,115	-	-	81.26

Note 1: Data relating to production volume, sales volume and inventory in the mining and processing stage of the mines is provided by each mine.

Note 2: The primary products of metal minerals mainly are the concentrates.

Note 3: The smelting of metal minerals and chemical products.

Operating Revenue

For the six months ended 30 June 2020, the operating revenue of the Group amounted to RMB46,744 million, representing an increase of RMB36,765 million or 368.44% from RMB9,979 million for the same period in 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the increase of fundamental metal trading business for the current period as compared to the same period last year.

Operating Cost

For the six months ended 30 June 2020, the operating cost of the Group amounted to RMB46,042 million, representing an increase of RMB38,265 million or 492.02% from RMB7,777 million for the same period in 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the increase of fundamental metal trading business for the current period as compared to the same period last year.

Administrative Expenses

For the six months ended 30 June 2020, the administrative expenses of the Group amounted to RMB652 million, representing an increase of RMB170 million or 35.42% from RMB482 million for the same period in 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the increase of fundamental metal trading business for the current period as compared to the same period last year.

Finance Expenses

For the six months ended 30 June 2020, the finance expenses of the Group amounted to RMB695 million, representing an increase of RMB187 million or 36.95% from RMB508 million for the same period in 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the increase of fundamental metal trading business for the current period as compared to the same period last year.

Research and Development Expenditure

For the six months ended 30 June 2020, research and development expenditure of the Group amounted to RMB45 million, representing a decrease of RMB78 million or 63.09% from RMB123 million for the same period in 2019, mainly due to the decrease in investment in research and development as affected by the pandemic during the current period.

Gains from Changes in Fair Value

For the six months ended 30 June 2020, gains from changes in fair value of the Group amounted to RMB1,402 million, representing an increase of RMB1,265 million or 923.90% from RMB137 million for the same period in 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the increase of fundamental metal trading business for the current period as compared to the same period last year.

Impairment Losses on Credit

For the six months ended 30 June 2020, the impairment losses on credit of the Group amounted to RMB-1 million, representing an increase of RMB16 million or 96.03% from RMB-17 million for the same period in 2019, mainly due to the decrease in expected credit risk loss for accounts receivable for the current period as compared to the same period last year.

Impairment Losses on Assets

For the six months ended 30 June 2020, the impairment losses on assets on the Group amounted to RMB11 million, representing an increase of RMB23 million or 191.90% from RMB-12 million for the same period in 2019, mainly due to the decrease in impairment loss on inventory during the current period as compared to the same period last year.

Income from Disposal of Assets

For the six months ended 30 June 2020, income from disposal of assets of the Group amounted to RMB6 million, representing an increase of RMB17 million or 156.10% from RMB-11 million for the same period in 2019, mainly due to the increase in income from disposal of fixed assets during the current period as compared to the same period last year.

Income Tax Expenses

For the six months ended 30 June 2020, the income tax expenses of the Group amounted to RMB-652 million, representing a decrease of RMB702 million or 1,392.33% from RMB50 million for the same period in 2019, mainly because the reorganization of niobium-phosphorus business and the exchange rate fluctuation of Brazilian Real against US dollar resulted in a year-on-year decrease in deferred tax expenses.

Financial Position

For the six months ended 30 June 2020, the total assets of the Group amounted to RMB120,671 million, comprising non-current assets of RMB63,464 million and current assets of RMB57,207 million.

Current Assets

For the six months ended 30 June 2020, current assets of the Group amounted to RMB57,207 million, representing an increase of RMB3,029 million or 5.59% from RMB54,178 million for the year ended 31 December 2019, which was mainly attributable to the changes of the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared with balance as at the end of last year (%)	Explanation
Derivative financial assets	1,263,060,883.18	2,178,322,223.39	-42.02	Decrease in derivative financial assets of fundamental metal trading business during the current period
Accounts receivable	949,674,938.77	1,510,508,440.50	-37.13	Receipt of accounts receivable during the current period
Prepayments	1,750,552,964.30	1,065,494,520.83	64.29	Increase in prepayments for procurement during the current period
Other receivables	1,912,456,894.31	1,119,039,260.19	70.90	Increase in deductible tax of niobium-phosphorus business and tax refund receivables of copper-cobalt business during the current period

Non-current Assets

For the six months ended 30 June 2020, non-current assets of the Group amounted to RMB63,464 million, representing an increase of RMB779 million or 1.24% from RMB62,685 million for the year ended 31 December 2019, which was mainly attributable to the changes of the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared with balance as at the end of last year (%)	Explanation
Construction in progress	3,199,608,246.03	2,386,791,478.58	34.05	Increase in investment for construction in progress for the current period
Deferred income tax assets	1,184,247,908.41	645,508,458.12	83.46	Increase in deferred income tax assets arising from the exchange rate fluctuation of Brazilian Real against US dollar for the current period

Current Liabilities

For the six months ended 30 June 2020, current liabilities of the Group amounted to RMB37,761 million, representing an increase of RMB3,186 million or 9.21% from RMB34,575 million for the year ended 31 December 2019, which was mainly attributable to the changes of the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared with balance as at the end of last year (%)	Explanation
Derivative financial liabilities	3,490,041,389.46	2,640,928,053.07	32.15	Increase in derivative financial liabilities of fundamental metal trading business during the current period
Notes payable	975,833,335.15	233,224,073.53	318.41	Increase in bank notes for payments of goods during the current period
Accounts payable	1,121,813,501.49	1,944,506,406.62	-42.31	Decrease in metal trade business payables during the current period
Other payables	1,100,073,113.41	1,584,737,923.47	-30.58	Payments of contingent consideration arising from the acquisition of copper-cobalt business in Congo (DRC) during the current period
Non-current liabilities due within one year	5,233,377,172.27	3,749,103,660.62	39.59	Transfer of medium-term notes due within one year from bonds payable during the current period
Other current liabilities	2,153,659,594.04	1,167,803,612.80	84.42	Issuance of ultra-short financing bonds during the current period

Gearing Ratio

The gearing ratio (total liabilities divided by total assets) of the Group increased to 58.95% for the six months ended 30 June 2020 from 57.65% for the year ended 31 December 2019.

Details of the Company's Overseas Assets

- In 2016 and 2019, the Company completed the acquisition of Freeport-McMoRan Inc. (自由港麥克米倫公司) and BHR's 56% and 24% equity in the TFM copper-cobalt business in Congo (DRC), respectively. The Company currently holds 80% equity in TFM in aggregate. The Company achieved control on TFM copper-cobalt business in Congo (DRC) through its indirectly controlled wholly-owned subsidiary in Hong Kong, CMOC DRC Limited. As of 30 June 2020, the total asset value of Copper-Cobalt business segment amounted to RMB44,320 million, accounting for 36.73% of the total asset value of the Company as at the end of the reporting period. During the reporting period, the net profit attributable to shareholders of the parent company contributed by the aforementioned business amounted to RMB180 million, accounting for 17.83% of the net profit attributable to shareholders of the parent company contributed by the Company.

2. In 2016, the Company acquired 100% equity in Anglo American plc's niobium and phosphates business in Brazil. The Company maintained its control over the niobium and phosphates business in Brazil through Luxembourg SPV, a wholly-owned subsidiary located in Luxembourg indirectly controlled by the Company. As at 30 June 2020, the total assets of Luxembourg SPV amounted to RMB13,649 million, accounting for 11.31% of the total assets of the Company as of the end of the reporting period. During the reporting period, the net profit attributable to shareholders of the parent company contributed by the aforementioned business amounted to RMB1,069 million, accounting for 106.07% of the net profit attributable to shareholders of the parent company contributed by the Company.
3. In 2019, the Company has completed the acquisition of 100% equity in IXM, the world's third largest metal trader and a subsidiary of previously known as Louis Dreyfus Group with its headquarters located in Geneva, Switzerland. The Company maintained its control over its business through NSRC, a wholly-owned subsidiary located in Switzerland indirectly controlled by the Company. As at 30 June 2020, the total assets of IXM amounted to RMB28,479 million, accounting for 23.60% of the total assets of the Company as of the end of the reporting period. During the reporting period, the net profit attributable to shareholders of the parent company contributed by the aforementioned business amounted to RMB300 million, accounting for 29.77% of the net profit attributable to shareholders of the parent company contributed by the Company.

Cash Flow

For the six months ended 30 June 2020, the Group had cash and cash equivalents of RMB15,374 million, representing an increase of RMB2,982 million or 24.06% from RMB12,392 million for the year ended 31 December 2019.

Net Cash Inflow from Operating Activities

For the six months ended 30 June 2020, net cash inflow from operating activities of the Group amounted to RMB4,251 million, representing an increase of RMB2,021 million or 90.66% from RMB2,230 million for the same period of 2019, mainly due to the completion of merger and acquisition of IXM on 24 July 2019 and the year-on-year increase of fundamental metal trading business during the current period.

Net Cash Outflow from Investing Activities

For the six months ended 30 June 2020, net cash outflow from investment activities of the Group amounted to RMB-1,750 million, representing an increase of RMB3,398 million or 66.01% from RMB-5,148 million for the same period of 2019, mainly because equity of subsidiary was acquired for the same period last year but there was no such business during the current period.

Net Cash Inflow from Financing Activities

For the six months ended 30 June 2020, net cash inflow from financing activities of the Group amounted to RMB436 million, representing an increase of RMB463 million or 1,707.98% from RMB-27 million for the same period of 2019, mainly due to the year-on-year increase in gold lease and the year-on-year decrease in distribution of dividends during the current period.

Scope of Restricted Assets

As of 30 June 2020, the bank acceptance bond deposits of the Group amounted to RMB2,083 million (opening balance for the year: RMB900 million), the loan guarantee deposits amounted to RMB2,105 million (opening balance for the year: RMB2,196 million), the special security deposits for the mine environment restoration and rehabilitation amounted to RMB48 million (opening balance for the year: RMB46 million), deposits for interest rate swap business amounted to RMB126 million (opening balance for the year: RMB0), and other deposits amounted to RMB500 thousand (opening balance for the year: RMB500 thousand).

At the end of the reporting period, the carrying amounts of the Group's trading financial assets and inventories measured at fair value pledged for short-term borrowings were RMB1,502 million (opening balance for the year: RMB3,010 million) and RMB10,837 million (opening balance for the year: RMB8,517 million) respectively.

Contingent Liabilities

For details, please refer to Note X.2 of the notes to the financial statements.

Core Competitiveness

(I) The Company carries out and implements advanced sustainable development policies to escort the Company's long-term stable development

The Company is fully aware of the importance of sustainable development for its access to resources, markets, capital, and has nurtured and actively implemented it as our new core competitiveness. The Company engaged an internationally renowned law firm to review and update its compliance and sustainable development policies applicable across the Company, which took reference from international best practice frameworks, including the Sustainable Development Principles of the International Council on Mining and Metals (ICMM), the IFC Environmental and Social Performance Standards, the International Labor Organization Conventions, the International Bill of Rights, etc., to continuously improve the Company's governance framework on sustainable development by continuously learning the good practices of international companies.

The Company established a Sustainable Development Executive Committee, which is specifically responsible for promoting the decision-making of the Board and the Strategic and Sustainability Committee, and the implementation of the Company's sustainable development strategy at the executive level, reviewing and updating the company-wide compliance and sustainable development policies. All of the Company's mining zones are regularly reviewed by a third party to verify their compliance with the requirements of the Environmental, Health and Safety Management Certification System, which includes ISO14001 and OSHAS18001 certification. These measures have laid a solid policy and practice foundation for future sustainable development.

During the reporting period, the Company won the "Golden Bee Corporate Social Responsibility China List • Overseas Responsibility Enterprise" and the Evergreen Award "Sustainable Development Internal Control Award". The local community livelihood projects invested by TFM mining area was also selected into the "2020 Golden Bee Responsible Competitiveness Case Collection".

(II) The Company possesses a unique and scarce product portfolio which effectively resists and reduces the impact of periodic fluctuation

Currently, the Company possesses a unique and scarce product portfolio including copper, cobalt, molybdenum, tungsten, niobium, phosphate and gold, and has industry-leading advantages for each resource variety. The resource varieties cover the basic, rare and precious metals, and maintain a presence in agricultural industry with phosphorus resources.

Copper represents an important metal for consumption purposes, enjoying a broad range of applications. Cobalt, as one of the prevailing materials for new energy batteries, is very scarce for strategic purpose because of its low reserve in land resources. Niobium has smaller periodical fluctuations than other non-ferrous metals, and therefore the price of niobium is relatively stable, and the risk of volatilities in the industry is relatively low. Phosphate is mainly applied in agricultural field. Brazil, where the Company's business is operated, is bestowed with one of the vastest potential cultivable land in the world and represents the fourth largest consumer of fertilizer worldwide, but Brazil is short in resources of phosphates ores. So the Company has its own geographical advantages and develops its phosphates business steadily.

Product portfolio with unique and diversified natures enables the Company to effectively resist periodic fluctuation risks in resource sectors, enhances the ability to resist risks and fully enjoys the enormous benefits brought by the periodic changes in prices of various resources.

(III) The Company has a vast reserve of resources which are of good quality

The Company is the second largest cobalt producer and a leading copper producer in the world. The TFM Copper and Cobalt Mine operated by the Company in Congo (DRC) represents one of the largest reserve and highest grade copper-cobalt mines in the world, with a mining area that covers over 1,500 sq. km. The Company is the second largest niobium producer in the world and the second largest phosphate fertilizer producer in Brazil. The Company's niobium/phosphate mining area in Brazil has rich reserves and bright prospect for exploration, with rich and high-quality niobium resources and the highest grade P_2O_5 resources in Brazil. The Company is the largest tungsten producer and one of the top five molybdenum producers in the world. The Company's domestic resources in China include: the Luanchuan Sandaozhuang molybdenum/tungsten mine, a native molybdenum/tungsten mine large in scale being a part of the Luanchuan molybdenum mining field, the largest native molybdenum mining field in the world, and the largest scheelite operation tungsten mine of single unit. During the reporting period, the Luanchuan Shangfanggou molybdenum mine in close proximity to the Sandaozhuang molybdenum/tungsten mine, which is owned by Luoyang Fuchuan Mining Co., Ltd., a joint venture of the Company, restarted mining and molybdenum ore supply was steadily improving, which will effectively alleviate the decline in molybdenum production caused by the reduction of molybdenum ore grade at the Sandaozhuang mine. In parallel, the abundant iron resources accompanied by the Shangfanggou molybdenum mine have been efficiently recovered. The Donggebi Molybdenum Mine in Hami, Xinjiang, which is owned by a subsidiary of the Company, has not yet been developed.

All projects listed above have particularly favorable prospect of resource exploration.

(IV) The Company possesses leading production technology and extremely strong cost competitiveness

The mines currently owned by the Company are multi-variety and recyclable resource symbiosis mines. The Company proactively promotes the comprehensive recycling of resources. Within the PRC, the Sandaozhuang molybdenum/tungsten mine, a mine currently exploited and operated by the Company, recovers the by-product scheelite out of the molybdenum tailings, making the Company one of the largest tungsten producers. The successful industrialized recovery of by-products copper and iron has created a new profit growth point for the Company. The comprehensive recovery of the by-product fluorite upon industrialized production is being steadily promoted. Resource recovery of iron by-product at the Shangfanggou Molybdenum Mine is already capable of large-scale production. Abroad, TFM copper and cobalt mine operated in the Congo (DRC) recovers cobalt from copper tailings, with the high-efficient hydrometallurgy recycling and utilization technology of copper and cobalt resources, making CMOC the second-largest producer of cobalt in the world. As the second largest niobium producer in the world, part of the niobium output of the niobium business in Brazil comes from the comprehensive recovery of tailings after phosphate ore processing. The Company has advanced technologies for efficient recovery and comprehensive utilization of low-grade niobium ore resources, processing and utilization of phosphate ore resources, and development and production technology for high value-added products. There are still a variety of recoverable metals in mines located in Brazil which are yet to be researched and utilized by the Company. In the future, experience in production techniques and technology research and development can be shared by comprehensive recovery operation at home and abroad, so as to broaden the prospects of development.

The NPM copper and gold mine operated by the Company in Australia adopted advanced mining technology of block caving, and the automation level of its underground block caving mining has reached 100%. All of the mines (except for NPM) currently operated by the Company have adopted effective open-pit mining. The Company strengthened the efficiency of ore mining and transport through automation procedures to achieve lower mining costs. The Company obtains valuable by-products through comprehensive recovery of associated beneficial resources, which enhances the profitability of the mine and expands its cost competitive advantage. The cash cost of each business segment of the Company is at the leading level in the industry, with strong industry competitiveness.

(V) *The Company has advanced industry technical capabilities and industry-leading innovative technologies*

The Company has a strong technological research and development team, and a number of scientific research results developed by the Company have been successfully industrialized, leading industrial technology improvement and promoting the competitiveness of the Company.

The Company continuously invested in technological research and development, and successfully passed the re-examination of high-tech enterprises of China in 2017 for the second time. "The Integrated Digital Mining Production Management System in Open Pit Mine" and "Technology and Industrialization of Recycling of Low Graded Scheelite from Molybdenum Flotation Tailings" obtained the award nomination in the "4th China Grand Award for Industry from the China Federation of Industrial Economics". In December 2018, the project "Flotation Interface Assembly Technology and Application of Strategic Mineral Resources of Tungsten, Fluorine and Phosphorus and Calcium Minerals" (鎢氟磷含鈣戰略礦物資源浮選界面組裝技術及應用), collaborated by the Company, and Central South University and other units, was awarded the National Science Progress Award (Second Class). In January 2019, "Key Technologies for Comprehensive Utilization and Integrated Collaborative Mining of Low Graded Ore and Low Graded Associated Resources of Open Pit Mines" (露天礦貧礦與低品位伴生資源綜合利用及一體化協同開採關鍵技術) of the Company was awarded the Second Prize of Henan Province Science and Technology Progress Award. In February 2019, "High-Efficiency Green Extraction Technology and Application of Alkaline Extraction of Complex, Symbiotic and Associated Tungsten Resources" (複雜共伴生鎢資源鹼性萃取高效綠色提取技術及應用) of the Company was awarded the First Prize of Hunan Province Science and Technology Progress Award. In December 2019, the Company was awarded "Industry-University-Research Collaboration Innovation and Promotion of China (First Prize)" (中國產學研合作創新成果一等獎) with its "Development and Application of Energy Management System of Pure Electric Mineral Card for Intelligent Road Condition" (純電動礦卡智能路況能源管理系統開發與應用), and the Company was awarded the "First Prize for Science and Technology Achievement in China's Non-Ferrous Metal Industry" (中國有色金屬工業科學技術一等獎) with its "Open-pit Mine Unmanned Mining Equipment and Key Technology of Intelligent Control Integration" (露天礦無人採礦裝備及智能管控一體化關鍵技術). In March 2020, the Company's "5G smart mine construction based on cloud platform, Internet of Things, and big data" (基於雲平台、物聯網、大數據條件下的5G智慧礦山建設) and "Efficient Recovery of Rare Metal Rhenium in Molybdenum Smelting Eluent" (鉬冶煉淋洗液中稀散金屬銨的高效回收) was awarded the first prize of Henan Province Resource Science and Technology.

At the Mobile World Congress hosted by Global System for Mobile Communications Association (GSMA), the Company and its partners announced the first unmanned mining application technical achievement in China, applying 5G technology to mine production, creating an unmanned mine through the application of unmanned mining equipment in the 5G environment, effectively saving costs while significantly enhancing the ability to guarantee safe production in the mine area and significantly improving production efficiency.

(VI) *The Company has acquired a metals trading industry chain through merger and acquisition, which allows it to develop synergistically with its existing mining businesses*

In 2019, the Company successfully acquired the world's third largest metals trader. This acquisition helps the Company achieve a high degree of synergy in customer base, sales, supply chain, logistics, risk control and other aspects of the existing businesses while extending the Company's mine production industry chain. The company will give full play to IXM's existing global leading industry research and information advantages, in-depth grasp of supply-demand fundamentals and changing trends, strengthen the research and judgment of market trends and the supply-demand relationship of the mining industry chain, optimize the resource allocation and strategic decision-making of listed companies, and strengthen its global competitiveness and influence of the global industry, all together to form a new business competitive advantage.

(VII) The Company possesses a robust shareholder structure and a healthy balance sheet, which together safeguard the healthy development of the Company and value shareholder returns

The Company, as a pioneer and role model for the state-owned enterprises reform in China, completed the mixed ownership reform of state-owned enterprises in 2014. Currently, a stable and healthy shareholder structure has been formed, which includes private holding, capital participation from state-owned companies, and investment from large-scale investment institutions, strategic and industrial investors. At present, all the operating businesses are at a mature stage, with stable profitability and strong cash generating capacity of each business segment. The Shareholders collectively promote the development of the Company and exercise shareholder rights based on the recognition of industry development and the Company's strategies. The stable business operations, proactive shareholder policies and a robust equity structure are more conducive to the Company's healthy development towards the achievement of its strategic goals. The Company has stable and sound financial policies and is committed to continuously building a healthy balance sheet.

As at the end of the reporting period, gearing ratio of the Company was 58.95% (53.41% excluding IXM), net interest-bearing debt ratio was 25.88% (18.99% excluding IXM), assets and liabilities structure has continued to remain stable and healthy. The monetary capital balance amounted to RMB18.2 billion as of the end of June 2020, with over 50 domestic and foreign banks granting credit to the Company of over RMB110 billion. The large amount of unused credit and monetary capital balance provided the Company with sufficient liquidity.

Since 2015, the annual average dividend has accounted for approximately 54% of the net profit attributable to the parent company for the year, showing a stable dividend distribution policy and a considerable dividend return.

Potential Risks

1. EXPOSURE TO RISKS RELATED TO PRICE FLUCTUATIONS OF PRINCIPAL PRODUCTS

The revenue of the Company primarily generates from the sale of non-ferrous metals and phosphate products, including copper cathode, copper concentrates, cobalt hydroxide, ferromolybdenum, tungsten concentrates, ferroniobium, phosphate fertilizer and other related products. Its operating results are largely subject to fluctuations in the market prices. Since the fluctuations in the costs of mining and smelting process are relatively insignificant, the Company's profit and profit margin during the reporting period are closely related to the price trend of the commodities. Therefore, significant fluctuations in the prices of resource products may cause instability of the operating results of the Company. Particularly, if the prices of resource products record sharp decrease, the operating results of the Company will fluctuate significantly.

2. EXPOSURE TO RISKS RELATED TO RELIANCE ON MINERAL RESOURCES

As the primary operation of the Company is mineral resource 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 in case of cost of production rising due to fluctuations in the market price, decrease in the recovery rate, inflation and other factors, or due to restrictions caused by technical problems and natural conditions such as weather and natural disasters in the mining process. Therefore, full utilization of the retained reserves of the Company cannot be guaranteed and the production capacity of the Company might be affected.

Relevant internal technical staff of the Company will regularly review and update the reserve of resources and grade according to the development of resources, and optimize mining schemes and plans, thereby verifying resources of the Company and implementing the best mining plans.

3. EXPOSURE TO RISKS RELATED TO PRODUCTION SAFETY OR NATURAL DISASTERS

The Company engages in the mining businesses and mineral resources processing, and has invested substantial resources to establish a sound management system for safe production, continuously push forward the safety standardization management, and form a relatively complete system of production safety management, risk prevention and supervision. However, safety incidents cannot be totally avoided. As an enterprise for mineral resource development, large amounts of waste rocks and tailings are produced in the production process. Inefficient management of slag discharge fields and tailing storage facilities may result in disaster in certain areas. The Company uses explosives in the mining process. If there are defects in the process of storage and use of such materials, there may be risk of casualties. In addition, tailing storage facilities and slag discharge fields may be damaged if serious natural disasters occur such as rainstorms or debris flows.

The Company will continue to prevent and control safety risks by formulating and improving safety systems, intensifying accountability and assessment in relation to safety and environmental protection, investing more in production safety and environmental protection and promoting standardized safety management. The Company will improve the prevention and control of safety risk through the formulation and drills of natural disaster emergency plans such as "rainy season" emergency plan and issue of the "Corporate Governance Standards for Tailings and Mineral Residue Management" and other unified measures applicable to global businesses.

4. EXPOSURE TO RISKS RELATED TO THE COVID-19 OUTBREAK

Given the global spread of the COVID-19 since the beginning of 2020, for now, the pandemic in China has been effectively controlled while the pandemic overseas was exposed to further aggravation. As the pandemic has spread rapidly overseas, the World Health Organization (WHO) has redefined it as "pandemic", which has caused substantive impact on the global real economy. Shrinking demand, economic turmoil and market panic will bring risks of a significant decrease in the prices of products, as well as new challenges and adverse impact on the supply of goods, logistics guarantee, and business travel of multinational companies. There will be increasing operating business pressure, pandemic prevention pressure and costs of the Company. In response to the impact of the pandemic, governments from all over the world have also acted to rescue the market. The large-scale release of liquidity quickly boosted up the prices of some non-ferrous metals, including copper. It is expected that non-ferrous metals, including copper will continue to benefit from this monetary easing macro environment.

The Company will pay particular attention to this pandemic, actively follow the market trend, and take more protective measures to prevent and control COVID-19 infection.

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 non-standard currency and the international business carried out by IXM. Its assets and liabilities are denominated in functional currencies different from each entity and are therefore subject to changes in foreign exchange rates. The exchange rate risk of the Company is mainly associated with USD, RMB, BRL, GBP, CDF and other currencies. All principal business operations of domestic subsidiaries are denominated and settled in RMB; the principal business operations of subsidiaries in Australia are mainly denominated and settled in AUD or USD; the niobium and phosphates businesses in Brazil are mainly denominated and settled in USD and BRL; and the copper and cobalt businesses in the DRC are mainly denominated and settled in USD and CDF. The functional currency of IXM is USD. The Company managed its exchange rate risks at the principle of matching the currencies of assets/revenue and liabilities, so the exchange rate risk exposure arising from financing is insignificant.

Due to the difference of currency used to denominate revenue and cost, the fluctuation in the short-term exchange rate of all settlement currencies may have a certain effect on the operating results of the Company. The Company has paid close attention to the impact of the changes in exchange rates, and made use of financial instruments, such as forward foreign exchange contracts to hedge against foreign exchange rate risks in due course. For BRL and AUD with significant fluctuations in exchange rate, the Company has made certain hedging arrangements for daily operation and capital expenditure. IXM and its affiliates have all entered into contracts on foreign exchange derivatives to hedge the risks back into their own functional currencies.

6. EXPOSURE TO RISKS RELATED TO POLICY

The primary operation of the Company is distributed in various countries and regions including China, DRC, Brazil and Australia. As there is major discrepancy in state politics and economy development level among different countries and there are major risks relating to policy implementation and adjustments in developing countries and underdeveloped countries, such as state macroeconomic control policies, foreign exchange administration policies, industry policies and tax policies in operating countries, it is possible that the operation of the Company is affected to a certain extent.

In 2018, the DRC government introduced revised mining code and its implementation regulations, involving substantial changes on royalties, financial tax policies and foreign exchange management policies. Even though the DRC government is willing to continue carrying out discussion and negotiation in respect of the above matters, failure of reaching consensus through negotiation will still incur significant impacts on the operation of the Company in the future.

The Company maintains close communication with government authorities in each of its business operating areas and pays attention to changes in political and economic circumstances in relevant countries so as to improve its policy risk prevention and response capacity.

7. EXPOSURE TO RISKS RELATED TO POLITICS

The operating assets of the Company are distributed in different countries and regions, of which TFM copper and cobalt mine is located in the DRC, which is one of the most underdeveloped countries in the world with critical social problems that cause public concern. If the political and security situation of the DRC deteriorates in the future, it may cause adverse effects on the production and operation of the Company. The foreign assets operational philosophy of the Company underlines the establishment of positive relations with local government, communities, and social organizations. As the political ties between China and the DRC stabilize and draw ever closer, outbound investments into the DRC have been encouraged by the Chinese government and have become a trend. To further reduce potential economic losses of the Company incurred by relevant risks in operations, the Company has purchased overseas equity investment insurance for the DRC project from China Export & Credit Insurance Corporation. The insured investment includes: paid-up capital, undistributed profit and investment for equity acquisition. The insured risks include: foreign exchange restrictions, confiscation, war and political riots.

8. EXPOSURE TO RISKS RELATED TO OPERATIONS OF OVERSEAS ASSETS

The Company has a relatively extensive experience in operating and managing overseas assets. However, certain differences among different countries in terms of operational environment such as politics, economy, law and labor pose material challenges to the operation and management of assets by the Company in different regions. In addition, as the Company accelerates its pace of internationalization, it faces a big challenge to the reserve, cultivation and introduction of all kinds of professionals by the Company for international management. The operation and management of the Company may be subject to a shortage of professionals to a certain extent.

The Company actively implements the strategy of talent cultivation and acquisition, independently introduces worldwide human resources with extensive industry operational experience and international management capabilities, explores and creates a management structure and control model applicable to the development of the Company, and gives full play to the specialties of all kinds of talents, in order to achieve efficient governance of the Company's global business and reduce operational risks.

BASIC INFORMATION OF MAJOR SUBSIDIARIES

Company name	Principal products	Registered capital	Total assets (RMB'000)	Net assets (RMB'000)	Operating revenue (RMB'000)	Operating profit (RMB'000)	Net profit attributable to the parent company (RMB'000)
CMOC Mining Pty Limited	Copper and gold related products	USD346,000,000	6,079,998	3,081,021	645,577	77,308	59,197
CMOC International DRC Holdings Ltd.	Copper and cobalt related products	USD10,000	44,319,978	33,652,570	4,410,196	168,761	179,724
Luxembourg SPV	Niobium and phosphate related products	USD20,000	13,649,085	5,487,483	2,250,152	336,884	1,069,013
IXM B.V.	Mineral trading	CHF32,290,000	28,479,025	4,470,460	41,555,617	365,888	299,999

MATERIAL EVENTS

1. *USD550 Million Metal Streaming Transaction Project of Australia NPM Copper and Gold Mine*

On 10 July 2020, the Company issued an announcement in relation to the Metal Streaming Agreement entered into between a wholly-owned subsidiary of the Company and Triple Flag Mining Finance Bermuda Ltd., in relation to the Company's wholly-owned subsidiary and Triple Flag Mining Finance Bermuda Ltd., a wholly-owned subsidiary of Triple Flag Precious Metals Corp., (collectively referred to as "**Triple Flag**") entering into a metal purchase and sales agreement ("**Metal Streaming Agreement**"), pursuant to which Triple Flag will pay a cash prepayment of USD550 million, and the Company, under the agreement of the North Parkes Mine in New South Wales, Australia, agrees to deliver a certain proportion of the gold and silver products produced and sold in the mining area to Triple Flag ("**Metal Streaming Transaction**").

On 19 July 2020, the Company issued an announcement on the progress of metal streaming transaction. On 17 July 2020, the Company received a cash prepayment of USD550 million for Metal Streaming Transaction.

Through Metal Streaming Transaction, the Company can obtain long-term funds at a lower cost than current financing channels and other financing channels in the international capital market, which helps optimize the Company's capital structure. At the same time, the Metal Streaming Transaction reflects the long-term abundant resources, stable and healthy operation of the North Parkes Mine, as well as the outstanding economic benefits shown throughout the industry cycle.

For details, please refer to the relevant announcement published on the Company's website, designated disclosure media and the websites of the SSE and the Hong Kong Stock Exchange.

2. US Dollar Bond Repurchase

On 1 February 2019, CMOC Capital Limited, a wholly-owned subsidiary of the Company, as the issuer, issued US Dollar Bonds at the interest rate of 5.48% per annum, with a maturity period of 3 year, at abroad. Details are set out as follows:

Bond name	Abbreviation	Code	Issuance date	Mature date	Bond balance	Rate (%)	Principal and interest settlement method	Trading place
2022 CMOC CAPITAL LTD. 5.48% Secured Bond (5722)	CMOC CAP B2202 (5722)	5722	2019/2/1	2022/2/1	USD0.25 billion	5.48	Payable with equal interests within half year	The Stock Exchange of Hong Kong Limited

At the 14th Extraordinary Meeting of the fifth session of the Board held on 12 July 2020, the Board considered and approved the Resolution on Issues Concerning Authorizing the Full Mandate to Relevant Persons in the Management of the Company's US Dollar Bonds, and agreed to authorize the Chairman of the Board or the CFO to handle all matters relating to the management of the Company's US Dollar Bonds.

On 21 July 2020, the Company published an announcement to announce the repurchase and cancellation of certain offshore bonds of the Company, and CMOC Capital Limited repurchased US Dollar Bonds in the open market in an aggregate amount of USD50,000,000. The repurchased bonds were cancelled on 21 July 2020. The outstanding Bonds is USD250,000,000 upon the cancellation of the Bonds.

For details, please refer to the relevant announcement published on the Company's website, the designated media disclosure website and the websites of the SSE and the Hong Kong Stock Exchange.

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(1) Exploration activities

Domestic Mine Sites:

Sandaozhuang molybdenum/tungsten mine: During the reporting period, the production exploration was carried out in the northern and western parts of the mine, and the drilling work was performed from the surface of open pit mine, where 57 drilling holes with a depth of 2,856m were completed by using the counter-cycle drilling machine. In order to prevent geological disaster and ensure the safety in open pit mining, the geotechnical inspection has been performed on the slope below the Observation Platform, between 1,400m to 1,306m, by completing 8 holes with a depth of 641m.

Shangfanggou Molybdenum Mine: During the reporting period, in order to ensure the production safety and stability of the ore supply to meet the targets, mined-out area exploration and production exploration have been performed in the mined-out area at 1,202m to 1,180m in the mined-out area and key production area, using the anti-cyclical drilling machine to drill 25 exploration holes for mined-out area, with the depth of 1,225m, and 55 exploration holes for construction, with the depth of 3,207m, respectively.

Xinjiang Molybdenum Mine: No exploration activities were carried out during the reporting period.

Overseas Mine Sites:

TFM Copper and Cobalt Mine in the DRC: During the reporting period, exploration activities started late in the first half of 2020 due to the impact of the pandemic. In the first half of the year, exploration activities were carried out around the Fwaulu deposit, mainly to develop mixed mineral resources in the region. Total diamond drilling in the first half of the year was 268.9m. Some greenfield areas were explored in the Mofya area for additional limestone supplies, but no significant limestone deposit was encountered.

Niobium and Phosphate Mine in Brazil: During the reporting period, regarding Greenfield activities CMOC has renewed three (3) ANM Exploration Permits for 2 additional years (until April 2022) in Monjolos, Iraí de Minas, Monte Carmelo areas in Minas Gerais State.

During the reporting period, two programmed drilling targets (900m of ddh drilling) in Britânia areas were set on hold due to the COVID-19 CMOC procedures. Geophysical ground survey (mag and gama) was contracted for 40km in Iraí de Minas and 101km in Monjolos areas, respectively. These exploration areas were required by Phosphate.

Regarding new opportunities and projects, two new areas have been offered by Brazilian State Mineral Resources and Exploration Company (CPRM), which are being investigated by the Company to examine the potential for Copper (Au) in Morro Preto region in Goiás state and phosphate in Pernambuco and Paraíba states.

Regarding Brownfield activities in the first half of 2020, drilling activities in the Boa Vista Mine started in February and completed in June, with 17 diamond drill holes, totaling 4,648.30m with 2 drill rigs. The 2020 exploration drilling in the Chapadão Mine will start in August.

NPM Copper and Gold Mine in Australia: During the reporting period, surface drilling was undertaken on Mining Lease 1247, and all Exploration Licenses EL5800, EL5801, EL5323 and EL8377. A total of 12,698m of drilling was completed during the period.

(2) Project Development Activities

Domestic Mine Sites:

Sandaozhuang Molybdenum/Tungsten Mine: During the reporting period, closure project of No.1 crushing station was implemented in mining area; the ecological restoration project was carried out to cover and grow vegetation on suitable area of the Dashi waste dump, the final slope of Bijajian and the final slope of lower part of the control room. The greening area has reached 209,000 m², with more than 70,000 trees and 7.413 tonnes of grass seeds planted.

Shangfanggou Molybdenum Mine and Xinjiang Molybdenum Mine: no activities of mine development were conducted during the reporting period.

Overseas Mine Sites:

TFM Copper and Cobalt Mine in the DRC: During the reporting period, as the new stopes KATO1, Shik2 and Fgvi have been expended and the road in the sites has been repaired and built, the mining work in these stopes has been successfully implemented; the surface cleaning work of stopes and dumps in Fgvi, Shik2 and Mofya West, as well as the surface cleaning work of dumps in Kwat and Pump have been completed; and the preliminary preparation work for the relocation of Fgme7 railway has been completed. The construction of four dewatering wells and three hydraulic wells has been completed; and all materials for Tenke3/5 river diversion have been purchased and delivered to the site for construction.

Brazil Niobium and Phosphates Mine: During the reporting period, in order to optimize the mining plan and grade control activities, a drilling rig was used to conduct Reverse Circulation (RC) drilling in the Boa Vista Mine, with a total of 372 drill holes, totaling 9,842.50m. In the Chapadão Mine, a drilling rig was used to conduct RC drilling in two shifts, with a total of 68 drill holes, totaling 3,140.35m.

Regarding mining infrastructures, in the Boa Vista Mine, the secondary crushing sieve was acquired and replaced.

NPM Copper and Gold Mine in Australia: During the reporting period, underground development was completed in the ventilation incline (907m was completed for the first half year) with breakthrough. The E26L1N block cave project is still advancing and has completed 3,022m of excavation and set a new monthly record in June. As part of the expansion project of the concentrator, a new flotation tank was installed and the new selected cleaner scavenger flotation tank has been used. The construction of the concrete foundations for the new crusher circuit was also completed.

(3) MINING ACTIVITIES

Unit: kiloton

Domestic mining activities	
Production volume of Sandaozhuang Molybdenum and Tungsten Mine	9,444
Production volume of Shangfanggou Molybdenum Mine	746
Overseas mining activities	
Production volume of TFM Copper and Cobalt Mine in the DRC	5,313
Production volume of Niobras mine in Brazil	1,233
Production volume of Copebras phosphate ore in Brazil	2,859
Production volume of NPM copper and gold mine in Australia	3,253

(4) Costs of Exploration, Development and Mining

Projects	Mining costs	Exploration costs	Development costs
Domestic mines (RMB10 thousand)			
Sandaozhuang Molybdenum and Tungsten Mine	25,507.17	115.52	485.00
Shangfanggou Molybdenum Mine	3,374.92	123.56	/
Overseas mines (USD million)			
TFM Copper and Cobalt Mine in the DRC	94.82	2.85	2.13
Niobras mine in Brazil	10.13	0.48	0.49
Copebras phosphate ore in Brazil	4.89	0.13	0.42
NPM copper and gold mine in Australia	17.35	3.55	17.23

Directors and Supervisors

On 28 August 2020, the Board of the Company comprises the following eight directors of the Company (the "Directors"), and the Supervisory Committee comprises the following three supervisors of the Company (the "Supervisors"). Pursuant to the Articles of Association, the term of office of all Directors and Supervisors is three years, and they may stand for re-election upon expiry of the term.

Executive Directors	:	Li Chaochun, Li Faben
Non-executive Directors	:	Yuan Honglin, Guo Yimin, Cheng Yunlei
Independent Non-executive Directors	:	Li Shuhua, Yan Ye, Wang Gerry Yougui
Supervisors	:	Kou Youmin, Zhang Zhenhao, Wang Zhengyan

EMPLOYEES

As of 30 June 2020, the Group had approximately 11,303 full-time employees, specifically classified as follows:

Category of professional Composition	Number of professionals	Percentage in total employees
Production staff	7,384	65.33%
Sales staff	154	1.36%
Technical staff	781	6.91%
Financial staff	297	2.62%
Administrative staff	1,157	10.24%
Other supporting personnel	1,530	13.54%
Total	11,303	100%

The remuneration policy for the employees of the Company principally consists of a performance remuneration system, based on employees' positions and responsibilities and their quantified assessment results. The employees' remuneration is evaluated in line with the Company's operating results and personal performance in order to provide a consistent, fair and equitable remuneration system for all employees. The subsidiaries of the Group domiciled in China participate in the social insurance contribution plans introduced by China's local governments. In accordance with the laws and regulations regarding the national and local labor and social welfares in China, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, health insurance, unemployment insurance, maternity insurance, work injury insurance and housing provident fund, etc. Pursuant to current applicable local regulations in China, the percentages of certain insurances are as follows: the pension insurance, health insurance, unemployment insurance, maternity insurance, work injury insurance and the contribution to housing provident fund of our Chinese employees represent 16%, 7%, 0.7%, 0.5%, 0.2% to 0.95% and 5% to 12% of his or her total basic monthly salary respectively. In accordance with applicable PRC regulations, the Company currently participates in pension contribution plans organized by the governments. The overseas employees of the Company are required to participate in pension and/or healthcare plans under the requirement of the laws in the countries where they reside.

Share capital

	As at 30 June 2020	
	Number of shares	Amount <i>Unit: RMB</i>
A share at a par value of RMB0.20 per share	17,665,772,583	3,533,154,516.60
H share at a par value of RMB0.20 per share	3,933,468,000	786,693,600.00
Total	21,599,240,583	4,319,848,116.60

Substantial shareholders' interests and short positions in shares and underlying shares

To the best knowledge of all Directors and Supervisors, as at 30 June 2020, 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 that would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "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 were as follows:

Name	Number of shares held	Capacity	Class of Share	Approximate percentage of shareholding in relevant class of shares
Luoyang Mining Group Co., Ltd. ("LMG")	5,329,780,425	Beneficial owner	A share	30.17%
Luoyang Guohong Investment Group Co., Ltd.	5,329,780,425	Interest in controlled corporation	A share	30.17%
Cathay Fortune Corporation ("CFC")	5,030,220,000 303,000,000(L)	Beneficial owner Interest in controlled corporation	A share H share	28.47% 7.70%(L)
Cathay Fortune Investment Limited ("Cathay Hong Kong") ⁽¹⁾	303,000,000(L)	Beneficial owner	H share	7.70%(L)
Yu Yong ⁽²⁾	5,030,220,000 303,000,000(L)	Interest in controlled corporation Interest in controlled corporation	A share H share	28.47% 7.70%(L)
Citigroup Inc. ⁽³⁾	398,504,474(L) 3,268,274(S) 392,399,171(P)	Person having a security interest in shares/Interest in controlled corporation/ Approved lending agent	H share	10.13%(L) 0.08%(S) 9.98%(P)
GIC Private Limited	355,116,920(L)	Investment manager	H share	9.03%(L)

Name	Number of shares held	Capacity	Class of Share	Approximate percentage of shareholding in relevant class of shares
UBS Group AG ⁽⁴⁾	311,176,290(L)	Interest in controlled corporation	H share	7.91%(L)
JPMorgan Chase & Co. ⁽⁵⁾	310,389,801(L) 59,303,844(S) 21,336,111(P)	Interest in controlled corporation/ Investment manager/ Person having a security interest in shares/Approved lending agent	H share	7.89%(L) 1.51%(S) 0.54%(P)
BlackRock, Inc. ⁽⁶⁾	280,991,779(L) 4,290,000(S)	Interest in controlled corporation	H share	7.14%(L) 0.11%(S)

Notes: (L)– Long position

(S)– Short position

(P)– Lending pool

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

(2) Mr. Yu Yong holds 99% interest in CFC and was deemed to be interested in the 5,030,220,000 A shares of the Company directly through CFC. In addition, Mr. Yu Yong was deemed to be interested in the long position of 303,000,000 H shares of the Company. CFC, Cathay Fortune International Company Limited and Cathay Hong Kong, being the controlled corporations, directly or indirectly hold the shares of the Company.

(3) Citigroup Inc. was deemed to hold a total of long position of 398,504,474 H shares, a short position of 3,268,274 H shares, a lending pool of 392,399,171 H shares available for sale of the Company due to its control rights over a number of companies. Citicorp LLC, Citibank, N.A., Citigroup Global Markets Holdings Inc., Citigroup Financial Products Inc., Citigroup Global Markets Inc., Citigroup Global Markets Holdings Bahamas Limited and Citigroup Global Markets Limited, being the controlled corporations, directly or indirectly hold the shares of the Company.

(4) UBS Group AG was deemed to hold a total of long position of 311,176,290 H shares of the Company due to its control rights over a number of companies. UBS AG, UBS Asset Management (Americas) Inc., UBS Asset Management (Australia) Ltd, UBS Asset Management (Deutschland) GmbH, UBS Asset Management Switzerland AG, UBS Asset Management Trust Company, UBS Switzerland AG, UBS Asset Management (UK) Limited, UBS Fund Management (Luxembourg) S.A., UBS Fund Management (Switzerland) AG and UBS Third Party Management Company S.A., being the controlled corporations, directly or indirectly hold the shares of the Company.

(5) JPMorgan Chase & Co. was deemed to hold a total of long position of 310,389,801 H shares, a short position of 59,303,844 H shares, a lending pool of 21,336,111 H shares available for sale of the Company due to its control rights over a number of companies. JPMorgan Asset Management (Taiwan) Limited, J.P. Morgan AG, J.P. Morgan Securities LLC, JPMORGAN CHASE BANK, N.A. – LONDON BRANCH, JPMORGAN ASSET MANAGEMENT (UK) LIMITED, J.P. Morgan Investment Management Inc., JPMorgan Chase Bank, National Association, JPMorgan Asset Management (Asia Pacific) Limited, J.P. MORGAN SECURITIES PLC, JPMorgan Asset Management (Asia) Inc., JPMorgan Asset Management Holdings Inc., JPMorgan Chase Holdings LLC, J.P. Morgan International Finance Limited, J.P. Morgan Broker-Dealer Holdings Inc., JPMORGAN ASSET MANAGEMENT HOLDINGS (UK) LIMITED, JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED and J.P. MORGAN CAPITAL HOLDINGS LIMITED, being the controlled corporations, directly or indirectly hold the shares of the Company.

- (6) BlackRock, Inc. was deemed to hold a total of long position of 280,991,779 H shares and a short position of 4,290,000 H shares of the Company due to its control rights over a number of companies. Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.à r.l., BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd., BlackRock Holdco 3, LLC, BlackRock Canada Holdings LP, BlackRock Canada Holdings ULC, BlackRock Asset Management Canada Limited, BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited, BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Group Limited-Luxembourg Branch, BlackRock Luxembourg Holdco S.à r.l., BlackRock Investment Management Ireland Holdings Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, BlackRock UK Holdco Limited and BlackRock Asset Management (Schweiz) AG, being the controlled corporations, directly or indirectly hold the shares of the Company.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other persons (other than a Director, chief executive or Supervisor 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 by the Company under Section 336 of the SFO.

Directors', chief executives' and Supervisors' interests and short positions in securities

As at 30 June 2020, the shareholding of A Shares of the current Directors, Supervisors and senior management of the Company was as follows:

Name	Number of shares held <i>(shares)</i>	Percentage in total share capital <i>(%)</i>
Li Chaochun	1,587,692	0.007
Li Faben	1,064,400	0.005
Yuan Honglin	1,050,600	0.005
Zhang Zhenhao	1,063,500	0.005
Total	4,766,192	0.022

Save as disclosed above, so far as was known to the Directors, as at 30 June 2020, none of the Directors, chief executives, senior 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 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 by the Company under Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Hong Kong Listing Rules").

Dividend

At the tenth meeting of the fifth session of the Board held on 28 August 2020, the Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2020 (for the six months ended 30 June 2019: nil).

Purchase, sale or redemption of the Company's listed securities

During the six months ended 30 June 2020, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate governance

The Group has strived to uphold high standards of corporate governance to safeguard the interests of shareholders, to enhance corporate value and to implement accountability for the Company. Save as disclosed below, the Board considered that the Company has complied with the code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules during the six months ended 30 June 2020.

The Board

The Board of the Company comprises eight Directors which include two executive Directors, three non-executive Directors and three independent non-executive Directors. During the six months ended 30 June 2020, the fifth session of the Board held five meetings (the attendance rate is 100%).

Supervisory Committee

The Supervisory Committee of the Company comprises three members, which is responsible for exercising supervision over the Board and its members and the senior management; and preventing them from abusing their power and authorities and jeopardizing the legal interests of the shareholders, the Company and its employees. During the six months ended 30 June 2020, the fifth session of the Supervisory Committee held three meetings (the attendance rate is 100%).

Securities transactions made by Directors, Supervisors and employees

The Company has adopted the Model Code for Securities Transactions by Directors of the Company as set out in Appendix 10 to the Hong Kong Listing Rules. Specific enquiry has been made on all Directors and Supervisors 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 2020. The Company has also formulated written guidelines equally stringent as the Model Code (the "**Employees Written Guidelines**") for securities transactions by employees of the Company who are likely to be in possession of unpublished Inside information of the Company. No incident of non-compliance against the Employees Written Guidelines by the employees has been noted by the Company after making reasonable enquiry.

Disclosures of Directors and Supervisors pursuant to rule 13.51B(1) of the Hong Kong Listing Rules

Directors/the Board Committee Office

- On 12 June 2020, the thirteenth extraordinary meeting of the fifth session of the Board of the Company passed the "Proposal on the Election of the Chairman of the Company's Fifth Session of the Board of Directors" and the former Chairman, Mr. Li Chaochun, resigned in writing as Chairman of the Board, Chairman of the Strategic and Sustainability Committee, Vice Chairman of the Nomination and Governance Committee of the Company and authorized representative of the Stock Exchange. The Board agreed that Mr. Yuan Honglin was elected as the Chairman of the fifth session of the Board with a term from 12 June 2020 to the expiration of the term of the fifth session of the Board.

- On 12 June 2020, the thirteenth extraordinary general meeting of the fifth session of the Board of the Company considered and approved the "Resolution on Election of the Vice Chairman and Chief Investment Officer of the Fifth Session of the Board of the Company", and the Board agreed to elect Mr. Li Chaochun as the Vice Chairman of the fifth session of the Board of the Company, entering into force upon the amendments to the Articles of Association; agreed to appoint Mr. Li Chaochun as the chief investment officer of the Company, as one of the Company's senior managers, responsible for the strategic merger and acquisition and investment cooperation nationally and internationally, for a term commencing from 12 June 2020 and ending on the expiry date of the term of the fifth Session of the Board.
- On 12 June 2020, the thirteenth extraordinary meeting of the fifth session of the Board of the Company passed the "Proposal on the Change of Board Committees", and the Company's fifth session of the Board Committee composition was adjusted as follows:
 1. Strategic and Sustainability Committee: Mr. Yuan Honglin, Mr. Li Faben, Mr. Li Chaochun, Mr. Wang Gerry Yougui; Mr. Yuan Honglin was appointed as the Chairman of the Committee.
 2. Nomination and Governance Committee: Mr. Wang Gerry Yougui, Mr. Yuan Honglin, Mr. Li Shuhua, Ms. Yan Ye; Mr. Wang Gerry Yougui was appointed as the Chairman of the Committee and Mr. Yuan Honglin was appointed as the Vice Chairman of the Committee.

Save as disclosed above, as of the date of this report, there is no change in any other information relating to the Directors and Supervisors which is required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

Audit and Risk Committee

On 4 August 2018, the Audit Committee was renamed as the Audit and Risk Committee to better reflect its functions and responsibilities, and continue to oversee the risk management functions of the Company.

The Board has adopted the terms of reference of the Audit Committee as set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. The Audit and Risk Committee provides an important link between the Board and the Company's auditors in matters falling within the Group's scope of the audit. The Audit and Risk Committee has reviewed the effectiveness of the external audit and internal controls, evaluated risks, and provided comments and advice to the Board. The current Audit and Risk Committee comprises two independent non-executive Directors and one non-executive Director, namely Mr. Li Shuhua (Chairman of the Committee) and Ms. Yan Ye and Mr. Yuan Honglin. Having reviewed the unaudited financial statements of the Company for the six months ended 30 June 2020, the Audit and Risk Committee considered that such financial statements have complied with relevant accounting principles and the Company has made appropriate relevant disclosures.

I. FINANCIAL STATEMENTS

Consolidated Balance Sheet

30 June 2020

Unit: Yuan Currency: RMB

Item	Note	30 June 2020	31 December 2019
Current assets:			
Cash and bank balances	(v).1	18,193,924,302.77	15,647,900,059.61
Held-for-trading financial assets	(v).2	6,812,820,952.96	7,719,450,290.97
Derivative financial assets	(v).3	1,263,060,883.18	2,178,322,223.39
Accounts receivable	(v).4	949,674,938.77	1,510,508,440.50
Financing receivables	(v).5	389,841,298.97	375,935,645.39
Prepayments	(v).6	1,750,552,964.30	1,065,494,520.83
Other receivables	(v).7	1,912,456,894.31	1,119,039,260.19
Including: Interests receivable		254,850,660.16	198,921,505.19
Dividends receivable		77,636,763.82	2,235,286.10
Inventories	(v).8	21,813,650,127.08	20,730,673,736.79
Other current assets	(v).9	4,121,275,488.43	3,830,180,430.37
Total current assets		57,207,257,850.77	54,177,504,608.04
Non-current assets:			
Debt investments	(v).10	170,000,000.00	0.00
Long-term equity investments	(v).11	1,321,403,242.48	1,033,168,028.11
Other investments in equity instruments	(v).12	85,347,769.82	85,344,307.06
Other non-current financial assets	(v).13	4,130,576,741.34	4,356,783,464.12
Non-current derivative financial assets	(v).14	0.00	7,620,425.07
Fixed assets	(v).15	24,236,529,573.53	24,439,595,450.35
Construction in progress	(v).16	3,199,608,246.03	2,386,791,478.58
Right-of-use assets	(v).17	289,524,451.57	346,815,801.39
Intangible assets	(v).18	20,002,901,988.86	20,446,930,377.08
Long-term inventories	(v).8	5,966,549,551.72	5,660,505,828.69
Goodwill	(v).19	573,077,223.22	659,468,043.85
Long-term prepaid expenses	(v).20	136,098,308.72	136,987,188.97
Deferred tax assets	(v).21	1,184,247,908.41	645,508,458.12
Other non-current assets	(v).22	2,168,486,596.66	2,479,203,017.30
Total non-current assets		63,464,351,602.36	62,684,721,868.69
Total assets		120,671,609,453.13	116,862,226,476.73

Item	Note	30 June 2020	31 December 2019
Current liabilities:			
Short-term borrowings	(v).23	17,975,338,019.92	18,589,025,832.49
Held-for-trading financing liabilities	(v).24	4,061,323,376.95	3,157,951,924.72
Derivative financial liabilities	(v).25	3,490,041,389.46	2,640,928,053.07
Notes payable	(v).26	975,833,335.15	233,224,073.53
Accounts payable	(v).27	1,121,813,501.49	1,944,506,406.62
Contract liabilities	(v).28	345,927,231.44	416,194,761.78
Employee benefits payable	(v).29	589,261,161.62	692,638,178.24
Taxes payable	(v).30	713,946,410.39	399,251,199.18
Other payables	(v).31	1,100,073,113.41	1,584,737,923.47
Including: Interests payable		214,411,744.49	246,838,776.68
Dividends payable		179,259,022.63	27,885,796.67
Non-current liabilities due within one year	(v).32	5,233,377,172.27	3,749,103,660.62
Other current liabilities	(v).33	2,153,659,594.04	1,167,803,612.80
Total current liabilities		37,760,594,306.14	34,575,365,626.52
Non-current liabilities:			
Long-term borrowings	(v).34	18,482,182,207.29	16,278,909,765.88
Bonds payable	(v).35	4,123,850,000.00	5,092,860,000.00
Non-current derivative financial liabilities	(v).14	478,955,160.77	202,416,693.40
Lease liabilities	(v).36	185,011,006.57	273,971,191.18
Long-term employee benefits payable	(v).37	322,712,018.93	254,249,008.22
Provisions	(v).38	2,578,612,150.13	2,495,171,563.70
Deferred income	(v).39	64,310,022.10	68,005,249.90
Deferred tax liabilities	(v).21	6,922,856,285.61	7,887,539,765.83
Other non-current liabilities	(v).40	214,533,649.91	238,141,518.84
Total non-current liabilities		33,373,022,501.31	32,791,264,756.95
Total liabilities		71,133,616,807.45	67,366,630,383.47
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)	(v).41	4,319,848,116.60	4,319,848,116.60
Capital reserve	(v).42	27,582,794,983.23	27,582,794,983.23
Other comprehensive income	(v).43	-618,709,925.70	-468,588,363.13
Special reserve	(v).44	833,636.49	302,145.46
Surplus reserve	(v).45	1,286,827,000.91	1,286,827,000.91
Retained profits	(v).46	8,160,643,604.85	8,081,590,250.78
Total equity (or equity interest) attributable to owners of the parent company		40,732,237,416.38	40,802,774,133.85
Non-controlling interests		8,805,755,229.30	8,692,821,959.41
Total owners' equity (or shareholders' equity)		49,537,992,645.68	49,495,596,093.26
Total liabilities and owners' equity (or shareholders' equity)		120,671,609,453.13	116,862,226,476.73

Balance Sheet of the Company

30 June 2020

Prepared by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

Item	Note	30 June 2020	31 December 2019
Current assets:			
Cash and bank balances		6,436,430,519.74	3,979,403,901.95
Held-for-trading financial assets		201,068,766.96	1,014,194,897.26
Accounts receivable	(XII).1	338,110,979.13	69,757,554.20
Financing receivables		2,166,642.50	59,095,591.76
Prepayments		125,136,559.22	7,220,814.76
Other receivables	(XII).2	5,842,872,410.18	5,013,326,170.63
Including: Interests receivable		354,131,205.98	400,713,610.41
Dividends receivable		119,806,084.08	44,006,084.08
Inventories		134,845,912.73	140,962,874.49
Other current assets		46,681,666.06	112,132,176.28
Total current assets		13,127,313,456.52	10,396,093,981.33
Non-current assets:			
Long-term equity investments	(XII).3	29,910,747,565.72	29,912,001,876.46
Other non-current financial assets		728,482,871.64	725,946,156.42
Fixed assets		1,418,249,583.70	1,343,692,135.81
Construction in progress		274,861,437.25	185,186,824.85
Intangible assets		299,240,067.90	321,189,810.81
Long-term prepaid expenses		142,711,935.85	146,894,703.40
Deferred tax assets		71,702,380.21	33,651,881.47
Other non-current assets		8,028,346.01	8,028,346.01
Total non-current assets		32,854,024,188.28	32,676,591,735.23
Total assets		45,981,337,644.80	43,072,685,716.56

Item	<i>Note</i>	30 June 2020	31 December 2019
Current liabilities:			
Short-term borrowings		1,840,335,000.00	1,178,000,000.00
Held-for-trading financing liabilities		778,624,689.72	645,164,164.50
Notes payable		91,214,386.52	7,350,262.77
Accounts payable		113,287,060.53	236,918,656.25
Contract liabilities		117,998,775.33	254,996,864.98
Employee benefits payable		73,255,583.79	114,106,952.06
Taxes payable		22,612,972.67	22,913,488.49
Other payables		1,693,122,448.68	912,657,905.56
Including: Interests payable		82,213,863.00	83,541,782.42
Dividends payable		151,373,225.96	0.00
Non-current liabilities due within one year		2,000,000,000.00	0.00
Other current liabilities		2,170,129,594.08	1,150,711,291.46
Total current liabilities		8,900,580,511.32	4,522,819,586.07
Non-current liabilities:			
Bonds payable		2,000,000,000.00	3,000,000,000.00
Non-current derivative financial liabilities		440,128,961.15	202,416,693.40
Provisions		47,570,371.67	47,570,371.67
Deferred income		18,595,203.20	18,787,996.10
Other non-current liabilities		131,367,942.86	204,093,366.89
Total non-current liabilities		2,637,662,478.88	3,472,868,428.06
Total liabilities		11,538,242,990.20	7,995,688,014.13
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		4,319,848,116.60	4,319,848,116.60
Capital reserve		27,636,530,888.88	27,636,530,888.88
Special reserve		492,746.25	100,628.26
Surplus reserve		1,286,827,000.91	1,286,827,000.91
Retained profits		1,199,395,901.96	1,833,691,067.78
Total owners' equity (or shareholders' equity)		34,443,094,654.60	35,076,997,702.43
Total liabilities and owners' equity (or shareholders' equity)		45,981,337,644.80	43,072,685,716.56

Consolidated Income Statement

January – June 2020

Unit: Yuan Currency: RMB

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
I. Total operating income		46,743,857,426.26	9,978,669,307.74
Including: Operating income	(V).47	46,743,857,426.26	9,978,669,307.74
II. Total operating costs		47,951,278,525.39	9,416,775,542.06
Including: Operating costs	(V).47	46,042,234,134.31	7,777,155,389.82
Taxes and levies	(V).48	473,523,891.24	486,300,320.87
Selling expenses	(V).49	42,397,113.57	41,074,405.70
Administrative expenses	(V).50	652,396,360.62	481,775,535.92
Research and development expenses	(V).51	45,276,058.60	122,672,256.28
Financial expenses	(V).52	695,450,967.05	507,797,633.47
Including: Interest expenses		924,037,414.16	783,595,939.00
Interest income		370,946,927.96	531,075,204.76
Add: Other income	(V).53	12,913,448.92	10,134,067.23
Investment income (losses are indicated by "-")	(V).54	126,538,507.86	158,967,147.64
Including: Income from investments in associates and joint ventures		4,063,829.99	164,709,318.09
Gains from changes in fair value (losses are indicated by "-")	(V).55	1,402,251,271.09	136,952,562.01
Credit impairment losses (losses are indicated by "-")	(V).56	-691,868.25	-17,437,262.62
Asset impairment losses (losses are indicated by "-")	(V).57	10,936,023.88	-11,899,427.69
Income from disposal of assets (losses are indicated by "-")	(V).58	5,989,609.46	-10,676,048.84
III. Operating profit (losses are indicated by "-")		350,515,893.83	827,934,803.41
Add: Non-operating income	(V).59	5,483,440.40	2,528,402.75
Less: Non-operating expenses	(V).60	5,456,346.06	6,551,402.31
IV. Total profit (total losses are indicated by "-")		350,542,988.17	823,911,803.85
Less: Income tax expenses	(V).61	-651,605,940.69	50,421,199.23
V. Net profit (net losses are indicated by "-")		1,002,148,928.86	773,490,604.62
(I) Classified by business continuity			
1. Net profit from continuing operations (losses are indicated by "-")		1,002,148,928.86	773,490,604.62
2. Net profit from discontinued operations (losses are indicated by "-")		0.00	0.00
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (losses are indicated by "-")		1,007,820,700.18	807,990,808.81
2. Non-controlling interest (losses are indicated by "-")		-5,671,771.32	-34,500,204.19

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
VI. Other comprehensive income, net of tax		-31,369,801.88	5,214,056.23
(I) Other comprehensive income attributable to owners of the parent company, net of tax	(V).62	-150,121,562.57	-8,583,134.61
1. Other comprehensive income that cannot be reclassified into profit or loss subsequently		-16,626,602.20	0.00
(1) Remeasurement of changes in defined benefit plans		-16,626,602.20	0.00
2. Other comprehensive income that will be reclassified subsequently into profit or loss		-133,494,960.37	-8,583,134.61
(1) Cash flow hedge reserve		-592,344,995.71	-173,146,944.37
(2) Foreign exchange differences from translation of financial statements		458,850,035.34	164,563,809.76
(II) Other comprehensive income attributable to non-controlling interests, net of tax		118,751,760.69	13,797,190.84
VII. Total comprehensive income		970,779,126.98	778,704,660.85
Attributable to owners of the parent company		857,699,137.61	799,407,674.20
Attributable to non-controlling interests		113,079,989.37	-20,703,013.35
VIII. Earnings per share:			
(I) Basic earnings per share (<i>RMB Yuan per Share</i>)		0.047	0.037
(II) Diluted earnings per share (<i>RMB Yuan per Share</i>)		N/A	N/A

Income Statement of the Company

January – June 2020

Unit: Yuan Currency: RMB

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
I. Operating income	(XII).4	1,524,864,912.12	1,678,217,229.79
Less: Operating costs	(XII).4	774,968,507.92	646,632,543.42
Taxes and levies		110,895,873.45	139,894,435.32
Selling expenses		8,135.31	6,544.26
Administrative expenses		129,588,346.08	128,538,862.46
Research and development expenses		30,684,544.34	70,411,124.61
Financial expenses		29,266,349.12	-193,323,398.20
Including: Interest expenses		201,678,971.85	27,951,107.00
Interest income		168,852,269.02	335,733,754.12
Add: Other income		3,927,387.08	3,192,792.90
Investment income (losses are indicated by "-")	(XII).5	106,380,937.28	-55,452,788.64
Including: Income from investments in associates and joint ventures		14,312,740.99	18,982,849.03
Gains from changes in fair value (losses are indicated by "-")		-237,060,880.79	-122,062,891.68
Credit impairment losses (losses are indicated by "-")		-46,362.70	3,154,123.20
Income from disposal of assets (losses are indicated by "-")		-370,336.64	0.00
II. Operating profit (losses are indicated by "-")		322,283,900.13	714,888,353.70
Add: Non-operating income		17,703.82	-349,123.54
Less: Non-operating expenses		3,670,071.38	3,986,261.82
III. Total profit (total losses are indicated by "-")		318,631,532.57	710,552,968.34
Less: Income tax expenses		24,159,352.28	69,972,907.59
IV. Net profit (net losses are indicated by "-")		294,472,180.29	640,580,060.75
(I) Net profit from continuing operations (losses are indicated by "-")		294,472,180.29	640,580,060.75
(II) Net profit from discontinued operations (losses are indicated by "-")		0.00	0.00
V. Other comprehensive income, net of tax		0.00	0.00
VI. Total comprehensive income		294,472,180.29	640,580,060.75

Consolidated Statement of Cash Flow

January – June 2020

Unit: Yuan Currency: RMB

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		48,949,846,676.45	11,703,527,306.59
Cash receipts from other operating activities	(V).63	781,707,825.21	708,907,690.84
Sub-total of cash inflows from operating activities		49,731,554,501.66	12,412,434,997.43
Cash payments for goods purchased and services received		42,288,527,671.78	6,024,336,579.39
Cash payments to and on behalf of employees		1,296,728,745.08	1,191,997,453.22
Payments of various types of taxes		1,689,369,433.90	2,781,190,067.67
Cash payments from other operating activities	(V).63	205,530,930.31	185,097,342.59
Sub-total of cash outflow from operating activities		45,480,156,781.07	10,182,621,442.87
Net cash flow from operating activities		4,251,397,720.59	2,229,813,554.56
II. Cash flows from investing activities:			
Cash receipts from disposals and recovery of investments		10,397,960,735.43	134,520,006.44
Cash receipts from investment income		107,643,039.24	94,959,714.86
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		358,336.64	0.00
Cash receipts from other investing activities	(V).63	262,090,210.78	49,606,955.40
Sub-total of cash inflows from investing activities		10,768,052,322.09	279,086,676.70
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		1,090,311,581.94	1,077,057,909.12
Cash payments to acquire investments		10,806,594,084.80	894,760,803.43
Net cash payments for acquisitions or disposals of subsidiaries and other business units		0.00	3,345,174,091.53
Cash payments for other investing activities	(V).63	620,792,511.33	109,671,977.50
Sub-total of cash outflow from investing activities		12,517,698,178.07	5,426,664,781.58
Net cash flow from investing activities		-1,749,645,855.98	-5,147,578,104.88

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
III. Cash flows from financing activities:			
Cash receipts from borrowings		34,133,407,773.74	10,162,713,690.48
Cash receipts from other financing activities	(V).63	3,728,554,335.62	1,747,460,913.94
Sub-total of cash inflows from financing activities		37,861,962,109.36	11,910,174,604.42
Cash repayments of borrowings		32,237,322,920.13	6,862,098,377.83
Cash payments for distribution of dividends or profits and settlement of interests		1,580,264,427.41	2,724,392,026.34
Cash payments for other financing activities	(V).63	3,608,659,212.86	2,350,781,206.82
Sub-total of cash outflow from financing activities		37,426,246,560.40	11,937,271,610.99
Net cash flow from financing activities		435,715,548.96	-27,097,006.57
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		44,484,344.76	94,289,764.23
V. Net increase (decrease) in cash and cash equivalents			
		2,981,951,758.33	-2,850,571,792.66
Add: Opening balance of cash and cash equivalents		12,392,247,511.85	23,240,703,274.03
VI. Closing balance of cash and cash equivalents			
		15,374,199,270.18	20,390,131,481.37

Statement of Cash Flow of the Company

January – June 2020

Unit: Yuan Currency: RMB

Item	Note	Six months ended 30 June 2020	Six months ended 30 June 2019
I. Cash flows from operating activities:			
Cash receipts from the sale of goods and the rendering of services		4,621,702,974.34	3,837,390,109.35
Cash receipts from other operating activities		1,989,309,860.50	429,013,794.71
Sub-total of cash inflows from operating activities		6,611,012,834.84	4,266,403,904.06
Cash payments for goods purchased and services received		485,200,533.68	688,769,419.48
Cash payments to and on behalf of employees		233,231,500.74	247,248,498.89
Payments of various types of taxes		326,034,504.21	487,647,269.19
Cash payments from other operating activities		5,419,082,537.31	1,777,687,302.86
Sub-total of cash outflow from operating activities		6,463,549,075.94	3,201,352,490.42
Net cash flow from operating activities		147,463,758.90	1,065,051,413.64
II. Cash flows from investing activities:			
Cash receipts from disposals and recovery of investments		7,968,183,761.13	1,171,522,593.71
Cash receipts from investment income		87,055,285.34	79,228,138.16
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		163,089.70	0.00
Cash receipts from other investing activities		2,905,297,938.40	30,662,150.62
Sub-total of cash inflows from investing activities		10,960,700,074.57	1,281,412,882.49
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		128,424,958.65	67,461,946.48
Cash payments to acquire investments		6,870,000,000.00	6,183,282,976.35
Cash payments for other investing activities		3,850,705,867.80	1,142,851,228.28
Sub-total of cash outflow from investing activities		10,849,130,826.45	7,393,596,151.11
Net cash flow from investing activities		111,569,248.12	-6,112,183,268.62

Item	<i>Note</i>	Six months ended 30 June 2020	Six months ended 30 June 2019
III. Cash flows from financing activities:			
Cash receipts from borrowings		8,436,283,000.00	5,840,444,444.44
Cash receipts from other financing activities		4,704,088,290.99	2,670,656,168.47
Sub-total of cash inflows from financing activities		13,140,371,290.99	8,511,100,612.91
Cash repayments of borrowings		5,778,000,000.00	3,092,374,400.00
Cash payments for distribution of dividends or profits and settlement of interests		895,049,188.82	2,112,089,343.75
Cash payments for other financing activities		3,971,532,645.20	3,657,929,527.91
Sub-total of cash outflow from financing activities		10,644,581,834.02	8,862,393,271.66
Net cash flow from financing activities		2,495,789,456.97	-351,292,658.75
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		387,914.93	-11,083,185.83
V. Net increase (decrease) in cash and cash equivalents			
		2,755,210,378.92	-5,409,507,699.56
Add: Opening balance of cash and cash equivalents		3,233,637,947.06	12,329,538,991.95
VI. Closing balance of cash and cash equivalents			
		5,988,848,325.98	6,920,031,292.39

Consolidated Statement of Changes in Owners' Equity

January – June 2020

Prepared by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

Item	Six months ended 30 June 2020								
	Attributable to the owners of the Parent Company							Non-controlling interests	Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Subtotal		
I. Balance at 31 December 2019	4,319,848,116.60	27,582,794,983.23	-468,588,363.13	302,145.46	1,286,827,000.91	8,081,590,250.78	40,802,774,133.85	8,692,821,959.41	49,495,596,093.26
II. Balance at 1 January 2020	4,319,848,116.60	27,582,794,983.23	-468,588,363.13	302,145.46	1,286,827,000.91	8,081,590,250.78	40,802,774,133.85	8,692,821,959.41	49,495,596,093.26
III. Changes in the current period (decrease is indicated by "-")	-	-	-150,121,562.57	531,491.03	-	79,053,354.07	-70,536,717.47	112,933,269.89	42,396,552.42
(I) Total comprehensive income	-	-	-150,121,562.57	-	-	1,007,820,700.18	857,699,137.61	113,079,989.37	970,779,128.98
(II) Profit distribution	-	-	-	-	-	-928,767,346.11	-928,767,346.11	-	-928,767,346.11
1. Distribution to owners (or shareholders)	-	-	-	-	-	-928,767,346.11	-928,767,346.11	-	-928,767,346.11
(III) Special reserve	-	-	-	531,491.03	-	-	531,491.03	-146,719.46	384,771.55
1. Provision for current period	-	-	-	85,059,433.10	-	-	85,059,433.10	589,613.08	85,649,046.18
2. Amount utilized in the period	-	-	-	84,527,942.07	-	-	84,527,942.07	736,332.56	85,264,274.63
IV. Balance at 30 June 2020	4,319,848,116.60	27,582,794,983.23	-618,709,925.70	833,636.49	1,286,827,000.91	8,160,643,604.85	40,732,237,416.38	8,805,755,229.30	49,537,992,645.68

Item	Six months ended 30 June 2019								
	Attributable to the owners of the Parent Company							Non-controlling interests	Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Subtotal		
I. Balance at 31 December 2018	4,319,848,116.60	27,582,794,983.23	-799,327,420.21	3,038,386.94	1,160,396,190.21	8,682,123,314.63	40,948,873,571.40	8,649,061,740.13	49,597,935,311.53
II. Balance at 1 January 2019	4,319,848,116.60	27,582,794,983.23	-799,327,420.21	3,038,386.94	1,160,396,190.21	8,682,123,314.63	40,948,873,571.40	8,649,061,740.13	49,597,935,311.53
III. Changes in the current period (decrease is indicated by "-")	-	-	-8,583,134.61	295,729.24	-	-1,576,925,655.32	-1,576,213,060.69	-20,526,804.50	-1,596,739,865.19
(I) Total comprehensive income	-	-	-8,583,134.61	-	-	807,990,808.81	799,407,674.20	-20,703,013.35	778,704,660.85
(II) Profit distribution	-	-	-	-	-	-2,375,916,464.13	-2,375,916,464.13	-	-2,375,916,464.13
1. Distribution to owners (or shareholders)	-	-	-	-	-	-2,375,916,464.13	-2,375,916,464.13	-	-2,375,916,464.13
(III) Special reserve	-	-	-	295,729.24	-	-	295,729.24	176,208.85	471,938.09
1. Provision for current period	-	-	-	84,545,567.50	-	-	84,545,567.50	538,424.74	85,083,992.24
2. Amount utilized in the period	-	-	-	84,249,838.26	-	-	84,249,838.26	362,215.89	84,612,054.15
IV. Balance at 30 June 2019	4,319,848,116.60	27,582,794,983.23	-807,910,554.82	3,334,116.18	1,160,396,190.21	7,114,197,659.31	39,372,660,510.71	8,628,534,935.63	48,001,195,446.34

Statement of Changes in Owners' Equity of the Company

January – June 2020

Unit: Yuan Currency: RMB

Item	Six months ended 30 June 2020						Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	
I. Balance at 31 December 2019	4,319,848,116.60	27,636,530,888.88	-	100,628.26	1,286,827,000.91	1,833,691,067.78	35,076,997,702.43
II. Balance at 1 January 2020	4,319,848,116.60	27,636,530,888.88	-	100,628.26	1,286,827,000.91	1,833,691,067.78	35,076,997,702.43
III. Changes in the current period (decrease is indicated by "-")	-	-	-	392,117.99	-	-634,295,165.82	-633,903,047.83
(I) Total comprehensive income	-	-	-	-	-	294,472,180.29	294,472,180.29
(II) Profit distribution	-	-	-	-	-	-928,767,346.11	-928,767,346.11
1. Distribution to owners (or shareholders)	-	-	-	-	-	-928,767,346.11	-928,767,346.11
(III) Special reserve	-	-	-	392,117.99	-	-	392,117.99
1. Provision for current period	-	-	-	77,992,171.21	-	-	77,992,171.21
2. Amount utilized in the period	-	-	-	77,600,053.22	-	-	77,600,053.22
IV. Balance at 30 June 2020	4,319,848,116.60	27,636,530,888.88	-	492,746.25	1,286,827,000.91	1,199,395,901.96	34,443,094,654.60

Item	Six months ended 30 June 2019						Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	
I. Balance at 31 December 2018	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,594,582.62	1,160,396,190.21	3,071,730,235.63	36,186,094,585.16
II. Balance at 1 January 2019	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,594,582.62	1,160,396,190.21	3,071,730,235.63	36,186,094,585.16
III. Changes in the current period (decrease is indicated by "-")	-	-	-	112,328.20	-	-1,735,336,403.38	-1,735,224,075.18
(I) Total comprehensive income	-	-	-	-	-	640,580,060.75	640,580,060.75
(II) Profit distribution	-	-	-	-	-	-2,375,916,464.13	-2,375,916,464.13
1. Distribution to owners (or shareholders)	-	-	-	-	-	-2,375,916,464.13	-2,375,916,464.13
(III) Special reserve	-	-	-	112,328.20	-	-	112,328.20
1. Provision for current period	-	-	-	75,451,357.90	-	-	75,451,357.90
2. Amount utilized in the period	-	-	-	75,339,029.70	-	-	75,339,029.70
IV. Balance at 30 June 2019	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,706,910.82	1,160,396,190.21	1,336,393,832.25	34,450,870,509.98

II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

1. Preparation basis

The financial statements of the Company have been prepared on a going concern basis.

2. Going concern

The Group performs evaluation on its ability to continue as a going concern for next 12 months from 30 June 2020, 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The significant accounting policies and accounting estimates adopted by the Group in the preparation of the financial statements for the six months ended 30 June 2020 are consistent with those described in the audited financial report for the year ended 31 December 2019.

IV. TAXATION

1. Major categories of taxes and tax rates

Major categories of taxes and tax rates

Category of tax	Basis of tax assessment	Tax rate
VAT	The Company is a general taxpayer. Value-added Tax ("VAT") on sales is paid after deducting input VAT on purchases.	<i>Note 1</i>
City maintenance and construction tax	Actual turnover tax	For city urban area, tax rate is 7%; For county town, tax rate is 5%; For others, tax rate is 1%.
Enterprise income tax	Taxable income: the amount of taxable income is computed on basis of adjusted pre-tax accounting profit of the period in accordance with the relevant provisions of the tax law multiplying by the statutory tax rate.	<i>Note 4</i>
Chinese resource tax	Raw ore production or sales volume of concentrate	11% collection on ad valorem basis (<i>Note 2</i>)
Chinese educational surtax and surcharge	Actual turnover tax	3%
Chinese regional educational surtax and surcharge	Actual turnover tax	2%

Category of tax	Basis of tax assessment	Tax rate
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 CMOC Brazil, 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.
Congo (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.
Royalties of mining rights in Congo (DRC)	Sales of related products	<i>Note 3</i>
Congo (DRC) exchange tax	The amount of foreign currency paid to or received from countries other than Congo (DRC).	0.2%

Note 1: According to the "Announcement on Policies Related to Deepening Value-Added Tax (VAT) Reform" (Announcement No. 39 of 2019 by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, tax rates of taxpayers who engage in VAT taxable sales or imported goods have changed from 16% and 10% to 13% and 9% respectively from 1 April 2019.

In accordance with the Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (Cai Shui (2018) No. 32), the tax rates of 17% and 11% applicable to any taxpayers' VAT taxable sale or import of goods shall be adjusted to 16% and 10% respectively since 1 May 2018.

Note 2: Pursuant to the Notice on Implementation of the Reform of Resource Tax of Rare Earth, Tungsten and Molybdenum Featured by Price-based Tax Calculation and Collection (Cai Shui [2015] No. 52) issued by the Ministry of Finance and State Administration of Taxation, the implementation of calculation and collection of Molybdenum resources tax shall be changed from volume-based tax to price-based tax on and after 1 May 2015. The applicable resource tax rate of molybdenum of the Company is 11%. Tungsten resources are molybdenum-associated ores, which are not subject to resource tax.

Note 3: In accordance with the mining act of Congo (DRC), the Group paid royalties of mining rights at 2% previously in respect of the revenue from sales of products relating to copper and cobalt business in Congo (DRC). At 1 July 2018, in accordance with the new mining act of Congo (DRC), such tax rate is increased to 3.5%. At 1 December 2018, the cobalt products are included in state strategic resources of Congo (DRC), thereby increasing the royalties of mining rights to 10% of revenue from the sale of cobalt products.

Note 4: Applicable income tax rate:

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

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

CMOC Mining Pty Limited ("CMOC Mining") and CMOC Mining Services Pty. Limited ("CMOC Mining Services") were incorporated in Australia, thus were subject to Income Tax levied at a rate of 30%.

CMOC UK Limited was incorporated in the United Kingdom, thus was subject to the applicable income tax rate of 19%.

CMOC Brasil was incorporated in Brazil, thus was subject to the income tax rate of 34%.

There's no enterprise income tax for the subsidiaries of the Group established in Bermuda and the British Cayman Islands.

TFM was incorporated in Congo (DRC) and was subject to the enterprise income tax rate of 30%.

IXM and its subsidiaries principally operate in Switzerland and China. Applicable income tax rate of its subsidiaries in Switzerland is 13.99%.

2. Tax incentive

On 10 May 2015, the Decision of the State Council on Cancelling Non-Administrative Licensing Approval Items cancelled the recognition process of enterprise of comprehensive utilization of resources. However, the Company sold powdered Tungsten (scheelite concentrates) is still within the scope of catalogue of income tax preferential program of enterprise of comprehensive utilization of resources. Therefore, the Company still recognized 90% of sales of powdered Tungsten (scheelite concentrates) to taxable income during the year 2019 and 2020.

On 29 August 2017, the Company received a “high-tech enterprise certificate”, No. GR201741000176, the validity period is three years, which was jointly issued by the Henan Science and Technology Department, Henan Finance Department, the State Taxation Bureau of Henan Province and Local Taxation Bureau of Henan Province. In June 2020, the Company filed an application to Henan Science and Technology Department for the re-recognition of high-tech enterprise. According to Article 4 of the Guidelines for the Administration of the Certification of High-Tech Enterprises, in the year of the expiration of the previous certificate, the applicable enterprise income tax rate is 15% before the re-recognition of the certificate. In the current period, the enterprise income tax rate of the Company is prepaid at the tax rate of 15%.

On 29 June 2018, the People’s Government of Tibet Autonomous Region published Several Provisions of Tibet’s Preferential Policies for Attracting Foreign Investment (for Trial Implementation), and Article 6 provides that enterprises meeting certain conditions shall be exempted from local share of enterprise income tax from 1 January 2018 to 31 December 2021. In 2019, Schmocker (Tibet) International Trading Co., Ltd (“Tibet Schmocke”), the subsidiary of the Group, has employed 100% of permanent resident in Tibet, meeting the conditions for exemption from local share of enterprise income tax, so the applicable enterprise income rate during above period of Tibet Schmocke is 9%.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Cash	1,317,899.49	980,374.15
Bank balances	15,372,881,370.69	12,391,267,137.70
Other cash and bank balances	2,819,725,032.59	3,255,652,547.76
Total	18,193,924,302.77	15,647,900,059.61
Including: Total amount deposited abroad	5,703,940,053.91	3,906,802,139.54

2. Held-for-trading financial assets

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Financial assets at fair value through profit or loss	6,812,820,952.96	7,719,450,290.97
Including:		
Receivables (Note 1)	5,610,067,951.77	6,564,070,224.98
Structured deposits (Note 2)	972,819,941.67	1,014,194,897.26
Fund products of financial institutions	19,657,104.34	133,225,678.32
Wealth management products of financial institutions	208,683,224.57	6,390,000.00
Others	1,592,730.61	1,569,490.41
Total	6,812,820,952.96	7,719,450,290.97

Note 1: The major products of the Group are copper, lead and zinc concentrates and cobaltous hydroxide etc., selling price of which is provisionally determined according to the market price upon delivery. Generally, the price is finally determined according to the monthly average spot price quoted by the London Metals Exchange (LME) or other agreed pricing methods within a specified period or a period subsequent to the delivery. The Group classifies the accounts receivable generated from relevant business as financial assets at FVTPL. As at 30 June 2020, held-for-trading financial assets with a book value of USD212,180,731.00 (equivalent to RMB1,502,133,485.11) were pledged to obtain short-term borrowings.

Note 2: They are the structured deposits of RMB purchased by the Group from domestic banks and financial institutions, the yield of which is linked to interest rates, exchange rates and other indicators. The Group classifies such deposits as financial assets at fair value through profit or loss.

3. Derivative financial assets

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Derivative financial instruments of which hedging relationship is designated		
Forward foreign exchange contracts	10,097,033.16	–
Derivative financial instruments of which hedging relationship is not designated		
Forward commodity contracts	633,841,367.33	556,402,709.39
Forward foreign exchange contracts	26,305,713.01	106,137,933.73
Commodity futures contracts	589,216,080.75	1,465,849,014.44
Commodity option contracts	2,992,834.78	38,349,607.25
Foreign exchange option contracts	–	11,582,958.58
Interest rate swap contracts	607,854.15	–
Total	1,263,060,883.18	2,178,322,223.39

Note: The Group uses commodity (copper, lead, zinc concentrates, refined metals etc.) futures contracts, forward commodity contracts and commodity option contracts to manage the risk of commodity purchases and future sales so as to avoid bearing the risk of significant changes in the price of relevant products arising from the fluctuation of the market price. Besides, the Group uses forward foreign exchange contracts, foreign exchange option contracts and interest rate swap contracts for risk management to avoid exchange rate, interest rate risk.

In addition to the forward foreign exchange contracts, forward commodity contracts, commodity futures contracts, commodity option contracts, foreign exchange option contracts, and interest rate swap contracts are not designated as hedging instruments. The gains or losses arising from changes in fair value of these contracts shall be directly recorded into profit or loss. See Note V. 55.

Part of the above forward foreign exchange contracts are designated as hedging instruments. The gains or losses arising from changes in fair value of these contracts shall be recognized in other comprehensive income. See Note V. 66.

4. Accounts receivable

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	30 June 2020
Within 1 year	856,495,168.43
1-2 years	92,385,047.59
2-3 years	83,205.67
Over 3 years	711,517.08
Total	949,674,938.77

(2) Disclosure by category

Unit: Yuan Currency: RMB

Category	30 June 2020	31 December 2019
Measured at amortized cost	949,674,938.77	1,510,580,440.50
Total	949,674,938.77	1,510,580,440.50

(3) Disclosure by provision method for bad debts

Bad debt provision is made based on the general model of expected credit loss:

As the Group has a long-term and stable transaction relationship with the customers with high credit rating in respect of the niobium business in Brazil, the management believes that the credit risk is low. As part of the credit risk management, the Group measures internal credit rating for the customers of tungsten and molybdenum business in China and phosphorus business in Brazil, and recognizes expected loss rate of accounts receivable in all ratings. At the balance sheet date, the Group recognizes the expected credit loss allowance for accounts receivables based on provision matrix.

Unit: Yuan Currency: RMB

Internal credit rating	Expected average loss rate	30 June 2020		
		Book balance	Provision for loss	Book value
Low risk	0.04%	766,369,297.85	312,665.75	766,056,632.10
Normal	2.06%	132,600,796.78	2,731,576.43	129,869,220.35
Attention	5.96%	8,994,502.71	536,072.35	8,458,430.36
Doubtful (impaired)	40.87%	76,595,054.84	31,304,398.88	45,290,655.96
Loss (impaired)	100.00%	23,473,280.25	23,473,280.25	0.00
Total		1,008,032,932.43	58,357,993.66	949,674,938.77

The expected average loss rate is measured based on historical actual impairment rate with the current situation and prediction on future economy taken into consideration. There are no changes in evaluation approach and significant assumption in the reporting period.

Changes in expected credit loss provision for accounts receivable:

Unit: Yuan Currency: RMB

	Lifetime ECL (not-credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2020	24,332,540.98	33,175,355.11	57,507,896.09
Transfer to credit-impaired	-34,675.95	34,675.95	0.00
Transfer out due to direct writedown	-	-513,577.18	-513,577.18
Provision of ECL for the period	6,474,129.23	220,716.08	6,694,845.31
Reversal of ECL for the period	-4,906,823.25	-883,820.23	-5,790,643.48
Changes in exchange rate	51,246.14	408,226.78	459,472.92
30 June 2020	25,916,417.15	32,441,576.51	58,357,993.66

(4) *Top five accounts receivable balances at the end of the report period based on debtors:*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion of the amount to the total accounts receivable (%)	Credit impairment loss/Closing balance of bad debt provision
Company A	Third Party	73,205,334.14	7.26	5,661,073.04
Company B	Third Party	53,542,449.51	5.31	53,542.45
Company C	Third Party	25,907,701.89	2.57	2,590,770.21
Company D	Third Party	22,980,336.64	2.28	0.00
Company E	Third Party	21,941,847.90	2.18	21,941.85
Total	/	197,577,670.08	19.60	8,327,327.55

5. Financing receivables

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Notes receivable measured at fair value through other comprehensive income		
Including: Bank acceptances	337,841,298.97	298,935,317.60
Commercial acceptances	52,000,000.00	77,000,327.79
Total	389,841,298.97	375,935,645.39

Part of notes receivable are endorsed or discounted by the Group in accordance with the daily fund requirement, and classified as financial assets at fair value through other comprehensive income.

Bad debt provision is made based on the general model of expected credit loss:

The Group measures the ECL of financing receivables on the basis of the table of credit rating and loss given default ("LGD"). The ECL in financing receivables is as follows:

Unit: Yuan Currency: RMB

Internal credit rating	Expected average loss rate	Book value	Expected credit loss
Lower risk (not-credit-impaired)	0.01%	350,322,957.70	52,000.00
Normal (not-credit-impaired)	2.06%	40,402,635.56	832,294.29
Loss (credit-impaired)	100.00%	12,650,000.00	12,650,000.00
Total	/	403,375,593.26	13,534,294.29

As at 30 June 2020, the Company has no notes receivable pledged for loans.

As at 30 June 2020, endorsed or discounted notes receivable by the Company but still outstanding at balance sheet date are as follows:

Unit: Yuan Currency: RMB

Item	Amount derecognized as at 30 June 2020	Amount not derecognized as at 30 June 2020
Bank acceptances	979,553,983.71	-
Total	979,553,983.71	-

Note: Since major risks and reward including the interest rate risks related to such bank acceptances have been substantially transferred to the bank or another party, the Group ceased to recognize the discounted or endorsed bank acceptances.

6. Prepayments

(1) Disclosure by aging

Unit: Yuan Currency: RMB

Aging	30 June 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,745,738,170.00	99.72	1,058,923,660.46	99.38
1-2 years	4,020,134.41	0.23	5,619,915.06	0.53
2-3 years	152,810.75	0.01	87,984.55	0.01
Over 3 years	641,849.14	0.04	862,960.76	0.08
Total	1,750,552,964.30	100.00	1,065,494,520.83	100.00

(2) Top five of prepayments balances at the end of the period based on debtors

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion of the amount to the total prepayments (%)
Company F	Third Party	445,000,000.00	25.42
Company G	Third Party	237,871,200.00	13.59
Company H	Third Party	174,041,806.07	9.94
Company I	Third Party	141,590,000.00	8.09
Company J	Third Party	90,028,092.23	5.14
Total	/	1,088,531,098.30	62.18

7. Other receivables

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Interests receivable	254,850,660.16	198,921,505.19
Dividends receivable	77,636,763.82	2,235,286.10
Other receivables	1,579,969,470.33	917,882,468.90
Total	1,912,456,894.31	1,119,039,260.19

Interests receivable

(1) *Category of interests receivable*

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Interests receivable on bank deposits	219,116,333.73	196,689,674.82
Interests receivable from the related parties	6,884,619.13	2,171,354.53
Interests receivable from third parties	28,849,707.30	60,475.84
Total	254,850,660.16	198,921,505.19

Dividends receivable

(1) *Dividends receivable*

Unit: Yuan Currency: RMB

Item (or investee)	30 June 2020	31 December 2019
Yulu Mining	75,800,000.00	0.00
Others	1,836,763.82	2,235,286.10
Total	77,636,763.82	2,235,286.10

Other receivables

(1) Other receivables disclosed by nature

Unit: Yuan Currency: RMB

Nature of other receivables	30 June 2020	31 December 2019
Deductible Brazil social contribution tax (Note 1)	318,020,478.64	137,839,891.25
Congo (DRC) VAT refunds receivable (Note 2)	645,072,066.44	514,634,483.07
Deposits	65,138,404.59	64,143,499.66
Gains in close position (Note 3)	107,620,147.34	74,321,733.90
Others	473,059,545.11	155,884,032.81
Total	1,608,910,642.12	946,823,640.69

Note 1: See Note V. 22 for details.

Note 2: The VAT refundable amount is generated from the export business of subsidiaries situated in the Congo (DRC). The entity has applied for tax refund from the government and is expected to receive the tax refund within one year.

Note 3: It is the closing position part of forward commodity contracts of the Group, and the gains of which will be received at the settlement after the period.

(2) Bad debt provision for other receivables

The Group had other receivables of which the loss provision was recognized on the basis of ECL as below:

Unit: Yuan Currency: RMB

	30 June 2020			31 December 2019		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Other receivables of which the loss provision was recognized on the basis of ECL	645,818,097.04	28,941,171.79	616,876,925.25	294,302,449.62	28,941,171.79	265,361,277.83

At 30 June 2020, the management of the Group believes that there's no ECL on other receivables except for the receivables amounting to RMB28,941,171.79 (31 December 2019: 28,941,171.79) that has credit-impaired and of which impairment has been provided fully.

(3) Changes in bad debt provision

Unit: Yuan Currency: RMB

Category	1 January 2020	Changes in the current period				30 June 2020
		Increase	Reversal	Write-off	Other changes	
Bad debt provision	28,941,171.79	-	-	-	-	28,941,171.79
Total	28,941,171.79	-	-	-	-	28,941,171.79

(4) Top five other receivables balances at the end of period based on debtors

Unit: Yuan Currency: RMB

Name of entity	Nature	Amount	Aging	Proportion of the amount to the total other receivables (%)	Closing balance of bad debt provision
DRC government	Third Party	645,072,066.44	Within 2 years	40.09	-
Federal government of Brazil	Third Party	318,020,478.64	Within 2 years	19.77	-
Company K	Third Party	29,772,242.15	Within 1 year	1.85	-
Company L	Third Party	23,883,107.12	Within 1 year	1.48	-
Company M	Third Party	16,304,088.50	Within 1 year	1.01	-
Total	/	1,033,051,982.85	/	64.20	-

(5) There are no other receivables concerning government grants during the reporting period.

8. Inventories

Unit: Yuan Currency: RMB

Item	30 June 2020 Book value	31 December 2019 Book value
Inventories:		
– measured at cost	14,946,537,784.90	15,046,524,453.39
– measured at the fair value (Note)	12,833,661,893.90	11,344,655,112.09
Total	27,780,199,678.80	26,391,179,565.48

Note: As at 30 June 2020, the book value of the inventories measured at fair value, which are pledged by the Group to acquire short-term borrowings, is USD1,530,739,268.78, equivalent to RMB10,836,868,653.33.

(1) Categories of inventories

Current:

Unit: Yuan Currency: RMB

Item	30 June 2020			31 December 2019		
	Book balance	Provision for decline in value of inventories/ Provision for impairment of contract performance cost	Book value	Book balance	Provision for decline in value of inventories/ Provision for impairment of contract performance cost	Book value
Raw materials	2,729,872,959.28	4,379,925.44	2,725,493,033.84	2,630,110,933.86	8,998,848.83	2,621,112,085.03
Work-in-progress	2,661,349,879.31	-	2,661,349,879.31	2,716,968,345.27	741,122.66	2,716,227,222.61
Finished goods	2,062,113,975.84	1,584,343.72	2,060,529,632.12	2,850,015,357.86	2,580,328.76	2,847,435,029.10
Trading inventories – measured at cost	1,580,488,819.87	-	1,580,488,819.87	1,247,146,512.38	-	1,247,146,512.38
Trading inventories – measured at fair value	12,785,788,761.94	-	12,785,788,761.94	11,298,752,887.67	-	11,298,752,887.67
Total	21,819,614,396.24	5,964,269.16	21,813,650,127.08	20,742,994,037.04	12,320,300.25	20,730,673,736.79

Non-current:

Unit: Yuan Currency: RMB

Item	30 June 2020			31 December 2019		
	Book balance	Provision for decline in value of inventories	Book value	Book balance	Provision for decline in value of inventories	Book value
Raw materials (Note)	5,935,198,600.33	16,522,180.57	5,918,676,419.76	5,640,349,093.10	25,745,488.83	5,614,603,604.27
Consumable biological assets	47,873,131.96	-	47,873,131.96	45,902,224.42	-	45,902,224.42
Total	5,983,071,732.29	16,522,180.57	5,966,549,551.72	5,686,251,317.52	25,745,488.83	5,660,505,828.69

Note: Non-current raw materials are minerals reserved by the Group for future production or sales, including:

1. The sulfide 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.
2. Low-grade ores were produced from Tenke Copper-Cobalt mine in Congo, 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 is presented as non-current assets.

(2) *Provision for decline in value of inventories/Provision for impairment of contract performance cost Current:*

Unit: Yuan Currency: RMB

Item	1 January 2020	Increase in the current period		Decrease in the current period		30 June 2020
		Provision	Other	Reversal or write-off	Other (Note)	
Raw materials	8,998,848.83	-	-	4,347,154.28	271,769.11	4,379,925.44
Work-in-progress	741,122.66	229,607.13	-	970,729.79	-	0.00
Finished goods	2,580,328.76	3,618,335.77	-	4,614,320.81	-	1,584,343.72
Total	12,320,300.25	3,847,942.90	-	9,932,204.88	271,769.11	5,964,269.16

Note: Other decrease in the current period represents foreign exchange difference from translation of financial statements.

Non-current:

Unit: Yuan Currency: RMB

Item	1 January 2020	Increase in the current period		Decrease in the current period		30 June 2020
		Provision	Other	Reversal or write-off	Other (Note)	
Raw materials	25,745,488.83	-	-	9,534,462.37	-311,154.11	16,522,180.57
Total	25,745,488.83	-	-	9,534,462.37	-311,154.11	16,522,180.57

Note: Other decrease in the current period represents foreign exchange difference from translation of financial statements.

(3) *Changes in consumable biological assets are set out below:*

Unit: Yuan Currency: RMB

Item	Quantity	1 January 2020	Increase in the current period		Decrease in the current period	Translation differences arising on translation of financial statements denominated in foreign currencies	30 June 2020
			Transferred from construction in progress	Changes in fair value	Used		
Eucalyptus forest in Brazil	2,854 hectares	45,902,224.42	-	2,176,208.19	894,417.39	689,116.74	47,873,131.96

9. Other current assets

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Derivative financial instruments deposits (Note 1)	3,174,363,337.09	2,673,688,083.69
Prepayment of VAT/input VAT to be deducted (Note 2)	504,658,627.43	524,075,801.22
Prepayment of enterprise income tax	83,543,720.24	258,508,961.63
Loans to suppliers (Note 3)	141,590,002.34	133,710,502.33
Loans receivable from Société Nationale d'Electricité (Note 4)	97,006,438.42	95,419,322.85
Prepaid insurance expenses (Note 5)	22,536,434.95	66,688,962.46
Prepayment of resources tax and mining right premium	–	31,711,396.53
Others	97,576,927.96	46,377,399.66
Total	4,121,275,488.43	3,830,180,430.37

The Group accounts the financial assets in the other current assets according to ECL model. At 30 June 2020, the management believes that the relevant financial assets have a low credit risk.

Note 1: It is the deposit paid by the Group to acquire derivative financial instruments.

Note 2: It is the prepayment of VAT/VAT input to be deducted arising from the subsidiaries of the Group in China and the subsidiaries of IXM outside the PRC.

Note 3: The balance of loans to suppliers is USD10,000,000.00, equivalent to RMB70,795,000.00, representing a short-term loan to third party supplier with an annual interest rate of 5%; the remaining part represents a long-term loan to third- party supplier B that is due within one year. See Notes V. 22 for details.

Note 4: The loans receivable is due from Société Nationale d'Electricité ("SNEL") which is provided by the subsidiary of the Group in DRC. According to the agreement, the amount will be offset with electricity bill when the Company actually uses electricity. The current part is the portion expected to be offset in the next year. For the non-current part, see Note V. 22.

Note 5: It is the insurance expenses paid by the Group for the overseas business, which are amortized over the corresponding period of benefits.

10. Debt investments

(1) Details of debt investments

Unit: Yuan Currency: RMB

Item	30 June 2020			31 December 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Bank deposit receipt	170,000,000.00	–	170,000,000.00	–	–	–
Total	170,000,000.00	–	170,000,000.00	–	–	–

11. Long-term equity investments

Unit: Yuan Currency: RMB

Investee	1 January 2020	Changes in the current period								30 June 2020	Closing balance of provision for impairment
		Additional investment	Decreased investment	Investment income recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Declare a cash dividend or profit distribution	Provision for impairment losses	Others		
I. Joint venture											
Xuzhou Huanyu Molybdenum Co., Ltd. ("Huan Yu") (Note 1)	847,875,139.11	-	-	-33,762,007.76	-	-	-	-	-	814,113,131.35	-
Subtotal	847,875,139.11	-	-	-33,762,007.76	-	-	-	-	-	814,113,131.35	-
Associates											
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining") (Note 2)	108,618,691.48	-	-	44,004,463.05	-	-	-75,800,000.00	-	-	76,823,154.53	-
Caly Nanomoly Development, Inc. ("Nanomoly Development") (Note 3)	-	-	-	-	-	-	-	-	-	-	-
Luoyang Shenyu Molybdenum Co., Ltd. ("Luoyang Shenyu") (Note 4)	1,016,091.87	-	-	567,802.62	-	-	-	-	-	1,583,894.49	-
Natural Resources Investment Fund (Note 5)	678,559.63	-	-	-18,088.14	-	-	-	-	9,914.83	670,386.32	-
Zhejiang Youqing Trade Co., Ltd. ("You Qing") (Note 6)	-	-	-	-	-	-	-	-	-	-	-
Walvis Bay Cargo Terminal Pty. Ltd. ("Walvis Bay") (Note 7)	1,838,005.45	-	-	1,347,938.47	-	-	-	-	-165,602.33	3,020,341.59	-
PT. Huayue Nickel Cobalt ("Huayue Nickel Cobalt") (Note 8)	73,141,540.57	356,483,474.54	-	-8,076,278.25	-	-	-	-	3,643,597.34	425,192,334.20	-
Subtotal	185,292,889.00	356,483,474.54	-	37,825,837.75	-	-	-75,800,000.00	-	3,487,909.84	507,290,111.13	-
Total	1,033,168,028.11	356,483,474.54	-	4,063,829.99	-	-	-75,800,000.00	-	3,487,909.84	1,321,403,242.48	-

Other explanations

Note 1: Huan Yu, a joint venture of the Group, holds 90% of equity in Luoyang Fuchuan Mining Co., Ltd. ("Fu Chuan"). Meanwhile, the Group holds 10% of equity in Fu Chuan indirectly by its subsidiary, Fu Kai. Therefore, the Group holds directly and indirectly 55% of equity in Fu Chuan totally by Huan Yu.

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

Note 2: According to the resolution of Yulu Mining's 2007 annual general meeting of shareholders, both investors would share the net profit at the ratio of 1:1 since year 2008. Therefore, the Group holds 40% equity interest in Yulu Mining but recognizes investment income at 50% out of its net profit.

Note 3: 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. As at the end of the period end, the Group has written down its investment in Nanomoly Development to zero.

Note 4: On 7 April 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 incorporate Luoyang Shenyu. Meanwhile, the Company appointed a director and a supervisor to Luoyang Shenyu. Therefore, Luoyang Shenyu was accounted as an associate due to its significant influence.

Note 5: The Group held 45% shares of Natural Resources Investment Fund as a limited partner, and had significant influence on the operating decision of relevant investment entities. The relevant investment was accounted under equity method.

Note 6: On 11 October 2019, the Company signed an equity transfer agreement with a third party, purchasing 30% of equity in You Qing held by a third party at a cash consideration price of RMB1.5 million, and assigning two directors and one supervisor. Therefore, it is accounted as an associate due to significant influence of the Group. As at the end of the period end, the Group has written down its investment in You Qing to zero.

Note 7: Walvis Bay is an associate of NSRC, which is a wholly-owned subsidiary of the Company purchased in current year.

Note 8: In November 2019, the Group's wholly-owned subsidiary Luoyang Molybdenum Holding signed an equity transfer agreement with Newstride Limited, acquiring 100% of equity in W-Source Holding Limited ("W-Source Holding") at a consideration price of USD1,125.87, and indirectly acquiring 21% share of PT.Huayue Nickel Cobalt held by W-Source Holding. W-Source Holding assigns a director and a supervisor to PT.Huayue Nickel Cobalt. Therefore, it is accounted as an associate due to the significant influence of the Group. During the reporting period, the Group realized a capital injection of USD50,724,400.00 (equivalent to RMB356,483,474.54) in PT.Huayue Nickel Cobalt through debt-to-equity swaps, and the shareholding ratio reached 30% at the end of the reporting period.

There is no significant limits exist regarding cash transfer to the investees.

The entities invested by the Group are all unlisted entities.

12. Other investments in equity instruments

(1) Details of other investments in equity instruments

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Equity N	79,314,917.13	79,314,917.13
Equity O	5,795,576.24	5,795,576.24
Equity P	237,276.45	233,813.69
Total	85,347,769.82	85,344,307.06

Note: As the investments in equity instruments of the Company and its subsidiaries are the investments that the Company and its subsidiaries plan to hold for a long term for strategic purposes, they are designated as financial assets at FVTOCI.

13. Other non-current financial assets

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Entrusted wealth management products of non-banking financial institutions (Note 1)	600,900,683.36	600,990,751.70
Entrusted wealth management products of banking financial institutions (Note 2)	127,577,260.28	124,950,476.72
Q Partnership shares (Note 3)	771,940,189.13	1,008,346,913.59
R Partnership shares	257,473,581.14	257,473,581.14
S Partnership shares	90,729,828.86	88,975,702.95
T Fund shares	212,831,590.38	212,624,715.85
U Fund shares	211,854,037.50	213,325,219.80
Target asset management plans	1,522,873,684.59	1,538,294,238.88
V Company equity	233,913,619.79	213,262,176.65
W Company equity	14,636,079.90	14,353,113.13
X Company equity	85,841,258.41	84,181,645.71
Others	4,928.00	4,928.00
Total	4,130,576,741.34	4,356,783,464.12

Other explanations:

Note 1: Other wealth management products of non-banking financial institutions are in relation to wealth management product plans provided by the non-banking financial institutions within China purchased by the Group, with expected yield of 5.4041%. The management of the Group believes that the interests in these wealth management product plans and the risk exposures are not significantly different from their book value, and are accounted as financial assets at FVTPL. In the current period, the Group obtained RMB26,294,807.79 of income from wealth management investment.

Note 2: It is the non-principle preservation wealth management with floating yield purchased by the Group from banks and financial institutions in China, with an expected yield of 5.00% over a period of 5 years.

Note 3: Q Partnership shares are in relation to the shares of the Group invested in the partnership. In accordance with the terms of the partnership agreement, the investment costs and the corresponding investment income withdrawn by the Group from the partnership in current year are RMB64,746,558.08 and RMB171,660,166.38 respectively.

14. Non-current derivative financial assets and non-current derivative financial liabilities

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Non-current derivative financial assets		
– Foreign exchange option contracts	–	7,620,425.07
Total	–	7,620,425.07
Non-current derivative financial liabilities		
– Interest rate swap contracts (<i>Note</i>)	440,128,961.15	202,416,693.40
– Forward foreign exchange contracts	38,826,199.62	–
Total	478,955,160.77	202,416,693.40

Note: Interest rate swap contracts are in relation to the forward interest rate swap contracts purchased by the Group, which are used to hedge the cash flow risk due to the part of loans with floating interest rate on the balance sheet of the Group. The Group accounted the above hedging instrument and corresponding hedged items according to hedge accounting. Refer to Note V. 66 for details.

15. Fixed assets

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Fixed assets	24,236,529,573.53	24,439,595,450.35
Total	24,236,529,573.53	24,439,595,450.35

Fixed assets

(1) Details of fixed assets

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Transportation devices	Electronic equipment, fixture and furniture	Total
I. Total original carrying amount					
1. Opening balance at 1 January 2020	14,319,042,945.13	20,764,125,570.98	172,786,713.63	234,271,484.55	35,490,226,714.29
2. Increase in the current period	628,126,683.36	447,363,015.74	12,072,328.60	14,927,429.60	1,102,489,457.30
(1) Purchase	192,409,282.90	28,012,798.44	12,024,079.62	4,475,875.83	236,922,036.79
(2) Transferred from construction in progress	242,846,290.04	149,141,618.18	-	10,532,682.50	402,520,590.72
(3) Revaluation of recultivation and asset retirement obligations (Note)	78,062,583.70	-	-	-	78,062,583.70
(4) Translation differences of financial statements denominated in foreign currencies	114,808,526.72	270,208,599.12	48,248.98	-81,128.73	384,984,246.09
3. Decrease in the current period	59,155,841.61	58,644,728.09	1,044,238.51	6,976,701.84	125,821,510.05
(1) Disposal or scrap	59,155,841.61	58,644,728.09	1,044,238.51	6,976,701.84	125,821,510.05
4. Closing balance at 30 June 2020	14,888,013,786.88	21,152,843,858.63	183,814,803.72	242,222,212.31	36,466,894,661.54
II. Accumulated depreciation					
1. Opening balance at 1 January 2020	4,886,641,137.47	5,812,213,387.00	135,660,657.81	179,835,004.11	11,014,350,186.39
2. Increase in the current period	367,313,910.65	743,552,840.99	3,712,276.43	9,088,768.81	1,123,667,796.88
(1) Provision	367,313,910.65	743,552,840.99	3,712,276.43	9,088,768.81	1,123,667,796.88
3. Decrease in the current period	-9,216,245.22	-50,440,185.58	1,005,036.28	2,585,367.33	-56,066,027.19
(1) Disposal or scrap	15,489,504.78	21,220,467.78	1,019,622.48	2,534,575.85	40,264,170.89
(2) Translation differences of financial statements denominated in foreign currencies	-24,705,750.00	-71,660,653.36	-14,586.20	50,791.48	-96,330,198.08
4. Closing balance at 30 June 2020	5,263,171,293.34	6,606,206,413.57	138,367,897.96	186,338,405.59	12,194,084,010.46
III. Provision for impairment					
1. Opening balance at 1 January 2020	30,517,243.60	4,814,536.21	-	949,297.74	36,281,077.55
2. Increase in the current period	-	-	-	-	-
(1) Provision	-	-	-	-	-
3. Decrease in the current period	-	-	-	-	-
(1) Disposal or scrap	-	-	-	-	-
4. Closing balance at 30 June 2020	30,517,243.60	4,814,536.21	-	949,297.74	36,281,077.55
IV. Carrying amount					
1. Closing carrying amount	9,594,325,249.94	14,541,822,908.85	45,446,905.76	54,934,508.98	24,236,529,573.53
2. Opening carrying amount	9,401,884,564.06	14,947,097,647.77	37,126,055.82	53,487,182.70	24,439,595,450.35

Note: At the end of the period, the Group reviewed the future recultivation and asset retirement obligations in the Congo (DRC), and adjusted the carrying amount of recultivation and asset retirement obligations according to the updated recultivation plan.

As at the end of the period, no fixed assets are used as collateral.

(2) *The temporary idle fixed assets*

Unit: Yuan Currency: RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Net carrying amount
Closing balance: Buildings	13,256,849.24	4,354,806.23	–	8,902,043.01
Closing balance: Machinery equipment	73,324,479.96	61,678,645.14	3,945,202.39	7,700,632.43
Closing balance: Electronic equipment, fixture and furniture	566,738.95	530,104.36	–	36,634.59

(3) *The Group has no fixed assets leased under finance leases*

(4) *The Group has no fixed assets leased out under operating leases*

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

Unit: Yuan Currency: RMB

Item	Carrying amount	The reason of not completing the certificate of title
High-pressure roller mill workshop	23,308,738.50	Completed and settled, asset right transaction is in progress
High-pressure roller mill slope retaining	6,157,274.29	Completed and settled, asset right transaction is in progress
Tungsten and molybdenum extraction and separation workshop	5,800,563.31	Completed and settled, asset right transaction is in progress
Main extraction workshop	5,665,656.79	Completed and settled, asset right transaction is in progress
Main decomposition workshop	5,557,339.47	Completed and settled, asset right transaction is in progress
Office staff dining hall	5,082,169.88	Completed and settled, asset right transaction is in progress
Main crystallization workshop	4,752,135.01	Completed and settled, asset right transaction is in progress
Others	19,782,409.02	Completed and settled, asset right transaction is in progress

16. Construction in progress

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Construction in progress	3,199,608,246.03	2,386,791,478.58
Total	3,199,608,246.03	2,386,791,478.58

Construction in progress

(1) Construction in progress status:

Unit: Yuan Currency: RMB

Item	30 June 2020			31 December 2019		
	Book balance	Provision for impairment	Net carrying amount	Book balance	Provision for impairment	Net carrying amount
Convey system project from Selection No. 3 Company to Sandaogou tailing pond	-	-	-	180,600.00	-	180,600.00
Raw ore convey system reconstruction project from Mining Company New 1# Crushing Station to Selection No. 3 Company	-	-	-	17,918,219.25	-	17,918,219.25
Construction project replacing Luchanggou Tailing Project replacing Xuanshan Tailing	96,041,143.39	-	96,041,143.39	55,173,003.30	-	55,173,003.30
APT Capacity extension project for 2000t/year of tungsten company	32,814,596.45	-	32,814,596.45	9,424,566.53	-	9,424,566.53
Eolybdenum mine project in East Gobi of Hami of Xinjiang	1,551,000.00	-	1,551,000.00	1,551,000.00	-	1,551,000.00
Building acquisition and decoration project	92,027,473.24	31,615,388.19	60,412,085.05	83,182,564.43	31,615,388.19	51,567,176.24
Northparkes E48 mine northern extension project	189,663,571.82	-	189,663,571.82	242,119,339.72	-	242,119,339.72
Northparkes E26 underground mine development project	109,772,419.83	-	109,772,419.83	81,255,495.17	-	81,255,495.17
CMOC Brasil tailing dam heightening project	305,406,566.22	-	305,406,566.22	179,122,329.78	-	179,122,329.78
CMOC Brasil phosphorus production plant maintenance project	87,510,699.98	-	87,510,699.98	83,913,900.00	-	83,913,900.00
CMOC Brasil phosphorus production process improvement project	370,165,504.80	-	370,165,504.80	339,435,195.97	-	339,435,195.97
CMOC Brasil niobium production plant maintenance project	3,633,520.67	-	3,633,520.67	704,763.77	-	704,763.77
TFM dehydration equipment installation project	180,914,571.65	-	180,914,571.65	176,592,243.87	-	176,592,243.87
TFM mining zone transportation road construction projects	36,465,529.72	-	36,465,529.72	35,859,243.64	-	35,859,243.64
TFM production process optimization study	3,133,567.44	-	3,133,567.44	4,708,692.58	-	4,708,692.58
TFM mining zone power supply project	402,153,829.94	-	402,153,829.94	94,860,905.81	-	94,860,905.81
TFM Kwatebala KT2 tailings pond project Phase I	87,735,940.49	-	87,735,940.49	86,317,554.10	-	86,317,554.10
Quicklime Plant	261,378,154.58	-	261,378,154.58	243,971,976.98	-	243,971,976.98
Project of Selection No.1 Company Selected as high talc eolybdenum mine phase II	72,326,911.63	-	72,326,911.63	41,598,301.64	-	41,598,301.64
Others	69,319,957.38	-	69,319,957.38	-	-	-
Total	829,208,674.99	-	829,208,674.99	640,516,970.23	-	640,516,970.23
Total	3,231,223,634.22	31,615,388.19	3,199,608,246.03	2,418,406,866.77	31,615,388.19	2,386,791,478.58

(2) Changes in significant construction in progress:

Unit: Yuan Currency: RMB

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Decrease in the current period	Translation difference of financial statements denominated in foreign currencies	30 June 2020	Proportion of project investment to budget amount (%)	Source of fund
Convey system project from Selection No. 3 Company to Sandaogou tailing pond	76,393,560.00	180,600.00	2,146,789.00	2,327,389.00	-	-	-	-	74.05	Funds in hand
Raw ore convey system reconstruction project from Mining Company New 1# Crushing Station to Selection No. 3 Company	26,893,800.00	17,918,219.25	6,209,355.30	24,127,574.55	-	-	-	-	90.00	Funds in hand
Construction project replacing Luchanggou Tailing	405,090,000.00	55,173,003.30	40,868,140.09	-	-	-	-	96,041,143.39	23.71	Funds in hand
Project replacing Xuanshan Tailing	348,730,000.00	9,424,566.53	23,390,029.92	-	-	-	-	32,814,596.45	9.41	Funds in hand
APT Capacity extension project for 2000t/year of tungsten company	39,583,000.00	1,551,000.00	-	-	-	-	-	1,551,000.00	84.85	Funds in hand
Eolybdenum mine project in East Gobi of Hami of Xinjiang	2,849,000,000.00	51,567,176.24	8,844,908.81	-	-	-	-	60,412,085.05	3.59	Funds in hand
Building acquisition and decoration project	260,000,000.00	242,119,339.72	15,515,531.50	67,971,299.40	-	-	-	189,663,571.82	99.00	Funds in hand
Northparkes E48 mine northern extension project	153,664,734.54	81,255,495.17	28,769,308.52	-	-	-	-252,383.86	109,772,419.83	73.95	Funds in hand
Northparkes E26 underground mine development project	1,286,402,053.38	179,122,329.78	126,705,083.87	-	-	-	-420,847.43	305,406,566.22	30.19	Funds in hand
CMOC Brasil tailing dam heightening project	144,709,799.37	83,913,900.00	2,582,670.64	245,600.66	-	-	1,259,730.00	87,510,699.98	161.50	Funds in hand
CMOC Brasil phosphorus production plant maintenance project	531,687,982.81	339,435,195.97	42,588,338.51	16,941,117.07	130,625.24	-	5,213,712.63	370,165,504.80	102.39	Funds in hand
CMOC Brasil phosphorus production process improvement projects	59,272,949.01	704,763.77	7,029,653.42	4,132,623.53	-	-	31,727.01	3,633,520.67	123.82	Funds in hand
CMOC Brasil niobium production plant maintenance project	398,730,959.93	176,592,243.88	23,431,337.74	21,056,150.38	680,204.17	-	2,627,344.58	180,914,571.65	73.20	Funds in hand

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Decrease in the current period	Translation difference of financial statements denominated in foreign currencies	30 June 2020	Proportion of project investment to budget amount (%)	Source of fund
TFM dehydration equipment installation project	101,944,800.00	35,859,243.64	6,191,338.37	6,116,586.99	-	-	531,534.70	36,465,529.72	145.06	Funds in hand
TFM mining zone transportation road construction projects	49,556,500.00	4,708,692.58	-	-	-	1,632,848.70	57,723.56	3,133,567.44	3.41	Funds in hand
TFM production process optimization study	2,169,866,750.00	94,860,905.81	303,656,599.34	-	-	-	3,636,324.79	402,153,829.94	18.33	Funds in hand
TFM mining zone power supply project	154,021,602.00	86,317,554.09	139,217.07	-	-	-	1,279,169.33	87,735,940.49	55.56	Funds in hand
TFM Kwatabala KT2 tailings pond project Phase I	836,796,900.00	243,971,976.97	13,692,931.52	-	-	-	3,713,246.09	261,378,154.58	31.20	Funds in hand
Quicklime Plant	283,180,000.00	41,598,301.64	29,892,950.42	-	-	-	835,659.57	72,326,911.63	25.24	Funds in hand
Project of Selection No. 1 Company selected as high taic eolybdenum mine phase II	197,250,000.00	1,025,980.52	68,293,976.86	-	-	-	-	69,319,957.38	34.62	Funds in hand
Others	-	639,490,989.72	472,915,485.70	259,602,249.14	22,967,182.76	5,815,944.53	5,187,576.00	829,208,674.99	-	Funds in hand
Total	10,372,775,391.04	2,386,791,478.58	1,222,863,646.60	402,520,590.72	23,778,012.17	7,448,793.23	23,700,516.97	3,199,608,246.03	-	-

At 30 June 2020, the Group made provision for impairment of RMB31,615,388.19 (31 December 2019: RMB31,615,388.19) for construction in progress.

17. Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Transportation devices	Total
I. Total original carrying amount:				
1. Opening balance at 1 January 2020	330,033,493.29	122,350,367.37	2,269,985.65	454,653,846.31
2. Increase in the current period	3,402,761.14	32,471,436.87	33,612.78	35,907,810.79
(1) Leasehold	34,436.88	30,444,995.27	–	30,479,432.15
(2) Translation differences of financial statements denominated in foreign currencies	3,368,324.26	2,026,441.60	33,612.78	5,428,378.64
3. Decrease in the current period	73,765,973.37	–	–	73,765,973.37
(1) Others (Note)	73,765,973.37	–	–	73,765,973.37
4. Closing balance at 30 June 2020	259,670,281.06	154,821,804.24	2,303,598.43	416,795,683.73
II. Accumulated depreciation				
1. Opening balance at 1 January 2020	71,853,412.44	35,417,136.05	567,496.43	107,838,044.92
2. Increase in the current period	24,296,830.52	26,450,399.10	296,353.15	51,043,582.77
(1) Provision	23,793,532.79	25,736,841.83	285,849.08	49,816,223.70
(2) Translation differences of financial statements denominated in foreign currencies	503,297.73	713,557.27	10,504.07	1,227,359.07
3. Decrease in the current period	31,610,395.53	–	–	31,610,395.53
(1) Disposal	31,610,395.53	–	–	31,610,395.53
4. Closing balance at 30 June 2020	64,539,847.43	61,867,535.15	863,849.58	127,271,232.16
III. Provision for impairment				
1. Opening balance at 1 January 2020	–	–	–	–
2. Increase in the current period	–	–	–	–
(1) Provision	–	–	–	–
3. Decrease in the current period	–	–	–	–
(1) Disposal	–	–	–	–
4. Closing balance at 30 June 2020	–	–	–	–
IV. Carrying amount				
1. Closing carrying amount	195,130,433.63	92,954,269.09	1,439,748.85	289,524,451.57
2. Opening carrying amount	258,180,080.85	86,933,231.32	1,702,489.22	346,815,801.39

Other explanations:

Note: It is related to the early termination of house lease contract by Congo (DRC) copper-cobalt business in the current period.

18. Intangible assets

(1) Details of intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Mining rights	Rights to a copper off-take contract (Note)	Supplier relationship (Note)	Others	Total
II. Total original carrying amount						
1. Opening balance at 1 January 2020	659,290,680.06	24,653,005,294.67	133,870,622.16	286,024,200.00	117,778,668.48	25,849,969,465.37
2. Increase in the current period	-	344,875,072.67	1,981,768.22	4,235,300.00	51,945,687.67	403,037,828.56
(1) Purchase	-	-	-	-	26,595,245.87	26,595,245.87
(2) Transfer from construction in progress	-	-	-	-	23,778,012.17	23,778,012.17
(3) Translation difference of financial statements denominated in foreign currencies	-	344,875,072.67	1,981,768.22	4,235,300.00	1,572,429.63	352,664,570.52
3. Decrease in the current period	2,957,490.94	-	70,268.17	-	1,705.72	3,029,464.83
(1) Others	2,957,490.94	-	70,268.17	-	1,705.72	3,029,464.83
4. Closing balance at 30 June 2020	656,333,189.12	24,997,880,367.34	135,782,122.21	290,259,500.00	169,722,650.43	26,249,977,829.10
II. Accumulated amortization						
1. Opening balance at 1 January 2020	121,114,074.89	5,225,125,041.00	1,507,397.41	7,945,116.67	47,347,458.32	5,403,039,088.29
2. Increase in the current period	7,295,355.32	782,571,034.14	2,475,847.50	9,792,963.91	41,913,303.89	844,048,504.76
(1) Provision	7,295,355.32	705,425,235.82	2,435,712.25	9,604,728.36	40,999,708.97	765,760,740.72
(2) Translation difference of financial statements denominated in foreign currencies	-	77,145,798.32	40,135.25	188,235.55	913,594.92	78,287,764.04
3. Decrease in the current period	-	-	11,752.81	-	-	11,752.81
(1) Others	-	-	11,752.81	-	-	11,752.81
4. Closing balance at 30 June 2020	128,409,430.21	6,007,696,075.14	3,971,492.10	17,738,080.58	89,260,762.21	6,247,075,840.24
III. Provision for impairment						
1. Opening balance at 1 January 2020	-	-	-	-	-	-
2. Increase in the current period	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3. Decrease in the current period	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4. Closing balance at 30 June 2020	-	-	-	-	-	-
IV. Carrying amount						
1. Closing carrying amount	527,923,758.91	18,990,184,292.20	131,810,630.11	272,521,419.42	80,461,888.22	20,002,901,988.86
2. Opening carrying amount	538,176,605.17	19,427,880,253.67	132,363,224.75	278,079,083.33	70,431,210.16	20,446,930,377.08

Note: Rights to a copper off-take contract and supplier relationship were acquired through acquisition of NSRC.

At the end of the period, there are no land use rights nor mining rights used as collateral.

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

19. Goodwill

(1) Original cost of goodwill

Unit: Yuan Currency: RMB

Name of investee or events generating goodwill	1 January 2020	Increase		Decrease			30 June 2020
		Arising from business combination	Translation differences of financial statements denominated in foreign currencies	Disposal	Effect of restructuring of niobium phosphorus business	Others	
Brazil phosphorus business (Note)	659,468,043.85	-	8,160,995.91	-	94,551,816.54	-	573,077,223.22
Total	659,468,043.85	-	8,160,995.91	-	94,551,816.54	-	573,077,223.22

Note: It represents the difference of the consideration paid for acquiring the phosphorus business in Brazil and the fair value of identifiable net assets in respect of the business combination involving enterprises not under common control on 1 October 2016. In the current period, the Company restructured its niobium phosphorus business in Brazil, and the goodwill decreased by RMB94,551,816.54.

(2) Specify test procedure, parameters of impairment of goodwill as well as recognition method for impairment loss

Allocation of goodwill to asset groups

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 groups. The carrying amount of goodwill as at 30 June 2020 allocated to the asset groups is as follows:

Unit: Yuan Currency: RMB

	Cost	Effect of restructuring of niobium phosphorus business	Translation differences of financial statements denominated in foreign currencies	Provision for impairment	30 June 2020
Asset group – Brazil phosphorus business	850,671,685.12	-94,551,816.54	-183,042,645.36	-	573,077,223.22

The recoverable amount of the asset group of Brazil phosphorus business 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 discount rate of 10.76% is used. As the sale of the products in phosphorus business is priced in USD and settled in BRL, the management believes that the inflation risk faced with by the relevant business in the operation process mainly comes from the inflation risk in the environment denominated in USD. Therefore, the inflation rate used to infer the cash flow from the asset group after 5 years is 2.2% (based on the USD environment). According to the characteristics of upstream mineral prices and costs, the management believes that the 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 2020 are as follows:

Key assumptions	Consideration of the management
Budget gross margin	On the basis of realized the 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 the 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.

According to the above impairment test, the management believes that the relevant goodwill has not been impaired.

20. Long-term prepaid expenses

Unit: RMB

Item	1 January 2020	Addition for the current period	Amortization for the current period	Other decrease	30 June 2020
Relocation compensation (Note 1)	37,396,607.50	–	3,214,763.76	–	34,181,843.74
Geological Museum project (Note 2)	25,800,000.00	–	300,000.00	–	25,500,000.00
Mining compensation (Note 3)	10,555,564.00	–	3,166,662.00	–	7,388,902.00
Others	63,235,017.47	12,805,807.84	7,013,262.33	–	69,027,562.98
Total	136,987,188.97	12,805,807.84	13,694,688.09		136,098,308.72

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

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

Note 3: Mining compensation is in relation to the mining compensation paid by the Company, which is amortized over the benefit period.

21. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

Unit: Yuan Currency: RMB

Item	30 June 2020		31 December 2019	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for asset impairment	416,653,423.92	118,846,651.38	447,539,683.25	129,376,269.17
Unrealized gross profit	2,139,619,571.54	379,415,628.17	516,168,803.06	98,127,502.24
Deductible losses	3,045,399,838.45	1,010,774,483.32	1,363,261,227.63	459,371,803.27
Differences in inventory costs	143,507,043.65	43,052,113.09	113,592,571.65	34,077,771.49
Deferred income from government grant	62,959,378.08	13,880,324.20	66,754,605.90	14,809,851.87
Profit or loss from changes in fair value	569,241,642.75	99,166,661.48	202,965,650.59	32,513,355.88
Outstanding expenses – net	2,569,503,711.20	736,618,911.44	1,858,615,499.86	511,048,352.44
Losses on disposal of fixed assets without filing	21,611,375.27	3,241,707.73	21,611,375.27	3,241,706.29
Effects of non-monetary items on exchange rates (Note 1)	–	–	697,024,270.68	236,988,252.03
Differences in depreciation of fixed assets	217,719,331.16	65,315,799.31	230,826,966.44	69,248,089.93
Others	93,499,592.47	18,503,242.08	76,862,355.67	23,874,397.76
Total	9,279,714,908.49	2,488,815,522.20	5,595,223,010.00	1,612,677,352.37

Note 1: Certain enterprises of the Group's business in Brazil adopt USD as functional currency, while make tax declaration and annual filing in BRL for the operating activities in Brazil in accordance with local tax regulations in Brazil. Management recognizes tax losses in the related financial statements denominated in BRL as a deferred tax assets and makes it an adjusting item for tax. In the meanwhile, the non-monetary items including inventories and fixed assets of such enterprises on the balance sheet are recognized and subsequently measured at historical exchange rate, resulting temporary difference between their tax bases and carrying amounts upon tax accounting, the Company accordingly recognize the relevant temporary difference as one deferred tax asset/liability.

(2) Deferred tax liabilities before offsetting

Unit: Yuan Currency: RMB

Item	30 June 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Appreciation of assets in business combination not involving enterprises under common control (Note 3)	14,640,050,939.89	4,408,494,597.50	16,879,768,903.53	5,154,257,817.63
Differences in depreciation of fixed assets	10,251,399,437.75	3,078,765,405.74	10,562,048,009.92	3,183,437,293.01
Profit or loss from changes in fair value	769,826,981.82	197,813,256.47	1,051,311,960.24	253,081,736.99
Additional provision under Switzerland tax laws (Note 2)	1,389,293,832.21	194,362,207.13	1,367,335,172.10	191,526,185.37
Accrued interest income	385,445,687.25	66,240,712.52	398,958,458.40	64,960,664.86
Effects of non-monetary items on exchange rates (Note 1)	664,168,639.58	225,817,337.47	-	-
Others	228,329,968.61	55,930,382.57	26,317,636.82	7,444,962.22
Total	28,328,515,487.11	8,227,423,899.40	30,285,740,141.01	8,854,708,660.08

Note 2: It represents the taxable temporary differences arising from additional provision made to certain extent based on the carrying amount of inventories under Switzerland tax laws.

Note 3: In the course of Brazil business combination not involving enterprises under common control in 2016, identifiable net assets of the acquiree was recorded at the fair value at the acquisition date, and deferred tax liability was recognized in accordance with the differences between the fair value and tax base of the related assets on the date of acquisition. According to the local tax law of Brazil, the above taxable temporary differences can be reversed after meeting certain conditions in the future.

During the current period, the Company's niobium and phosphorus business in Brazil was restructured through the combination of three legal entities. This restructuring enabled the Group to re-determine the tax bases of its book assets and liabilities under the local tax laws of Brazil, thus realizing the reversal of the above-mentioned deferred tax liabilities under certain conditions. The income arising from the reversal of the aforesaid deferred income tax liabilities during the reporting period was RMB416,855,240.18. The amount of deferred tax liabilities recognized by the Group's management as at 30 June 2020 was RMB493,451,737.75 (2019: RMB1,141,280,876.89).

Others included in the balance represent deferred tax liabilities arising from adjustments to the fair value of assets for the acquisition of Congo (DRC) business in 2016 and the acquisition of Switzerland metal business platform in 2019.

(3) *Deferred tax assets or liabilities at net after offsetting*

Unit: Yuan Currency: RMB

Item	Closing set-off amount of deferred tax assets and deferred tax liabilities	Closing balance of deferred tax assets and deferred tax liabilities after offsetting	Opening set-off amount of deferred tax assets and deferred tax liabilities	Opening balance of deferred tax assets and deferred tax liabilities after offsetting
Deferred tax assets	1,304,567,613.79	1,184,247,908.41	967,168,894.25	645,508,458.12
Deferred tax liabilities	1,304,567,613.79	6,922,856,285.61	967,168,894.25	7,887,539,765.83

(4) *Details of unrecognized deferred tax assets*

Unit: Yuan Currency: RMB

Item	30 June 2020	31 December 2019
Deductible temporary differences	80,024,358.16	81,089,662.12
Deductible losses	461,564,694.65	461,564,694.65
Total	541,589,052.81	542,654,356.77

Note: Due to the uncertainty in availability of sufficient taxable income in the future, deferred tax assets are not recognized.

(5) *Deductible losses, for which deferred tax assets are not recognized, will expire in the following years:*

Unit: Yuan Currency: RMB

Year	30 June 2020	31 December 2019
2020	160,456,916.13	160,456,916.13
2021	124,820,435.10	124,820,435.10
2022	77,956,167.81	77,956,167.81
2023	38,342,279.26	38,342,279.26
2024	59,988,896.35	59,988,896.35
Total	461,564,694.65	461,564,694.65

22. Other non-current assets

Unit: Yuan Currency: RMB

Item	30 June 2020			31 December 2019		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Borrowings due from SNEL (Note 1)	1,171,886,079.76	-	1,171,886,079.76	1,282,235,518.80	-	1,282,235,518.80
Amount due from TFM minority shareholders (Note 2)	391,050,114.96	-	391,050,114.96	370,521,427.93	-	370,521,427.93
Brazil deductible social contribution tax (Note 3)	88,753,007.38	-	88,753,007.38	116,225,415.62	-	116,225,415.62
Prepayments for water charges (Note 4)	63,000,000.00	-	63,000,000.00	63,000,000.00	-	63,000,000.00
Prepayments for farmland occupation tax (Note 5)	8,028,346.01	-	8,028,346.01	8,028,346.01	-	8,028,346.01
Prepayments for land (Note 6)	8,659,900.00	-	8,659,900.00	8,659,900.00	-	8,659,900.00
Land acquisition compensation due from government (Note 7)	84,123,097.42	-	84,123,097.42	117,143,076.34	-	117,143,076.34
Compensatory assets (Note 8)	126,557,389.13	-	126,557,389.13	125,656,688.78	-	125,656,688.78
Litigation guarantee (Note 9)	37,827,405.99	-	37,827,405.99	81,164,498.37	-	81,164,498.37
Loans to suppliers (Note 10)	11,815,034.75	-	11,815,034.75	46,652,988.69	-	46,652,988.69
Prepayments for capital increment (Note 11)	174,982,796.99	-	174,982,796.99	255,627,445.55	-	255,627,445.55
Others	1,803,424.27	-	1,803,424.27	4,287,711.21	-	4,287,711.21
Total	2,168,486,596.66	-	2,168,486,596.66	2,479,203,017.30	-	2,479,203,017.30

Other explanations:

The Group recognizes ECL provision of relevant financial assets in the other non-current assets on the basis of ECL. At 30 June 2020, the management of the Group believes that the credit risk of the relevant financial assets excluding loans to suppliers has not increased significantly since its initial recognition, and has no significant ECL. Credit risk on loans to suppliers is set out in Note 10.

Note 1: TFM's loan due from SNEL. The applicable interest rate for the loan is determined by 6-months Libor interest rate plus 3%, which will be settled by electricity charges payable in the future.

Note 2: TFM's loans due from Gécamines. As at 30 June 2020, the principal due to TFM is USD30,000,000.00 (equivalent to RMB212,385,000.00); the interest receivable is USD25,236,968.00 (equivalent to RMB178,665,114.96) and the applicable interest rate for the loan is determined based on the 1-year Libor interest rate plus 6%, which will be charged against dividends of Gécamines in the future.

Note 3: Brazil social contribution tax applicable to CMOC Brasil, of which the tax base is the balance of income from the sales of goods and rendering of services in Brazil after deducting deductible cost. As it is not required to pay the social contribution tax and goods circulation tax for export goods, tax payment remains undeducted 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 deductible balance within one year is accounted for as other receivables by the Group. See Note V. 7 for details.

Note 4: Refer to prepayments for water charges of Xinjiang Luomu Mining Co., Ltd (Xinjiang Luomu).

Note 5: The land occupation tax related to the land to be used in the future of the tailings owned by the mine.

Note 6: The Group paid the land compensation and transfer payments in advance, and shall continue to handle the land transfer procedures after the relevant subsidiaries have resumed their production.

Note 7: CMOC Brasil holds the amount receivables from the state government of San Paulo, Brazil. Due to the local government suspended the payment of the remaining funds. Related issues are currently in the litigation stage, the management of the Group, based on the information and opinion of external lawyers, believe that the relevant funds can be recovered.

Note 8: Based on the agreement between the Group and Anglo American in the course of the acquisition of the Brazilian Niobium Phosphorus business, if Niobras and Copebras have incurred cash outflows in the course of the business due to tax-related contingencies, compensation will be provided by Anglo American. The Group recognized a liability for the Niobras and Copebras related contingencies at fair value (Note V. 38), accordingly recognizes the right of relevant tax related compensation as non-current assets.

Note 9: CMOC Brasil have some disputes and litigation arising from some of the tax, labor and civil related legal proceedings in the course of business. Some of these proceedings require the submission of litigation collateral at the request of the court. The deposit is restricted for use and the interest is calculated at the Brazilian benchmark interest rate during this period. After the end of the litigation, according to the results, the Company can call back the deposit or settle the litigation by the deposit.

Note 10: It represents loans that IXM provided to its suppliers. As at 30 June 2020, balance of loans to suppliers amounted to USD11,668,908.41, equivalent to RMB82,610,037.09, which is the loan provided to a third party supplier B by the Group, with interest rate ranging from 7% to 9% per annum, including the portion due within 1 year amounting to USD10,000,000.33 (equivalent to RMB70,795,002.34) recognized in other current assets.

Note 11: It represents the prepayment of the Group's subsidiary, W-Source Holding Limited to the associate, Huayue Nickel Cobalt, for capital injection. Group receives interest on prepaid capital injection at 6% before its actual transfer to capital.

23. Short-term borrowings

(1) Categories of short-term borrowings:

Unit: RMB

Item	30 June 2020	31 December 2019
Secured loans with securities under the custody of lenders	1,568,000,000.01	1,968,000,000.00
Secured loans with securities under the Group's custody	11,487,603,912.91	12,072,425,969.09
Credit loan	4,919,734,107.00	4,548,599,863.40
Total	17,975,338,019.92	18,589,025,832.49

(2) *At the end of the period, there were no outstanding short-term borrowings of the Group that were overdue.*

24. Held-for-trading financial liabilities

Unit: RMB

Item	31 December 2019	Increase	Decrease	Translation differences of financial statements denominated in foreign currencies	30 June 2020
Held-for-trading financial liabilities					
Including:					
Liabilities from forward commodity contracts and gold lease measured at fair value (Note 1)	645,164,164.50	3,468,332,795.22	3,334,872,270.00	-	778,624,689.72
Financial liabilities designated as at FVTPL					
Including:					
Accounts payable at FVTPL (Note 2)	2,512,787,760.22	727,357,259.85	-	42,553,667.16	3,282,698,687.23
Total	3,157,951,924.72	4,195,690,055.07	3,334,872,270.00	42,553,667.16	4,061,323,376.95

Note 1: The Group concluded gold lease agreement with the bank. During the lease term, the Group may sell the leased gold to a third party, and then return the gold in the same specification and with the same weight to the bank until the lease is matured. The obligation of the Group to return the gold is recognized as a financial liability at fair value. Meanwhile, in order to hedge the risk in commodity price of related liabilities, the Group uses gold forward contract to manage the risk in the obligations to return the gold with the same quantity and quality to the bank under the gold lease agreement so as to evade the risk undertaken by the Group in the fluctuation of fair value of held-for-trading financial liabilities with the fluctuation of gold market price.

Note 2: The major products of the Group are copper, lead and zinc concentrates and cobaltous hydroxide etc., selling price of which is provisionally determined according to the market price upon delivery. Generally, the price is finally determined according to the monthly average spot price quoted by the London Metals Exchange (LME) or other agreed pricing methods within a specified period or a period subsequent to the delivery. The Group classifies the accounts receivable generated from relevant business as financial assets at FVTPL.

25. Derivative financial liabilities

Unit: RMB

Item	30 June 2020	31 December 2019
Derivative financial instruments designated as hedge instruments		
Forward foreign exchange contracts	274,591,082.38	–
Derivative financial instruments not designated as hedge instruments		
Commodity futures contracts	2,066,448,536.84	1,402,864,898.79
Forward foreign exchange contracts	50,184,853.48	52,997,490.45
Commodity option contracts	30,879,058.47	75,759,751.74
Forward commodity contracts	1,067,937,858.29	1,109,305,912.09
Total	3,490,041,389.46	2,640,928,053.07

Note: For details, please refer to Note (V). 3.

26. Notes payable

Unit: RMB

Categories	30 June 2020	31 December 2019
Commercial acceptances	14,897,624.39	7,350,262.77
Bank acceptances	920,935,710.76	225,873,810.76
Letter of Credit	40,000,000.00	–
Total	975,833,335.15	233,224,073.53

27. Accounts payable

(1) Accounts payable

Unit: RMB

Item	30 June 2020	31 December 2019
Payables for purchasing of goods	674,244,708.21	1,665,858,901.82
Others	447,568,793.28	278,647,504.80
Total	1,121,813,501.49	1,944,506,406.62

(2) Aging analysis on Accounts payable is set out as follows:

Unit: RMB

Item	30 June 2020	31 December 2019
Within 1 year	1,106,536,786.77	1,923,438,072.01
1 to 2 years	2,286,468.32	2,486,883.22
Over 2 years	12,990,246.40	18,581,451.39
Total	1,121,813,501.49	1,944,506,406.62

28. Contract liabilities

(1) Contract liabilities

Unit: RMB

Item	30 June 2020	31 December 2019
Receipts in advance of sales of goods (note)	345,927,231.44	416,194,761.78
Total	345,927,231.44	416,194,761.78

Note: The Group recognized the receipts in advance collected on a basis of commodity sales contract as contract liabilities, and relevant contract liabilities were recognized as sales income when the control over the goods were transferred to the customers.

At the end of year, the contract liabilities of RMB341,506,736.33 at book value are expected to be recognized as income in 2020, and RMB4,420,495.11 is expected to be recognized as income in 2021 or subsequent years.

29. Employee benefits payable

(1) Employee benefits payable

Unit: RMB

Item	31 December 2019	Increase in the current period	Decrease in the current period	Translation difference of financial statements denominated in foreign currencies	30 June 2020
I. Short-term compensation	644,334,914.59	1,169,331,182.16	1,294,410,197.17	-7,635,933.76	519,255,899.58
II. Retirement benefits-defined contribution plans	7,654,456.83	54,745,568.64	40,187,051.41	-52,591.80	22,212,974.06
III. Termination benefits	1,102,185.98	-	985,863.47	-	116,322.51
IV. Others (note)	39,546,620.84	12,208,515.79	4,079,171.16	-470,622.67	47,675,965.47
Total	692,638,178.24	1,236,285,266.59	1,339,662,283.21	-8,159,148.23	589,261,161.62

Note: It represents the liabilities related to annual leave and long service leave which are provided by Group's subsidiary in Australia to its employees and short-term compensation plan which is provided by Group's subsidiary in Congo (DRC) to its employees, expected to be paid within 12 months.

(2) Details of short-term compensation are as follows:

Unit: RMB

Item	31 December 2019	Increase in the current period	Decrease in the current period	Translation difference of financial statements denominated in foreign currencies	30 June 2020
I. Wages or salaries, bonuses, allowances and subsidies	631,513,513.64	1,013,178,409.94	1,196,972,793.58	-7,237,086.31	447,719,130.00
II. Staff welfare	598,732.90	10,947,922.33	11,411,538.84	-5,425.36	135,116.39
III. Social security contributions	843,011.51	102,173,910.14	41,960,886.24	-393,422.09	61,056,035.41
Including: Medical insurance	761,698.74	58,742,578.23	19,541,695.90	-256,161.17	39,962,581.07
Work injury insurance	49,648.31	42,108,342.06	21,785,294.51	-137,260.92	20,372,695.86
Maternity insurance	31,664.46	1,322,989.85	633,895.83	-	720,758.48
IV. Housing funds	344,611.72	35,849,833.21	36,598,883.62	-	-404,438.69
V. Labor union and staff education fund	11,035,044.82	7,181,106.54	7,466,094.89	-	10,750,056.47
Total	644,334,914.59	1,169,331,182.16	1,294,410,197.17	-7,635,933.76	519,255,899.58

All the employee benefits payable are not overdue and not related to non-cash benefits.

(3) Defined contribution plans

Unit: RMB

Item	31 December 2019	Increase in the current period	Decrease in the current period	Translation difference of financial statements denominated in foreign currencies	30 June 2020
1. Basic pension insurance	7,643,679.75	52,777,585.88	39,112,365.70	-52,591.80	21,308,899.93
2. Unemployment insurance	10,777.08	1,967,982.76	1,074,685.71	-	904,074.13
Total	7,654,456.83	54,745,568.64	40,187,051.41	-52,591.80	22,212,974.06

The Group participates, as required, in the pension insurance and unemployment insurance plan established by government institutions. According to such plans, the Group contributes monthly to such plans based the employee's basic salary. Except for above monthly contributions, the Group does not assume further payment obligations. The related expenditures are either included in cost of related assets or charged to profit or loss in the period when they are incurred.

In this period, the Group should contribute pension insurance and unemployment plans amounting to RMB52,777,585.88 and RMB1,967,982.76 (Jan. – Jun. 2019: RMB82,091,147.28 and RMB1,194,587.68). As at 30 June 2020, the Group has outstanding contributions to pension insurance and unemployment plans that is due as of the reporting period amounting to RMB21,308,899.93 and RMB904,074.13 (31 December 2019: RMB7,643,679.75 and RMB10,777.08). The relevant contributions have been paid after the reporting period.

30. Taxes payable

Unit: RMB

Item	30 June 2020	31 December 2019
Value added tax	132,683,398.78	21,361,136.76
PRC enterprise income tax	545,308,337.42	285,559,308.92
Individual income tax	33,870,937.99	28,688,231.54
Urban maintenance and construction tax	356,976.31	158,532.08
Congo (DRC) exchange tax	1,613,434.47	12,397,430.34
Education surcharges	589,638.38	316,963.94
Resource tax and royalties of mineral rights	-21,549,066.01	14,610,318.74
Others	21,072,753.05	36,159,276.86
Total	713,946,410.39	399,251,199.18

31. Other payables

Unit: RMB

Item	30 June 2020	31 December 2019
Interest payable	214,411,744.49	246,838,776.68
Dividends payable	179,259,022.63	27,885,796.67
Other payables	706,402,346.29	1,310,013,350.12
Total	1,100,073,113.41	1,584,737,923.47

Interest payable

Unit: RMB

Item	30 June 2020	31 December 2019
Interest payable on bank borrowings	92,133,276.85	120,671,734.02
Interest payable on medium-term notes with periodic payments of interest payable and return of principal at maturity (note 1)	27,498,082.19	66,132,602.75
Interest payable on super short-term commercial paper	19,017,808.21	6,986,301.38
Interest payable on corporate bonds in RMB	25,328,219.17	3,986,849.31
Interest payable on corporate bonds in USD (Note 2)	50,434,358.07	49,061,289.22
Total	214,411,744.49	246,838,776.68

Note 1: For the details, refer to Note V. 35.

Note 2: Interest payable on bonds in USD arises from the issuance of bonds in USD by CMOC Capital (a subsidiary of the Group). For the details, refer to Note V. 35.

Dividends payable

Unit: RMB

Name of entity	30 June 2020	31 December 2019
Dividends of ordinary shares	151,373,225.96	–
Luanchuan Taifeng Industry and Trading Co., Ltd. (Note)	6,623,109.24	6,623,109.24
Luanchuan Hongji Mining Co., Ltd. (Note)	15,943,017.89	15,943,017.89
Luanchuan Chengzhi Mining Co., Ltd. (Note)	5,319,669.54	5,319,669.54
Total	179,259,022.63	27,885,796.67

Note: Minority shareholders of subsidiaries of the Group.

Other payables

(1) other payables by nature

Unit: RMB

Item	30 June 2020	31 December 2019
Project and equipment funds	223,641,782.93	197,865,927.99
Loyalties due to Gécamines	20,363,687.95	14,976,606.41
Service and transportation expenses	182,671,198.63	74,337,086.32
Electricity charge compensation due to SNEL	–	69,762,000.00
Deposits and advances	94,845,845.29	75,235,802.92
Service fees payable	39,083,927.34	11,592,051.56
Resource expenses payable	67,988,811.65	145,516,732.23
Land compensation	–	2,980,567.50
Consideration payable for acquisition	–	597,959,999.97
Others	77,807,092.50	119,786,575.22
Total	706,402,346.29	1,310,013,350.12

32. Non-current liabilities due within one year

Unit: RMB

Item	30 June 2020	31 December 2019
Long-term borrowings due within one year	3,160,515,436.18	3,663,675,996.17
Bonds payable due within one year	2,000,000,000.00	–
Lease liabilities due within one year	72,861,736.09	85,427,664.45
Total	5,233,377,172.27	3,749,103,660.62

33. Other current liabilities

Unit: RMB

Item	30 June 2020	31 December 2019
Super short-term commercial paper	2,000,000,000.00	1,000,000,000.00
Other accrued expenses	153,659,594.04	167,803,612.80
Total	2,153,659,594.04	1,167,803,612.80

Changes in short-term bonds payable:

Unit: RMB

Name	Par value	Issue date	Term	Issue amount	1 January 2020	Issued amount for the period	Accrued interest at par value	Amortization of premium and depreciation	Repayment in the period	30 June 2020
19 Luanchuan Molybdenum SCP003 (Note1)	100	2019/10/18	180 days	1,000,000,000.00	1,000,000,000.00	–	16,721,311.48	–	1,000,000,000.00	0.00
20 Luanchuan Molybdenum SCP001 (Note2)	100	2020/2/28	180 days	1,000,000,000.00	–	1,000,000,000.00	10,531,506.85	–	–	1,000,000,000.00
20 Luanchuan Molybdenum SCP002 (Note3)	100	2020/3/18	180 days	1,000,000,000.00	–	1,000,000,000.00	8,486,301.36	–	–	1,000,000,000.00
Total	/	/	/	3,000,000,000.00	1,000,000,000.00	2,000,000,000.00	35,739,119.69	–	1,000,000,000.00	2,000,000,000.00

Note 1: The Company issued super short-term commercial paper (19 Luanchuan Molybdenum SCP003) with par value of RMB1,000,000,000.00 at a fixed rate of 3.4% per annum with a maturity of 180 days, on 18 October 2019. The relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market.

Note 2: The Company issued super short-term commercial paper (20 Luanchuan Molybdenum SCP001) with par value of RMB1,000,000,000.00 at a fixed rate of 3.1% per annum with a maturity of 180 days, on 28 February 2020. The relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market.

Note 3: The Company issued super short-term commercial paper (20 Luanchuan Molybdenum SCP002) with par value of RMB1,000,000,000.00 at a fixed rate of 2.95% per annum with a maturity of 180 days, on 18 March 2020. The relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market.

34. Long-term borrowings

(1) Categories of long-term borrowings

Unit: RMB

Item	30 June 2020	31 December 2019
Secured borrowings (Note 1)	12,577,022,737.27	13,927,202,403.68
Unsecured and non-guaranteed loans (Note 2)	9,065,674,906.20	6,015,383,358.37
Less: long-term borrowings due within one year (Note (V). 32)	-3,160,515,436.18	-3,663,675,996.17
Total	18,482,182,207.29	16,278,909,765.88

Note 1: Borrowings obtained by the Group are through pledge of fixed deposits, equity of subsidiaries etc. including:

In September 2016, CMOC LUXEMBOURG S.À.R.L (hereinafter referred to as "CMOC LUXEMBOURG") and CMOC BRASIL, the subsidiaries of the Group, obtained a total of USD900 million (equivalent to 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 installments during the period from 14 September 2018 to 14 September 2023, with interest rates range 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.

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 Congo Copper-Cobalt business, which will be repaid by the agreed installments during the period from 15 March 2018 to 15 November 2023, with interest rates range 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 provide a joint guarantee.

Note 2: On 6 April 2017, the Group's subsidiary BHR signed a syndicated credit loan agreement of a total loan commitment amount of USD690 million for the acquisition of 30% equity in TFHL. The syndicated loan will be repaid in instalments between 6 July 2019 and 6 April 2024 according to the agreement, and interest rate ranges from 3-month USD LIBOR plus 2.50% to 3-month USD LIBOR plus 2.64%.

The related default clauses have been agreed in the above loan contracts of the Group. The management of the Group verified the link indicators as agreed in the relevant default clauses at the end of each accounting period to determine that no events causing default existed.

(2) *Analysis of long-term borrowings due over one year:*

Unit: RMB

Expiration date	30 June 2020	31 December 2019
1 to 2 years	4,143,642,255.40	6,201,190,465.58
2 to 5 years	14,338,539,951.89	10,077,719,300.30
Total	18,482,182,207.29	16,278,909,765.88

As 30 June 2020, the interest rate for the above loans was 1.0300% to 4.6600%per annum (31 December 2019: 1.0090% to 4.4770%per annum).

As at 30 June 2020, there is no outstanding long-term borrowing of the Group due but not paid

35. Bonds payable

(1) *Bonds payable*

Unit: RMB

Item	30 June 2020	31 December 2019
Medium-term note	1,000,000,000.00	2,000,000,000.00
Corporate bonds in RMB	1,000,000,000.00	1,000,000,000.00
Corporate bonds in USD	2,123,850,000.00	2,092,860,000.00
Total	4,123,850,000.00	5,092,860,000.00

(2) Changes in bonds payable (exclusive of preferred share, perpetual bond etc. that are classified as financial liabilities)

Unit: RMB

Name	(Note 5) Par value	Issue date	Term	Issue amount	1 January 2020	Issued amount for the period	Accrued Interest at par value	Interest paid during the period	Closing interest payable	Amortization of premium and depreciation	Converted difference in foreign currency statements	Amount due within one year	Repayment during the period	30 June 2020
16 Luanchuan														
Molybdenum														
MTN001 (Note 1)	100	17 March 2016	5 years	2,000,000,000.00	2,000,000,000.00	-	41,853,150.68	84,400,000.00	23,585,753.43	-	-	2,000,000,000.00	-	-
19 CMOCC 01/Note														
2)														
	100	28 November 2019	3 years	1,000,000,000.00	1,000,000,000.00	-	21,341,369.86		25,328,219.17	-	-	-	-	1,000,000,000.00
CMOC CAP B2202														
(Note 3)	USD200,000	1 February 2019	3 years	2,010,750,000.00	2,092,860,000.00	-	58,410,803.94	57,768,927.00	50,434,358.07	-	30,990,000.00	-	-	2,123,850,000.00
20 Luanchuan														
Molybdenum														
MTN001 (Note 4)	100	28 May 2020	5 years	1,000,000,000.00	-	1,000,000,000.00	3,912,328.76	-	3,912,328.76	-	-	-	-	1,000,000,000.00
Total	/	/	/	6,010,750,000.00	5,092,860,000.00	1,000,000,000.00	125,517,653.24	142,168,927.00	103,260,659.43	-	30,990,000.00	2,000,000,000.00	-	4,123,850,000.00

Note 1: The Company issued medium-term notes with a total par value of RMB2 billion (referred to: 16 Luanchuan Molybdenum MTN001) on 17 March 2016; and the relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market. The proceeds from the issue of the medium-term financing bonds were used to supply the Company and its subsidiaries' working capital and repayment of bank borrowings. The annual interest rate of the medium-term notes is a fixed rate, 4.22% with a term of 5 years and the interest is paid once a year in the duration. See Note V. 31 for the details of interest payable.

Note 2: The Company issued corporate bonds with par value of RMB1,000,000,000.00 (19 CMOCC 01) on 28 November 2019. The relevant bonds are permitted to trade and circulate on the SSE. Proceeds from issuance of the bonds were used as supplement to working capital of the Company and its subsidiaries and repayment of bank loans. The bonds bear a fixed interest rate of 4.28% per annum, with maturity of 3 years. Relevant interest shall be paid once a year in the duration of bonds. Please refer to Note V. 31 for interest payable.

Note 3: The Company's subsidiary issued bonds in USD with par value of USD300,000,000.00 on 1 February 2019 (CMOC CAP B2202). Relevant bonds are issued in HKEX. Proceeds from issuance of the bonds were used for the Company's general operation, including but not limit to repayment of partial existing debts of the Company. The bonds bear a fixed interest rate of 5.45% per annum, with maturity of 3 years. Relevant interest shall be paid twice a year in the duration of bonds. Please refer to Note V. 31 for interest payable.

Note 4: The Company issued medium-term notes with a total par value of RMB1 billion (referred to: 20 Luanchuan Molybdenum MTN001) on 28 May 2020; and the relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market. The proceeds from the issue of the medium-term financing bonds were used to repay bank loans and other debt financing instruments. The annual interest rate of the medium-term notes is a fixed rate, 4.2% with a term of 5 years and the interest is paid once a year in the duration. See Note V. 31 for the details of interest payable.

Note 5: Par value refers to the amount of a singer note.

36. Lease liabilities

Unit: RMB

Item	30 June 2020	31 December 2019
Operating lease payables	185,011,006.57	273,971,191.18
Total	185,011,006.57	273,971,191.18

The Group is not exposed to significant liquidity risk related to lease liabilities.

37. Long-term employee benefits payable

(1) Long-term employee benefits payable

Unit: RMB

Item	30 June 2020	31 December 2019
I. Retirement benefits-net liability from defined benefit plan	300,994,680.00	227,754,812.25
II. Long service leave (Note)	19,487,707.04	23,930,847.09
III. Others	2,229,631.89	2,563,348.88
Total	322,712,018.93	254,249,008.22

Note: It represents liabilities relating to annual leave and long service leave accrued for employees by overseas companies of the Group, in which the portion expected to be paid within 12 months is accounted for in employee benefits payable.

38. Provisions

Unit: RMB

Item	30 June 2020	31 December 2019
Pending litigation (Note 2)	540,556,592.60	501,499,725.11
Rehabilitation and asset abandonment cost (Note 1)	2,038,055,557.53	1,993,671,838.59
Total	2,578,612,150.13	2,495,171,563.70

Note 1: The Group has the obligation of rehabilitation, environmental restoration and dismantling of related assets due to the environmental impact caused by mineral production and development activities. The management's best estimate of future economic benefits outflow generated from the above obligations 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 significant impact on the Group's estimate.

Note 2: The Group's Niobium-Phosphorus business in Brazil is facing with a series of local litigations and disputes related to tax matters, labors and other civil cases. When the relevant litigations are likely to lose and result in economic benefits outflow, the management of the Group estimate the amount of potential economic benefits outflow and make corresponding provisions.

39. Deferred income

Unit: RMB

Item	31 December 2019	Increase in the period	Decrease in the period	30 June 2020	Reason
Government grants	68,005,249.90	–	3,695,227.80	64,310,022.10	/
Total	68,005,249.90	–	3,695,227.80	64,310,022.10	/

Projects related to government grants

Unit: RMB

Item of liabilities	1 January 2020	Increase in the period	Recorded in non- operating income	Recorded in other income	Other changes	30 June 2020	Related to assets/ income
Deferred income-subsidies for low-grade scheelite demonstration project	47,866,609.80	–	–	3,502,434.90	–	44,364,174.90	Related to assets
Subsidies of the return of Nannihu land premium	14,587,996.10	–	–	192,792.90	–	14,395,203.20	Related to assets
Special funds for comprehensive utilization of 3,000 tons/day Molybdenum selection tailings	3,000,000.00	–	–	–	–	3,000,000.00	Related to assets
Comprehensive tax and industrialization award for large-scale tungsten associated copper rhenium	1,200,000.00	–	–	–	–	1,200,000.00	Related to assets
Subsidies for installation of heavy metal automatic monitoring facilities	20,644.00	–	–	–	–	20,644.00	Related to assets
Subsidy for closing Luchanggou Tailing Construction of Heluo Craftman Workshop	1,230,000.00	–	–	–	–	1,230,000.00	Related to assets
	100,000.00	–	–	–	–	100,000.00	Related to assets

Note: For the government grants to be received by the Company, it will be divided to asses-related government grants and income-related government grants according to the definition and requirements by the government. For those not clearly defined by the government documents, the Company will make judgment according to whether it can form assets or not.

40. Other non-current liabilities

Unit: RMB

Item	30 June 2020	31 December 2019
Principal, interest and others payable to third parties	1,400,558.44	2,307,688.45
Production progress fees payable to Gécamines (<i>Note 1</i>)	70,795,000.00	69,762,000.00
Deferred management bonus (<i>Note 2</i>)	47,008,500.16	46,250,434.05
Share-based payments (<i>Note 3</i>)	95,208,070.98	119,631,887.87
Others	121,520.33	189,508.47
Total	214,533,649.91	238,141,518.84

Other descriptions:

Note 1: In accordance with the mining agreement entered into between the Group and Gécamines, Gécamines needs to charge TFM production progress fees. On 30 June 2020, the outstanding payment is USD10,000,000.00; according to TFM's production plan, the remaining amount is expected to be paid after 2021.

Note 2: It represents the management bonus determined before IXM becoming a subsidiary of the Group. The closing balance of the period will be paid by installment in three years, of which, the portion expected to be paid within 12 months is presented under employee benefits payable.

Note 3: In 2018 and 2019, IXM announced a cash-settled share-based payment plan (Phantom Equity Retention Plan, "PERP") which will be exercised in five years and a cash-settled share-based payment plan (Phantom Equity Participant Plan, "PEPP") which will be exercised in four years, respectively. Both PERP and PEPP vested 25% per annum during the period from 2020 to 2023, and will be expired in 2029. Vesting conditions of PERP are mainly related to the net assets of IXM and employees' personal performance, while requiring employees continuing employment with IXM; Vesting conditions of PEPP are mainly related to requirement for continuing employment with IXM. In the current period, other non-current liabilities related to PERP and PEPP amounting to RMB80,931,137.84 and RMB14,276,933.14 were recognized respectively.

41. Share capital

Unit: RMB

	1 January 2020	Issuing new shares	Changes for the period (+, -)			Sub-total	30 June 2020
			Bonus Capitalization of surplus reserve	Others			
Total amount of shares	4,319,848,116.60	-	-	-	-	-	4,319,848,116.60

Other descriptions:

At 30 June 2020, the Company totally issued 21,599,240,583 shares at par value of RMB0.2, with total share capital of RMB4,319,848,116.60.

42. Capital reserve

Unit: RMB

Item	1 January 2020	Increase in the period	Decrease in the period	30 June 2020
Capital premium (share capital premium)	27,582,794,983.23	-	-	27,582,794,983.23
Including: Capital invested by investors	27,580,672,943.23	-	-	27,580,672,943.23
Others	2,122,040.00	-	-	2,122,040.00
Total	27,582,794,983.23	-	-	27,582,794,983.23

43. Other comprehensive income

Unit: RMB

Item	1 January 2020	Amount recognized in the current period					After-tax amount attributable to owners of the parent company	After-tax amount attributable to minority shareholder	30 June 2020
		Actual amount before income tax in the period	Less: Amount previously included in other comprehensive income transferred into profit or loss	Less: Amount previously included in other comprehensive income transferred into retained earnings	Less: Income tax expenses	Less: Amount previously included in other comprehensive income transferred into retained earnings			
I. Other comprehensive income that will not be reclassified to profit or loss									
Other comprehensive income that will not be reclassified to profit or loss	-23,817,452.15	-25,520,713.79	-	-	-8,894,111.59	-16,626,602.20	-	-40,444,054.35	
Including: Remeasurement of changes in defined benefit plans	-8,303,640.00	-25,520,713.79	-	-	-8,894,111.59	-16,626,602.20	-	-24,930,242.20	
Changes in fair value of other investments in equity instruments	-15,513,812.15	-	-	-	-	-	-	-15,513,812.15	
II. Other comprehensive income that may be reclassified subsequently to profit or loss									
Other comprehensive income that may be reclassified subsequently to profit or loss	-444,770,910.98	-145,892,913.39	24,987,792.25	-	-156,137,505.95	-133,494,960.37	118,751,760.68	-578,265,871.35	
Cash flow hedge reserve	-190,158,096.05	-723,494,709.41	24,987,792.25	-	-156,137,505.95	-592,344,995.71	-	-782,503,091.76	
Foreign exchange difference from translation of financial statements	-254,612,814.93	577,601,796.02	-	-	-	458,850,035.34	118,751,760.68	204,237,220.41	
Total other comprehensive income	-468,588,363.13	-171,413,627.18	24,987,792.25	-	-165,031,617.54	-150,121,562.57	118,751,760.68	-618,709,925.70	

44. Special reserve

Unit: RMB

Item	1 January 2020	Increase in the period	Decrease in the period	30 June 2020
Safety production expense	302,145.46	85,059,433.10	84,527,942.07	833,636.49
Total	302,145.46	85,059,433.10	84,527,942.07	833,636.49

45. Surplus reserve

Unit: RMB

Item	1 January 2020	Increase in the period	Decrease in the period	30 June 2020
Statutory surplus reserve	1,286,827,000.91	–	–	1,286,827,000.91
Total	1,286,827,000.91	–	–	1,286,827,000.91

46. Retained profits

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Retained profits at the end of previous year (before adjustment)	8,081,590,250.78	8,682,123,314.63
Retained profits at the beginning of current period (after adjustment)	8,081,590,250.78	8,682,123,314.63
Add: Net profit attributable to shareholders of the parent company for the period	1,007,820,700.18	1,857,014,210.98
Transferred from other comprehensive income	–	-44,800,000.00
Less: Appropriation to statutory surplus reserve	–	126,430,810.70
Ordinary shares payable	928,767,346.11	2,375,916,464.13
Retained profits at the end of current period	8,160,643,604.85	8,081,590,250.78

47. Operating income and operating costs

(1) Operating income and operating costs

Unit: RMB

Item	Amount for the current period		Amount for the prior period	
	Revenue	Costs	Revenue	Costs
Principal operating activities	46,556,672,079.04	45,907,052,689.74	9,885,585,119.58	7,702,545,433.57
Other operating activities	187,185,347.22	135,181,444.57	93,084,188.16	74,609,956.25
Total	46,743,857,426.26	46,042,234,134.31	9,978,669,307.74	7,777,155,389.82

(2) Description of performance obligations

Sales of goods and metal business:

The Group sells mineral products including molybdenum, tungsten, niobium, phosphorus, copper, cobalt and gold, and copper, lead and zinc concentrates, refined metals, aluminium and other secondary metals to customers. In general, contracts on sales of relevant products solely contain one performance obligation, i.e, delivery of goods. The consideration for sales of products is determined based on the fixed price in the sales contract or temporary pricing arrangement. Revenue is recognized upon transfer of control to the client. Revenue from sales in the temporary pricing arrangement is recognized based on the fair value of products upon recognition of sales. Subsequent changes in the fair value of accounts receivable is included in revenue from sales of goods.

In the meanwhile, the Group carries out business by receipts in advance or sales on credit based on credit status of counterparties.

Income from hotel services:

The Group renders services to clients based on its own hotels, relevant revenue is recognized in the period when clients receives and consumes relevant services.

Other income:

The Group also provides customers with ancillary services including diesel and electricity, and receives revenue. Relevant revenue is recognized in the period when the customer obtains and consumes the goods.

(3) Description of allocation to remaining performance obligations

At the end of the reporting period, the revenue corresponding to the contracted but unfulfilled (or incompletely performed) performance obligations amounts to RMB373,745,082.04 of which:

Unit: RMB

Item	Within 1 year	1 – 2 years	2 – 3 years	Over 3 years	Total
Molybdenum, tungsten and related products	52,676,687.84	–	–	–	52,676,687.84
Niobium related products	–	–	–	–	–
Phosphorus related products	166,962,031.95	–	–	–	166,962,031.95
Copper, cobalt and related products	20,802,165.78	–	–	–	20,802,165.78
Concentrates metal trading	69,692,811.83	–	–	–	69,692,811.83
Refined metal trading	50,539,188.38	–	–	–	50,539,188.38
Others	10,033,816.25	1,427,488.04	1,017,163.80	593,728.17	13,072,196.26
Total	370,706,702.03	1,427,488.04	1,017,163.80	593,728.17	373,745,082.04

48. Taxes and levies

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Urban maintenance and construction tax	6,827,927.62	10,752,662.61
Education surcharges	6,748,712.62	10,687,935.39
Resource tax	410,179,461.61	423,529,994.13
Others	49,767,789.39	41,329,728.74
Total	473,523,891.24	486,300,320.87

Note: The resource tax include the royalties of mineral rights in Congo.

49. Selling expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	14,958,585.42	12,894,522.20
Entertainment expenditures	299,516.28	549,948.16
Traveling expense	824,637.89	1,824,626.73
Market consulting fee	15,853,587.14	16,425,991.06
Others	10,460,786.84	9,379,317.55
Total	42,397,113.57	41,074,405.70

50. Administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	242,701,785.28	175,231,367.92
Depreciation and amortization	95,055,728.69	72,622,921.58
Consulting and agency fees	72,804,948.98	66,876,209.77
Entertainment expenditures	9,007,454.27	17,518,193.35
Insurance costs	59,768,625.67	46,351,178.20
Others	173,057,817.73	103,175,665.10
Total	652,396,360.62	481,775,535.92

51. R&D expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Technical R&D expenses	45,276,058.60	122,672,256.28
Total	45,276,058.60	122,672,256.28

52. Financial expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Interest expenses on bonds	154,270,471.63	94,867,102.02
Discount interest of notes receivables	15,007,252.04	8,117,077.87
Bank loans interest expenses	749,889,990.12	676,841,412.69
Interest expenses on lease liabilities	4,869,700.37	3,770,346.42
Total interest expenses	924,037,414.16	783,595,939.00
Less: Interest income	-370,946,927.96	-531,075,204.76
Exchange differences	26,987,130.49	-21,607,204.04
Gold lease charges	33,313,726.84	52,642,215.79
Returns paid to BHR shareholders (note)	-	140,961,913.08
Others	82,059,623.52	83,279,974.40
Total	695,450,967.05	507,797,633.47

Note: On 20 January 2017, the Group entered into a framework agreement for cooperation with BHR and its investors, acquired the control of BHR and its accessory assets based on the agreed control, and in the meanwhile promised to grant BHR's investors with returns for exit at a fixed rate per annum in corresponding period. Financial expenses were accrued based on the agreed returns. After the Group completed the acquisition of the minority shareholders' equity of BHR in June 2019, there is no need to pay this fee.

53. Other income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Nannihu land transfer compensation	192,792.90	192,792.90
Deferred income-subsidies for low-grade scheelite demonstration project	3,502,434.90	3,502,434.90
Rewards for research and development	2,498,000.00	2,800,000.00
Sinosure financial support fund	3,000,000.00	3,000,000.00
Government subsidies for stabilizing job posts	1,689,415.17	-
Others	2,030,805.95	638,839.43
Total	12,913,448.92	10,134,067.23

54. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	4,063,829.99	164,709,318.09
Investment income from holding held-for-trading financial assets	80,622,896.36	75,972.88
Interest income from holding debt investments	1,721,250.00	–
Investment income on disposal of held-for-trading financial assets	–	1,761,818.63
Investment income on disposal of other non-current financial assets	9,818,727.41	–
Interest income from holding other non-current financial assets	26,294,807.78	42,036,701.73
Losses on disposal of derivative financial instruments	–	-101,862,443.30
Gains on re-measurement of the fair value of the original long-term equity investment upon the acquisition of the remaining equity in the joint venture	–	52,245,779.61
Interest income from holding other financial assets at amortized cost	4,016,996.32	–
Total	126,538,507.86	158,967,147.64

Other descriptions:

There are no significant restrictions on remittance of investment income. Investment income for both current and prior periods is generated from the unlisted entities.

55. Gains from changes in fair value

Unit: RMB

Sources resulting in gains from changes in fair values	Amount for the current period	Amount for the prior period
Gains (losses) from changes in fair values of gold lease and forward contract measured at fair value (Note V. 24)	-2,954,095.22	-9,428,883.19
Gains from changes in fair value of consumable biological assets (Note (V). 8)	2,176,208.19	2,167,790.51
Gains from the changes in the fair value of other non-current financial assets at FVTPL	-43,991,147.33	78,830,240.47
Losses from the changes in the fair value of floating- rate foreign currency loan contract, forward exchange contract and forward rate swap contract measured at fair value	–	-10,879,956.60
Gains (losses) from changes in fair value of derivative financial instruments	1,438,282,539.04	76,131,066.90
Gains (losses) from changes in fair value of other held-for-trading financial assets	8,737,766.41	132,303.92
Total	1,402,251,271.09	136,952,562.01

56. Losses from credit impairment

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Losses from bad debt of other receivables	–	701,243.10
Losses from bad debt of accounts receivable	-904,201.83	-15,252,920.74
Losses from impairment of notes receivable	212,333.58	-2,885,584.98
Total	-691,868.25	-17,437,262.62

Note: The Group recognizes provision for losses from credit impairment of accounts receivable, other financial assets classified as at amortized cost, debt instruments classified as at FVTOCI.

57. Losses from assets impairment

Unit: RMB

Item	Amount for the current period	Amount for the prior period
I. Losses from decline in value of inventories and impairment of contract performance cost	10,936,023.88	-11,899,427.69
Total	10,936,023.88	-11,899,427.69

58. Gains from disposal of assets

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Gains (losses) from disposal of fixed assets	5,989,609.46	-10,676,048.84
Total	5,989,609.46	-10,676,048.84

59. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Government grants	50,000.00	678,974.27	50,000.00
Others	5,433,440.40	1,849,428.48	5,433,440.40
Total	5,483,440.40	2,528,402.75	5,483,440.40

Government grants included in profit or loss for the period

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Related to assets/related to income
Others	50,000.00	678,974.27	Related to income

60. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
External donations	1,445,334.19	1,687,328.34	1,445,334.19
Others	4,011,011.87	4,864,073.97	4,011,011.87
Total	5,456,346.06	6,551,402.31	5,456,346.06

61. Income tax expenses

(1) Income tax expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Current tax expenses	784,662,031.38	420,765,844.66
Deferred tax expenses	-1,468,419,805.33	-416,842,977.80
Differences arising on settlement of income tax for the previous year	32,151,833.26	46,498,332.37
Total	-651,605,940.69	50,421,199.23

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

Unit: RMB

Item	Amount for the current period
Accounting profit	350,542,988.17
Income tax expenses calculated at statutory/applicable tax rate	52,581,448.42
Impact of different tax rate in subsidiaries in other jurisdictions	-156,418,179.24
Impact of adjustment of income tax for previous periods	32,151,833.26
Tax impact of tax free income	-42,856,242.55
Tax impact of non-deductible cost, expenses and losses	105,314,941.66
Tax impact of deductible losses and deductible temporary differences for which deferred tax assets are not recognized	5,890,091.03
Exchange rate impact of non-currency monetary items (Note V. 21 (note 1))	48,940,580.81
Deductible losses generated from tax reports (Note V. 21 (note 1))	-271,857,864.32
Tax for registered capital (note)	9,169,929.67
Changes in deferred income tax due to changes in tax rate	-8,991,673.46
Impact of restructuring project of niobium and phosphorus business in Brazil	-416,855,240.18
Others	-8,675,565.79
Income tax expenses	-651,605,940.69

Note: It represents the income tax paid based on the proportion of the registered capital under the tax law in Switzerland by IXM, the Group's subsidiary.

62. Details of other comprehensive income are set out in Note V. 43.

63. Items in the cash flow statements

(1) *Other cash received relating to operating activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
IXM's receipts of deposits for derivative financial instruments	141,576,312.31	–
Receipts of compensation and penalty	82,560.00	105,711.03
Receipts of interest income	359,700,386.53	460,124,636.52
Receipts of government grants	8,913,437.69	4,742,477.68
Others	271,435,128.68	243,934,865.61
Total	781,707,825.21	708,907,690.84

(2) *Other cash payments relating to operating activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Payments for consulting fee, technology development fee and transportation fee, etc.	143,757,722.26	92,634,134.10
Payments of donations and penalty, etc	289,457.18	130,000.00
Payments of bank charges, etc.	5,759,409.37	29,580,600.78
IXM's payments for settlement on investment loss from derivative financial instruments	6,920,834.90	–
Others	48,803,506.60	62,752,607.71
Total	205,530,930.31	185,097,342.59

(3) *Other cash receipts relating to investing activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from repayments of third parties	200,000,000.00	–
Others	62,090,210.78	49,606,955.40
Total	262,090,210.78	49,606,955.40

(4) *Other cash payments relating to investing activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash payments for loans to third parties	594,590,712.61	–
Cash payments for delivery of forward foreign exchange contracts	–	101,851,228.28
Others	26,201,798.72	7,820,749.22
Total	620,792,511.33	109,671,977.50

(5) *Other cash receipts relating to financing activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from gold lease business	3,465,378,700.00	1,728,060,935.00
Cash receipts from third-party borrowings	263,173,396.62	–
Others	2,239.00	19,399,978.94
Total	3,728,554,335.62	1,747,460,913.94

(6) *Other cash payments relating to financing activities*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash paid for gold leasing business	3,334,872,270.00	1,959,232,020.40
Commission charge related to gold leasing business	43,320,844.09	93,758,632.42
Borrowing guarantee deposit and arrangement fee	60,656,640.77	156,828,640.99
Fixed remuneration paid to BHR shareholders	–	140,961,913.01
Cash repayments to third parties	127,501,116.00	–
Others	42,308,342.00	–
Total	3,608,659,212.86	2,350,781,206.82

64. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,002,148,928.86	773,490,604.62
Add: Provision for impairment on assets	-10,936,023.88	11,899,427.69
Credit impairment loss	691,868.25	17,437,262.62
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	1,123,667,796.88	1,159,405,210.31
Amortization of right-of-use assets	49,816,223.70	34,787,507.48
Amortization of intangible assets	765,760,740.72	631,136,626.62
Amortization of long-term prepaid expenses	13,694,688.09	12,158,067.69
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	-5,989,609.46	10,676,048.84
Losses on write-off of fixed assets (gains are indicated by "-")	495.00	-
Losses on changes in fair values (gains are indicated by "-")	109,079,596.70	-136,952,562.01
Financial expenses (income is indicated by "-")	962,213,481.47	853,358,284.48
Losses arising from investments (gains are indicated by "-")	-126,538,507.86	-158,967,147.64
Decrease in deferred tax assets (increase is indicated by "-")	-538,739,450.31	-78,998,737.57
Increase in deferred tax liabilities (decrease is indicated by "-")	-964,683,480.24	-284,502,961.03
Decrease in inventories (increase is indicated by "-")	-1,373,440,773.80	-596,207,937.39
Decrease in receivables from operating activities (increase is indicated by "-")	1,900,827,601.13	-267,714,792.67
Increase in payables from operating activities (decrease is indicated by "-")	911,060,365.68	663,347,534.34
Others	432,763,779.66	-414,538,881.82
Including: Amortization of deferred income	-3,695,227.80	-3,695,227.80
Increase in special reserve (decrease is listed with "-")	531,491.03	295,729.24
Decrease in restricted bank deposits (increase is filled with "-")	435,927,516.43	-411,139,383.26
Net cash flow from operating activities	4,251,397,720.59	2,229,813,554.56
2. Significant investing and financing activities that do not involve		
cash receipts and payments:	-	-
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Fixed assets hold under finance lease	-	-
	-	-
3. Net changes in cash and cash equivalents:		
Closing balance of cash	15,374,199,270.18	20,390,131,481.37
Less: Opening balance of cash	12,392,247,511.85	23,240,703,274.03
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	2,981,951,758.33	-2,850,571,792.66

(2) *Constitution of cash and cash equivalents*

Unit: RMB

Item	Amount for the current period	Amount for the prior period
I. Cash	15,374,199,270.18	12,392,247,511.85
Including: Cash on hand	1,317,899.49	980,374.15
Bank deposits always available for payment	15,372,881,370.69	12,391,267,137.70
II. Cash equivalents	–	–
III. Closing balance of cash and cash equivalents	15,374,199,270.18	12,392,247,511.85

65. Foreign currency monetary items

(1) *Foreign currency monetary items*

Unit: RMB

Item	Closing balance denominated in foreign currency	Exchange rate	Closing balance of foreign currency translated into RMB
Monetary funds			464,512,495.69
Including: RMB	3,361,052.95	1.0000	3,361,052.95
USD	8,425,291.71	7.0795	59,646,852.65
EUR	4,777,267.58	7.9276	37,872,418.66
HKD	1,916,349.38	0.9130	1,749,647.41
CAD	1,198,707.32	5.2071	6,241,751.25
AUD	35,838,576.42	4.8614	174,225,430.71
BRL	115,253,702.46	1.2950	149,247,958.02
GBP	452,789.75	8.7580	3,965,550.00
CDF	3,558,329,901.50	0.0036	12,952,038.91
ZAR	21,063,188.05	0.4082	8,597,344.23
SGD	99,212.89	5.0713	503,135.89
AED	37,846.49	1.9274	72,946.96
CHF	200,950.87	7.4770	1,502,505.08
CLP	47,663,415.00	0.0087	413,338.66
MXN	5,185,632.82	0.3060	1,587,017.67
NAD	130,406.18	0.4082	53,227.86
PEN	874,970.24	1.9993	1,749,322.79
PLN	19,524.62	1.7785	34,724.52
TRY	712,936.63	1.0327	736,231.47

Item	Closing balance denominated in foreign currency	Exchange rate	Closing balance of foreign currency translated into RMB
Short-term borrowings			1,289,507,372.50
Including : USD	178,840,000.00	7.0795	1,266,097,780.00
EUR	947.24	7.9276	7,509.37
GBP	30.79	8.7580	269.66
ZAR	16,143.60	0.4082	6,589.32
CHF	255.40	7.4770	1,909.62
MXN	5,155.86	0.3060	1,577.88
PEN	11,699,999.59	1.9993	23,391,736.65
Long-term borrowings			716,667,892.82
Including : USD	700,000,000.00	1.0000	700,000,000.00
PEN	8,336,889.41	1.9993	16,667,892.82

(2) *Description of overseas operations, i.e. disclosures for significant overseas operations should include the principal place of operation, functional currency and basis for choosing the functional currency, and reasons for change of functional currency, if any.*

Name of subsidiaries	The main operating location abroad	Functional currency	Basis of choice
COMC Brasil	Brasil	USD	According to the primary economic environment
CMOC Mining	Australia	USD	According to the primary economic environment
CMOC Mining Services	Australia	AUD	According to the primary economic environment
TFM	Congo (DRC)	USD	According to the primary economic environment
Purveyors South Africa Mine Services CMOC ("CMOC South Africa")	Republic of South Africa	USD	According to the primary economic environment
IXM B.V.	Switzerland	USD	According to the primary economic environment

66. Hedges

Disclosures of qualitative and quantitative information of hedged items and related hedge instruments, hedged risk by category of hedges:

The Group enters into interest rate swap contracts to mitigate the cash flow risk arising from its floating-rate borrowings, i.e., some of the floating-rate borrowings are converted into fixed-rate borrowings. In 2018, the Group designated the acquired interest rate swap contracts as hedging instrument, and the critical terms of these interest rate swap contracts are similar to those of the borrowings. The Group determines the quantitative proportion between hedging instrument and the items hedged is 1:1 through qualitative analysis. The Group adopts cash flow hedging for such hedging, with the major terms as follows:

Nominal amount	Currency	Commencement date	Maturity date	Terms of the swap
450,000,000.00	USD	2018/2/6	2023/11/16	Loan rate of 3M LIBOR +1.70% swapped to fixed rate of 4.233%
350,000,000.00	USD	2018/3/28	2023/11/16	Loan rate of 3M LIBOR +2.75% swapped to fixed rate of 5.430%
300,000,000.00	USD	2018/12/4	2023/11/16	Loan rate of 3M LIBOR swapped to fixed rate of 2.949%

At the balance sheet date, the loss arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB237,712,267.75, and is expected to be transferred gradually to the income statement within 41 months after the balance sheet date.

In this period, the amount transferred from other comprehensive income to profit or loss by the Group is RMB29,397,402.65.

The Group uses forward foreign exchange contracts and foreign exchange option contracts to manage foreign exchange risks. In 2020, the Group designated some of the acquired forward foreign exchange contracts and foreign exchange option contracts as hedging instrument, and through qualitative analysis, the Group determined that there is an economic relationship between the hedging instrument and the hedged item. The Group adopts cash flow hedging for such hedging, with the major terms as follows:

Nominal amount	Currency	Commencement date	Maturity date	Currency swap terms
1,517,178,350.00	BRL	2020/1/1	2021/12/31	Conversion to USD at fixed exchange rate
150,000,000.00	AUD	2020/1/1	2020/12/31	Conversion to USD at fixed exchange rate

At the balance sheet date, the loss arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB362,951,497.12, and is expected to be transferred gradually to the income statement within 18 months; after the balance sheet date.

VI. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Constitution of the Group

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Molybdenum Refining Co., Ltd. ("Ye Lian")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment establishment
China Molybdenum Tungsten Sales and Trading Co., Ltd. ("Sales and Trading")	China	Luanchuan, Henan	Trading of mineral products	100.00	-	Investment establishment
Luoyang Dachuan Molybdenum Tungsten Technology Co., Ltd. ("Da Chuan")	China	Luanchuan, Henan	Processing and sales of mineral products	100.00	-	Investment establishment
Luoyang Mudu International Hotel Co., Ltd. ("International Hotel")	China	Luoyang, Henan	Hotel	100.00	-	Investment establishment
China Molybdenum Tungsten Co., Ltd ("Wu Ye")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment establishment
China Molybdenum (Hong Kong) Company Limited ("CMOC HK")	Hong Kong, China	Hong Kong, China	Trading of mineral products	100.00	-	Investment establishment
China Molybdenum Metal Material Company Limited ("Metal Material")	China	Luoyang, Henan	Processing and sales of mineral products	100.00	-	Investment establishment
Xinjiang Luomu Mining Co., Ltd ("Xin Jiang Luo Mu")	China	Xinjiang	Production and sales of mineral	70.00	-	Investment establishment
China Molybdenum Sales Co., Ltd. ("Sales company")	China	Luanchuan, Henan	Trading of mineral products	100.00	-	Investment establishment
CMOC Limited	Hong Kong, China	Hong Kong, China	Investment & Holding	100.00	-	Investment establishment
CMOC Mining	Australia	Australia	Production, processing and sales of mineral products	-	100.00	Investment establishment
CMOC Mining Services	Australia	Australia	Mining services	-	100.00	Investment establishment
Luochuan Huqi Mining Company Limited ("Hu Qi")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment establishment
Luanchuan Fu Kai Trading Co., Ltd. ("Fu Kai")	China	Luanchuan, Henan	Trading of Molybdenum and tungsten products	100.00	-	Investment establishment
Luochuan Qixing Mining Company Limited ("Qi Xing")	China	Luanchuan, Henan	Refining and sales of mineral products	90.00	-	Investment establishment

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Luanchuan Furun Mining Co., Ltd ("Fu Run")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	–	Investment establishment
Luanchuan County Dadongpo Tungsten Molybdenum Co., Ltd. ("Da Dong Po")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	–	Investment establishment
Luanchuan County Jiuyang Mining Co., Ltd. ("Jiu Yang")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	–	Investment establishment
Luanchuan County Sanqiang Molybdenum Tungsten Co., Ltd. ("San Qiang")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	–	Investment establishment
Luoyang Mudulihao Business Co., Ltd. ("Mu Du Li Hao")	China	Luoyang, Henan	Hotel management	–	100.00	Investment establishment
Schmoke (Shanghai) International Trading Co., Ltd. ("Schmoke")	China	Shanghai	Import and export of goods and technology	100.00	–	Investment establishment
CMOC Mining USA LTD ("CMOC USA")	USA	USA	Consultancy	–	100.00	Investment establishment
Shanghai Ruichao Investment Co., Ltd ("Rui Chao")	China	Shanghai	Consulting and enterprise operating and management	–	100.00	Investment establishment
Tibet Schmoke	China	Tibet	Consulting and asset management and sales	–	100.00	Investment establishment
Upnorth Investment Limited("Upnorth")	China	BVI	Investment & Holding	–	100.00	Investment establishment
Beijing Yongbo Resources Investment holding Co., Ltd. ("Beijing Yongbo")	China	Beijing	Consulting and asset management and sales	100.00	–	Investment establishment
Luoyang Yuehe Properties Co., Ltd ("Luoyang Yuehe")	China	Luoyang, Henan	Consulting, asset management	100.00	–	Investment establishment
CMOC DRC	Hong Kong, China	Hong Kong, China	Mining services	–	100.00	Investment establishment
CMOC UK Limited (Molybdenm UK)	UK	UK	Mining services and sales	–	100.00	Investment establishment
CMOC LUXEMBOURG	Luxembourg	Luxembourg	Investment & Holding	–	100.00	Investment establishment
CMOC Brasil	Brasil	Brasil	Mining and processing	–	100.00	Restruction after merger not under common control
Long March No.1 Investment Limited ("Long March")	Hong Kong, China	Hong Kong, China	Investment & Holding	–	100.00	Investment establishment
Bandra Investment Limited ("Bandra")	China	BVI	Investment & Holding	–	100.00	Investment establishment

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
CMOC International DRC Holdings Limited	Bermuda	Bermuda	Investment & Holding	-	100.00	Business combination not involving enterprises under common control
TFHL	Bermuda	Bermuda	Investment & Holding	-	100.00	Business combination not involving enterprises under common control
TFM	Congo (DRC)	Congo (DRC)	Mining and processing	-	80.00	Business combination not involving enterprises under common control
CMOC South Africa	The Republic of South Africa	The Republic of South Africa	Logistics transportation	-	100.00	Business combination not involving enterprises under common control
Oriental Red Investments Limited	Virgin Islands, British	Virgin Islands, British	Investment & Holding	-	100.00	Investment establishment
NREIL	Hong Kong, China	Hong Kong, China	Investment & Holding	-	100.00	Investment establishment
BHR	Virgin Islands, British	Virgin Islands, British	Investment & Holding	-	100.00	Control according to agreement
Ningbo Baiya Investment Co., Ltd.	China	Ningbo, Zhejiang	Investment management	-	100.00	Investment establishment
CMOC congo	Congo (DRC)	Congo (DRC)	Consulting services	-	100.00	Investment establishment
Congo Construction Company SARL	Congo (DRC)	Congo (DRC)	Refining and sales of mineral products	-	100.00	Business combination not involving enterprises under common control
CMOC Capital Limited	Virgin Islands, British	Virgin Islands, British	Investment & Holding	-	100.00	Investment establishment
CMOC BHR Limited	Hong Kong, China	Hong Kong, China	Investment & Holding	-	100.00	Investment establishment

Name of the subsidiary	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
High-tech	China	Luoyang, Henan	Production, processing and sales of metal products	100.00	–	Business combination not involving enterprises under common control
Shanghai Aoyide Trading Co., Ltd.	China	Shanghai	Domestic non-ferrous trading	–	100.00	Investment establishment
Luoyang Dinghong Trading Co., Ltd.	China	Luoyang, Henan	Trading of metal materials and mineral products etc.	–	100.00	Investment establishment
Ridgeway Commodities SA	Switzerland	Switzerland	Metal trading	–	100.00	Investment establishment
NSRC	Switzerland	Switzerland	Investment & Holding	–	100.00	Business combination not involving enterprises under common control
CMOC Metals Holding Limited	Hong Kong, China	Hong Kong, China	Investment & Holding	–	100.00	Investment establishment
IXM & ITS SUBSIDIARY	Switzerland	Netherlands	Metal trading	–	100.00	Business combination not involving enterprises under common control
W-Source Holding Limited	Hong Kong, China	Hong Kong, China	Investment & Holding	–	100.00	Business combination not involving enterprises under common control

(2) *Significant non-wholly owned subsidiaries*

Unit: RMB

Name of the subsidiary	Minority shareholder's shareholding ratio (%)	Profit or loss attributable to minority interests in the current period	Dividends distributed to minority shareholder in the current period	Closing balance of minority interests
TFM	20%	-1,292,815.53	–	5,463,167,784.62

(3) Financial information of significant non-wholly owned subsidiaries

Unit: RMB

Name of the subsidiary	30 June 2020						31 December 2019					
	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities
TFM	7,125,801,391.63	35,738,455,884.52	42,864,257,276.15	1,062,520,228.36	14,485,898,124.84	15,548,418,353.20	6,830,390,125.41	35,705,830,506.81	42,536,220,632.22	911,838,387.36	14,680,223,796.04	15,592,062,183.40

Name of the subsidiary	Amount for the current period				Amount for the current period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operation activities	Operating income	Net profit	Total comprehensive income	Cash flow from operation activities
TFM	4,410,195,525.95	-6,464,077.91	-6,464,077.91	875,587,877.13	4,474,719,143.63	-169,607,286.58	-169,607,286.58	500,758,116.97

2. Interest in joint ventures and associates

(1) Significant joint ventures and associates

Unit: RMB

Name	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Accounting treatments for investments in joint ventures and associates
				Direct	Indirect	
Huan Yu	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Investment	50	-	Equity method
Yulu Mining (Note)	Luoyang, Henan	Luoyang, Henan	Refining and sales of mineral products	40	-	Equity method
Huayue Nickel Cobalt	Indonesia	Indonesia	Refining and sales of mineral products	-	30	Equity method

Description regarding the difference between shareholding ratio and the ratio of voting power in joint ventures and associates:

Note: According to the resolution of shareholders' meeting in 2007 of Yulu Mining Co., Ltd., both investment parties share net profits of the company by ratio of 1 to 1 from 2008. Therefore, the Group actually shares 50% of profits or losses of Yulu Mining under equity method.

(2) Major financial information of key joint ventures

Unit: RMB

	30 June 2020/ Jan. -Jun. 2020	31 December 2019/2019
	Xuzhou Huan Yu	Xuzhou Huan Yu
	<i>(Note 1)</i>	<i>(Note 1)</i>
Current assets	314,838,985.79	307,196,737.14
Including: cash and cash equivalents	15,290,708.51	9,150,249.49
Non-current assets	2,680,880,649.25	2,695,467,286.55
Total assets	2,995,719,635.04	3,002,664,023.69
Current liabilities	819,302,337.29	767,152,127.12
Non-current liabilities	610,216,405.11	610,216,405.11
Total liabilities	1,429,518,742.40	1,377,368,532.23
Minority interests	-56,421,397.10	-53,284,775.96
Equity attributable to equity holders of the Company	1,622,622,289.75	1,678,580,267.42
Share of net assets calculated based on shareholding proportion	811,311,144.87	839,290,133.71
Adjusting events	2,801,986.47	8,585,005.40
– Others (Note 2)	2,801,986.47	8,585,005.40
Carrying amount of equity investments in joint ventures	814,113,131.34	847,875,139.11
Fair value of equity investments of joint ventures where there is quoted price	N/A	N/A
Operating income	100,574,427.59	/
Financial expenses	33,688,405.22	32,882,304.13
Net profit	-35,031,229.73	-66,428,283.30
Total comprehensive income	-35,031,229.73	-66,428,283.30

Note 1: The joint venture, Huan Yu of the Group, has 90% equity interest of Fu Chuan; meanwhile, through its subsidiary Fukai, the Group holds the remaining 10% interests of Fu Chuan.

Note 2: According to the agreement with local government, the local government shares 8% the dividend rights of Fu Chuan. Therefore, the Group actually shares 47% of the profits or losses of Fu Chuan under equity method.

(3) Major financial information of significant associates

Unit: RMB

	30 June 2020/Jan.-Jun. 2020		31 December 2019/2019	
	Yulu Mining (note)	Huayue Nickel Cobalt	Yulu Mining (note)	Huayue Nickel Cobalt
Current assets	310,630,658.41	316,017,113.23	230,641,091.41	799,829,154.23
Non-current assets	49,373,477.40	1,665,579,471.78	50,317,797.08	204,386,552.44
Total assets	360,004,135.81	1,981,596,585.01	280,958,888.49	1,004,215,706.67
Current liabilities	183,669,343.44	574,604,296.93	40,533,022.18	657,943,120.83
Non-current liabilities	1,500,000.00	–	2,000,000.00	–
Total liabilities	185,169,343.44	574,604,296.93	42,533,022.18	657,943,120.83
Minority interests	–	–	–	–
Equity attributable to equity holders of the Company	174,834,792.37	1,406,992,288.08	238,425,866.31	346,272,585.84
Share of net assets calculated based on shareholding proportion	69,933,916.95	295,468,380.50	95,370,346.52	72,717,243.05
Adjusting events	6,889,237.58	129,723,953.66	13,248,344.96	424,297.52
--Others	6,889,237.58	129,723,953.66	13,248,344.96	424,297.52
Carrying amount of equity investments in associates	76,823,154.53	425,192,334.16	108,618,691.48	73,141,540.57
Fair value of equity investments of associates where there is quoted price	N/A	N/A	N/A	N/A
Operating income	155,558,888.22	–	164,453,200.14	–
Net profit	88,008,926.06	-28,793,759.40	88,878,514.06	–
Net profit from discontinued operations	–	–	–	–
Other comprehensive income	–	–	–	–
Total comprehensive income	88,008,926.06	-28,793,759.40	88,878,514.06	–
Dividends received from associates in the current period	75,800,000.00	–	53,800,000.00	–

Note: Although the Group holds 40% equity interest of Yulu Mining, but shares 50% dividend rights. Details refer to Note V. 11.

2. Significant joint operation

Name of joint operation	Principal operating place	Registration place	Business nature	Shareholding proportion/shares (%)	
				Direct	Indirect
Northparkes Joint Venture ("NJV") (Note)	Australia	Australia	Copper gold mining	–	80

Note: On 1 December 2013, the Company had completed acquiring 80% joint control interests of unincorporated joint venture in Northparkes Copper gold mining and some relevant assets related to Copper gold mining business of NJV held by North Mining Limited. Afterwards, the unincorporated joint venture NJV became a joint operation of the Group.

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

Pursuant to the NJV Management Agreement, the Company as the manager arrange the daily operation of the Northparkes mine which hold by the Company, as joint controllers of NJV jointly, both parties of the joint ventures are responsible for the assets and liabilities according to their respective proportion. The joint ventures have agreed to protect the rights of individual party (including their respective shares of the production volume) from the event of default by any other joint venture to ensure the benefits of all parties.

VII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, derivative financial assets, accounts receivable, financing receivables, other receivables, other current assets, other equity instrument investments, other non-current financial assets, non-current derivative financial assets, other non-current assets, held-for-trading financial liabilities, derivative financial liabilities, notes payable, accounts payable, other payables, borrowings, other current liabilities, non-current derivative financial liabilities, non-current liabilities due within one year, bonds payable, and other non-current liabilities, etc. Details of these financial instruments are disclosed in Note VII. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored within a certain range.

The Group adopts sensitivity analysis technique to analyze how the profit and loss for the period or shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

The Group's risk management objectives are to achieve a proper balance between risks and benefits, and minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk and practice risk management, and monitors these exposures regularly and effectively to ensure the risks are controlled within a certain range.

1.1 Market risk

1.1.1 Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate changes. The Group is subject to foreign exchange risk mainly related to USD, HKD, EUR, CAD, RMB, BRL, GBP, ZAR, SGD, CDF and AUD. The Group's subsidiaries in the PRC use RMB for settlement of their principal business activities. The Group's subsidiaries in Australia mainly use AUD or USD for settlement, the Group's Niobium and Phosphorus businesses in Brazil are principally settled in USD and BRL and the Group's Copper-Cobalt business in Congo (DRC) is principally settled in USD and CDF. Foreign currency transactions are mainly financing activities of domestic and Hong Kong subsidiaries settled in USD, operating activities of subsidiaries in Australia of which the functional currency is USD settled in AUD, operating activities of subsidiaries in Brazil of which the functional currency is USD settled in BRL, and operating activities of subsidiaries in Congo (DRC) of which the functional currency is USD settled in CDF. The group pays close attention to the influence of exchange rate on the foreign exchange risk, and meanwhile manages the foreign exchange risk by buying forward foreign exchange contracts and foreign exchange options contracts, referring to Note V. 3, 14, and 25.

As at 30 June 2020, except for the financial assets and liabilities balance of each entity mentioned below use USD, HKD, AUD, EUR, CAD, RMB, BRL, ZAR, SGD, GBP, CDF, AED, CHF, CLP, MXN, NAD, VND, PEN, and PLN (converted in RMB) as functional currency, the Group's financial assets and financial liabilities are settled on the basis of the functional currency of each entity. The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Group's operating results.

RMB'000

Item	30 June 2020	31 December 2019
USD		
Cash and bank balances	59,647	5,864
Short-term borrowings	-1,266,098	-
Sub-total	-1,206,451	5,864
HKD		
Cash and bank balances	1,750	3,736
Sub-total	1,750	3,736
AUD		
Cash and bank balances	174,225	26,257
Sub-total	174,225	26,257
EUR		
Cash and bank balances	37,872	16,109
Short-term borrowings	-8	-
Sub-total	37,864	16,109

Item	30 June 2020	31 December 2019
CAD		
Cash and bank balances	6,242	6,388
Sub-total	6,242	6,388
RMB		
Cash and bank balances	3,361	287,475
Long-term borrowings	-700,000	-
Sub-total	-696,639	287,475
BRL		
Cash and bank balances	149,248	236,475
Sub-total	149,248	236,475
GBP		
Cash and bank balances	3,966	7,531
Sub-total	3,966	7,531
CDF		
Cash and bank balances	12,952	403
Sub-total	12,952	403
ZAR		
Cash and bank balances	8,597	8,212
Short-term borrowings	-7	-
Sub-total	8,590	8,212
SGD		
Cash and bank balances	503	4,748
Sub-total	503	4,748
AED		
Cash and bank balances	73	72
Sub-total	73	72

Item	30 June 2020	31 December 2019
CHF		
Cash and bank balances	1,503	1,135
Short-term borrowings	-2	-
Sub-total	1,501	1,135
CLP		
Cash and bank balances	413	145
Sub-total	413	145
MXN		
Cash and bank balances	1,587	740
Short-term borrowings	-2	-
Sub-total	1,585	740
NAD		
Cash and bank balances	53	64
Sub-total	53	64
VND		
Cash and bank balances	-	470
Sub-total	-	470
PEN		
Cash and bank balances	1,749	1,891
Short-term borrowings	-23,392	-
Non-current liabilities due within one year	-3,325	-
Long-term borrowings	-16,668	-
Sub-total	-41,636	1,891
PLN		
Cash and bank balances	35	38
Sub-total	35	38
TRY		
Cash and bank balances	736	-
Sub-total	736	-
Total	-1,507,750	607,753

The following table sets out in detail the sensitivity of the Group to the 10% rate of change in the exchange rate when exchanging the foreign currencies with the functional currency (including RMB, USD, HKD, and BRL) of each entity. 10% ratio is used internally to report foreign exchange risk to the senior management, which represents the management's estimate of possible changes in the foreign exchange rate. Foreign exchange risk sensitivity analysis at the Group's reporting date is based on the changes on the settlement date and throughout the reporting period. A positive number indicates that an increase in profit before tax of a company with RMB as its functional currency is resulted from having USD and EUR borrowings while RMB increase against those foreign currencies. A negative number indicates that a decrease in profit before tax of a company with RMB as its functional liabilities is resulted from having assets and liabilities denominated in USD, HKD and EUR while RMB increase against those foreign currencies, of companies with HKD as its functional currency is resulted from having cash and bank balances denominated in USD and RMB while HKD increase against those foreign currencies, and of companies with USD as their functional currency is resulted from having assets and liabilities denominated in AUD, HKD, EUR, CAD, RMB, BRL, GBP, CDF, ZAR, SGD, AED, CHF, CLP, MXN, NAD, VND, PEN, and PLN while USD increase against them. If the relevant functional currency decreases against these foreign currencies, it will have an opposite effect on the pre-tax profit. When performing the following sensitivity analysis, the Group does not consider the effect of existing forward foreign exchange contracts and foreign exchange options contracts.

Unit: RMB'000

Item	Changes in exchange rates	Jan. -Jun. 2020		Jan. -Jun. 2019	
		Impact on profit	Impact on shareholders' equity	Impact on profit	Impact on shareholders' equity
Entities choose RMB as functional currency					
Pre-tax profit and equity	Depreciation by 10% of USD against RMB	121,705	121,705	15,139	15,139
	Depreciation by 10% of HKD against RMB	0	0	-3	-3
	Depreciation by 10% of EUR against RMB	0	0	29,705	29,705
Entities choose HKD as functional currency					
Pre-tax profit and equity	Depreciation by 10% of USD against HKD	-1,060	-1,060	-5,387	-5,387
	Depreciation by 10% of RMB against HKD	-92	-92	-100	-100
Entities choose USD as functional currency					
Pre-tax profit and equity	Depreciation by 10% of AUD against USD	-17,423	-17,423	-9,926	-9,926
	Depreciation by 10% of HKD against USD	-175	-175	-473	-473
	Depreciation by 10% of EUR against USD	-3,786	-3,786	-3,163	-3,163
	Depreciation by 10% of CAD against USD	-624	-624	-622	-622
	Depreciation by 10% of RMB against USD	69,756	69,756	-38	-38
	Depreciation by 10% of BRL against USD	-14,925	-14,925	-43,923	-43,923
	Depreciation by 10% of GBP against USD	-397	-397	-361	-361
	Depreciation by 10% of CDF against USD	-1,295	-1,295	-19	-19
	Depreciation by 10% of ZAR against USD	-859	-859	-1,197	-1,197
	Depreciation by 10% of SGD against USD	-50	-50	-98	-98
	Depreciation by 10% of AED against USD	-7	-7	-	-
	Depreciation by 10% of CHF against USD	-150	-150	-	-
	Depreciation by 10% of CLP against USD	-41	-41	-	-
	Depreciation by 10% of MXN against USD	-159	-159	-	-
	Depreciation by 10% of NAD against USD	-5	-5	-	-
	Depreciation by 10% of VND against USD	4,164	4,164	-	-
	Depreciation by 10% of PEN against USD	-3	-3	-	-
	Depreciation by 10% of PLN against USD	-74	-74	-	-

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

1.1.2 Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable- rate bank borrowings (see Note V.23 and 34 for details). The Group paid close attention to the impact on cash flow change risks from the changes in interest rate and also hedges part of the interest rate risk assumed by the Group through interest rate swap contracts (see Note V.66 for details).

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

- Changes in market interest rates affect the interest income or expense of floating rate financial instruments;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate as at the balance sheet date, using the method of discounted cash flow analysis.

On the basis of the above assumptions, where all other variables are held constantly, the reasonably possible changes in the interest rate may have the following pre-tax effect on the profit or loss for the year and shareholders' equity :

Unit: RMB'000

Item	Changes in interest rates	Jan. -Jun. 2020		Jan. -Jun. 2019	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Floating interest rate	Increase 50 base points of interest rate	-114,463	-122,413	-63,577	-63,577
Floating interest rate	Decrease 50 base points of interest rate	114,463	122,413	63,577	63,577

1.1.3 Commodity price risk

International Copper prices and Cobalt prices have a significant impact on the operating results of the subsidiaries in Australia and Congo (DRC) of the Group. Copper and Cobalt prices fluctuated in the past and the factors causing fluctuation were uncontrollable by the Group. In addition, IXM engages in business related to metal trading platform, of which the operating result is significantly affected by the international price fluctuation of metals. IXM hedges the risk of the metal price fluctuation through commodity futures contract and commodity option contract. Details are set out in Note V.3 and 25.

The table below shows the sensitivity analysis of the price of Copper and Cobalt on the balance sheet date, which reflects pre-tax impact of unpricing accounts receivable in the Group's subsidiaries in Australia and Congo (DRC) at the end of the year on the total profit and shareholders' equity when the market price of Copper and Cobalt is changed reasonably and possibly under the assumption that other variables remain unchanged.

Unit: RMB'000

Item	Increase/ (decrease) percentage	Jan. -Jun. 2020		Jan. -Jun. 2019	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of copper	5%	2,864	2,864	47,058	47,058
Market price of copper	-5%	-2,864	-2,864	-47,058	-47,058

Unit: RMB'000

Item	Increase/ (decrease) percentage	Jan. -Jun. 2020		Jan. -Jun. 2019	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of cobalt	5%	11,134	11,134	22,834	22,834
Market price of cobalt	-5%	-11,134	-11,134	-22,834	-22,834

1.1.4 Other price risk

The equity instrument investments held by the Group, including financial assets classified as other non-current financial assets measured at fair value at each balance sheet date. As at the end of the reporting period, the equity instrument investments held by the Group mainly comprise listed securities and assets management plans, therefore, the Group is directly or indirectly exposed to the risk of the fluctuation of securities market price. If equity price of the equity instrument investments directly or indirectly held by the Group at the end of the period increase or decrease by 5% while other variables remain the same, the interests of shareholders of the Group will increase or decrease by RMB71,957,000 at the end of the year (excluding the impact of income tax)

1.2 Credit risk

As at 30 June 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of other party to fulfill an obligation, including the book value of the financial assets has been recognized in the balance sheet of the Group.

In order to minimize the credit risk, the Group has specific personnel of the credit management department responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate expected credit losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group's policies on assessment of significant increase in credit risk since initial recognition, basis for determination of credit impairment on financial assets, classification of financial instruments on expected credit loss on a portfolio basis, and direct written-down of financial instruments are set out in Note III.

The credit risk on cash and bank balances is low because they are deposited with banks with high credit ratings.

The Group holds bank acceptances and commercial acceptances. Of which, most bank acceptances are issued by banks with higher credit rating, therefore, management of the Group considers relevant credit risk on bank acceptances is low; all clients corresponding to commercial acceptances have long-term cooperation with the Group, relevant provision for impairment on credit risk is accounted for based on credit levels of counterparties. Details are set out in Note V. 5.

The Group only trades with well-known, creditworthy third parties. Total amount of top five entities with the largest balances of accounts receivable as at 30 June 2020 takes 19.60% of the amount of total accounts receivable (31 December 2019: 59.22%). Accounts receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit risk is controlled. Products are sold only to companies whose credit information is in an acceptable range. Credit limits have been set for most of the customers and they are monitored systematically. For overseas sales, letters of credit are generally in use. Details of analysis related credit risk is in Note V. 4.

In respect of credit risk arising from the other receivables, other current assets and other non-current assets, the Group's exposure to credit risk arising from default of counterparties is limited as most of the counterparties are entities with good credit standing and the Group does not expect any significant loss for uncollected advances to these entities. Details of analysis related credit risk is set out in Note V. 7, 9 & 22.

1.3. Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Unit: RMB'000

30 June 2020	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Non-derivative financial liabilities					
Borrowings	18,067,471	4,143,642	14,338,540	–	36,549,653
Held-for-trading financial liabilities	4,061,323	–	–	–	4,061,323
Notes payable	975,833	–	–	–	975,833
Accounts payable	1,121,814	–	–	–	1,121,814
Other payables	1,100,073	–	–	–	1,100,073
Non-current liabilities due within one year	5,233,377	–	–	–	5,233,377
Other current liabilities	2,030,250	–	–	–	2,030,250
Bonds payable	285,587	2,266,844	2,168,800	–	4,721,231
Lease liabilities	–	34,862	85,001	65,149	185,012
Derivative financial instruments					
Derivative financial liabilities	3,490,041	–	–	–	3,490,041
Non-current derivative financial liabilities	–	–	478,955	–	478,955
Total	36,365,769	6,445,348	17,071,296	65,149	59,947,562

Unit: RMB'000

31 December 2019	Within 1 year	1-2 years	2-5 years	Over 5 years	Total
Non-derivative financial liabilities					
Borrowings	23,027,701	2,603,542	11,004,659	–	36,635,902
Held-for-trading financial liabilities	3,157,952	–	–	–	3,157,952
Notes payable	233,224	–	–	–	233,224
Accounts payable	1,952,876	–	–	–	1,952,876
Other payables	1,584,738	–	–	–	1,584,738
Non-current liabilities due within one year	3,749,104	–	–	–	3,749,104
Bonds payable	241,889	2,241,889	3,250,349	–	5,734,127
Lease liabilities	–	75,550	124,260	85,435	285,245
Derivative financial instruments					
Derivative financial liabilities	2,640,928	–	–	–	2,640,928
Non-current derivative financial liabilities	–	–	202,417	–	202,417
Total	36,588,412	4,920,981	14,581,685	85,435	56,176,513

VIII. DISCLOSURE OF FAIR VALUE

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

Unit: RMB'000

Item	Fair value on 30 June 2020			Total
	Level 1 Fair value	Level 2 Fair value	Level 3 Fair value	
I. Persistent fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at FVTPL				
(1) Accounts receivable	–	5,610,068	–	5,610,068
(2) Others	19,657	–	1,183,096	1,202,753
(II) Other equity instruments	–	–	85,348	85,348
(III) Financing receivables	–	–	389,841	389,841
(IV) Other non-current financial assets				
1. Wealth management products by non-banking financial institutions	–	–	600,901	600,901
2. Wealth management products by banking financial institutions	–	–	127,577	127,577
3. Share of partnership	–	–	1,120,144	1,120,144
4. Share of funds	–	–	424,686	424,686
5. Directional capital management plan	–	–	1,522,874	1,522,874
6. Equity in unlisted company	–	–	100,482	100,482
7. Equity in listed company	233,914	–	–	233,914
(V) Derivative financial assets	589,216	673,845	–	1,263,061
(VI) Inventories				
1. Trade inventories	–	12,785,789	–	12,785,789
2. Consumable biological assets	–	–	47,873	47,873
Total assets measured continuously at fair value	842,787	19,069,702	5,602,822	25,515,311
(VII) Held-for-trading financial liabilities				
1. Financial liabilities at FVTPL	–	778,625	–	778,625
Including: Liabilities arising from forward commodity contracts and gold lease	–	778,625	–	778,625
2. Financial liabilities designated as at FVTPL	–	3,282,699	–	3,282,699
Including: Accounts payable	–	3,282,699	–	3,282,699
(VIII) Derivative financial liabilities	2,033,576	1,935,420	–	3,968,996
Total liabilities measured continuously at fair value	2,033,576	5,996,744	–	8,030,320

2. Qualitative and quantitative information of valuation technique and key parameters used for items that are continuously and non-continuously measured at level 2 fair value

Items that are continuously measured at the second level of fair value are accounts receivable at FVTPL, trade inventories, financing receivables, derivative financial assets, accounts payable at FVTPL, and debt instruments at fair value and derivative financial liabilities, and the related fair value is determined with reference to the closing price and long-term offer of similar products and the yield rate of similar debt instruments in open market

3. Qualitative and quantitative information of valuation technique and key parameters used for items that are continuously and non-continuously measured at level 3 fair value

Items that are continuously measured at the third level of fair value are held-for-trading financial assets, consumable biological assets, derivative financial assets, other equity instrument, other non-current financial assets and derivative financial liabilities. The fair value of held-for-trading assets and wealth management products included in other non-current financial assets is measured based on the expected yield rate provided by the third party financial institution and discounting of the future cash flow. The fair value of consumable biological assets is measured based on the prices of same kind wood, the growth period of tree and the discounting of the subsequently input and maintenance fee. The fair value of financing receivables is based on the note discount rate provided by the third party financial institution and discounting of the future cash flow. The fair values of share of partnership, share of funds, directional capital management plan and equity in unlisted company included in other equity instrument and other non-current financial assets are determined based on the comparable company analysis, the agreed price for transfer or the valuation report provided by third-party financial institutions, or the financial statements provided by the investee with appropriate adjustments. The fair values of derivative financial assets and derivative financial liabilities are determined by management's application of option pricing model.

4. Fair value of financial assets and financial liabilities not measured at fair value

The management of the Group has assessed cash and bank balances, accounts receivable, other receivables, other current assets, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings due within one year, etc. As the remaining term is not long, fair values approximate the book values.

The Group's financial liabilities subsequently not measured at fair value include long-term borrowings and other non-current liabilities. The floating rates of the long-term borrowings of the Group are linked to market interest rates.

IX. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit: RMB'0000

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	24.69	24.69

Description of 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 1,776,594,475 shares (approximately 35.01% 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.

As at 30 June 2020, CFC actually holds 5,333,220,000.00 shares of the Company accounting for 24.69% of the total share capital of the Company. CFC is the actual controller of the Company.

CFC is the ultimate controller of the Company.

The Company's ultimate Owner is CFC.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note VI 1.

3. Associates and joint ventures of the Company

For details of associates and joint ventures of the Company, please refer to Note VI 2.

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

Associates or joint ventures	Relationship with the Company
Fu Chuan	A subsidiary held by joint venture
Yulu Mining	Associate
Luoyang Shenyu	Associate
Natural Resources Investment Fund	Associate
Huayue Nickel Cobalt	Associate

4. Other related parties

Other related parties	Relationship with the Company
LMG	Shareholder of the Company
CFC	Shareholder of the Company
Gécamines (note)	Minority shareholder of a subsidiary

Note: The Group completed the acquisition of Congo (DRC) Copper-Cobalt business on 17 November 2016, and Gécamines, the minority shareholder of TFM, became related party of the Group.

5. Related party transactions

(1) Sales and purchase of goods, rendering and receipt of services

Purchase of goods/receipts of services

Unit: RMB

Related party	Details of transaction	Jan. -Jun. 2020	Jan. -Jun. 2019
Fu Chuan	Purchase of products	99,795,482.95	–
Gécamines	Provision of technical support	38,504,830.51	50,197,395.22
IXM (Note)	Purchase of products	–	221,517,950.86

Note: It represents the above company's transaction with the Group before it becomes a wholly-owned subsidiary of the Group

Sales of goods/rendering of services

Unit: RMB

Related party	Details of transaction	Jan. -Jun. 2020	Jan. -Jun. 2019
Luoyang Shenyu	Sales of products	17,729,655.05	13,190,975.09
Yulu Mining	Sales of products	7,241,602.16	5,502,826.58
Fu Chuan	Sales of products	–	143,496.21
IXM (Note)	Sales of products	–	2,517,018,901.68
High-tech (Note)	Sales of products	–	12,315,086.19

Note: It represents the above company's transaction with the Group before it becomes a wholly-owned subsidiary of the Group.

(2) Compensation for key management personnel

Unit: RMB'000

Item	Jan. -Jun. 2020	Jan. -Jun. 2019
Compensation for key management personnel	17,210	18,827

Note: 1. The above key management personnel include the Company's directors, supervisors and senior management personnel during the reporting period.
2. Directors, Guo Yimin and Cheng Yunlei and Supervisor, Kou Youmin, did not claim compensations during the reporting period.

6. Amounts due from/to related parties

(1) Receivables

Unit: RMB

Item	Related party	30 June 2020		31 December 2019	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Other receivables	Luoyang Shenyu	291,666.67	–	291,666.67	–
Other receivables	Fu Chuan	406,254.22	–	406,254.22	–
Other receivables	Yulu Mining	40,119.67	–	–	–
Prepayments	Fu Chuan	45,898,864.35	–	9,069,559.58	–
Interest receivable	Huayue Nickel Cobalt	6,884,619.13	–	2,171,354.53	–
Other non-current assets (Note (V), 22, Note 11)	Huayue Nickel Cobalt	174,982,796.99	–	255,627,445.55	–
Other non-current assets (Note)	Gécamines	391,050,114.96	–	370,521,427.93	–

Note: The above receivables (other non-current assets) are fund borrowings due from minority shareholders of TFM and other related parties, TFM received interest from relevant parties in accordance with the agreed interest rate. During this year, there is no increase in borrowings which is lend to Gécamines by TFM and the interest accrued was USD25,236,968.00, equivalent to RMB177,361,625.56.

(2) Payables

Unit: RMB

Item	Related party	30 June 2020	31 December 2019
Accounts payable	Fu Chuan	15,492,467.70	8,703,324.03
Other payables	Fu Chuan	13,956,556.62	11,384,276.00
Other payables	Gécamines	6,677,090.88	6,678,007.77
Other non-current liabilities	Gécamines	70,795,000.00	69,762,000.00

X. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant commitments, its nature and amount at the balance sheet date

(1) Capital commitment

Unit: RMB'000

	30 June 2020	31 December 2019
Contracted but not recognized in the financial statements:		
– Commitment for acquisition and construction of long-term assets	1,140,929	1,634,566
– Commitment for investment (Note)	–	423,652
Total	1,140,929	2,058,218

Note: The above commitment for investment included the Group's capital increment to Huayue Nickel Cobalt.

2. Contingencies

(1) Significant contingencies at the balance sheet date

① Pending litigation

Copper-Cobalt business of the Group in Congo (DRC)

The Group's Copper-Cobalt business in Congo (DRC) may have some lawsuits, claims and liability claims in the daily business. The management considers that the results of such contingencies will not have a material adverse effect on the financial position, operating performance or cash flows of the business based on the information currently available.

The Group's Niobium-Phosphorus business in Brazil

The Group's Niobium-Phosphorus business in Brazil may face with various litigations and disputes in its daily business activities. The management determines the possibility of losing and consequent economic benefits outflow in accordance with the information available and the professional advice of external legal experts. If the possibility of economic benefits outflow were low, the management would determine as contingencies. The results of such contingencies will not have a material adverse effect on the financial position, operating performance or cash flows of the business based on the information currently available.

② *Guarantees*

As at 30 June 2020, the Group provides guarantees for the Australian Northparkes copper and gold mine business to Southwest Welsh government agencies of Australia, with guaranteed amount of AUD 47,040,000 (equivalent to RMB228,560,000). The relevant business venture agrees to any liability of the business compulsory executed from this guarantee. As at 30 June 2020, no material guarantee responsibility was undertaken.

IXM, the subsidiary of the Group, provided guarantee for a supplier to assist it to get credit facility from the bank. As at 30 June 2020, the Group's guarantee obligation on the utilized facility amounted to USD5,070,000, equivalent to RMB35,890,000.

(2) *Where the Company has no significant contingencies to disclose, description is also required:*

Besides the above events, the Company has no other significant events that need to be disclosed.

XI. OTHER SIGNIFICANT EVENTS

1. Segment information

(1) *Reporting segment's determination basis and accounting policies*

The management divided the Group's business into six operating segments, namely Molybdenum Tungsten related products, Copper and gold-related products, Niobium and Phosphorus related products, Copper and Cobalt related products, metal business and others on the basis of the Group's internal organization structure, management requirements and internal reporting system. The Group's management evaluates the operating results of these segments regularly, in order to determine the allocation of resources and assess their performance.

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

(2) Reporting segment's financial information

Jan. - Jun 2020

Unit: RMB'000

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium and Phosphorus related products	Copper & cobalt related products	Metal trading	Others	Unallocated items	Intersegment eliminations	Total
Operating income									
External income	2,009,138	640,110	2,142,076	4,296,670	37,458,456	197,407	-	-	46,743,857
Inter-segment income									
Total segment operating income	2,009,138	640,110	2,142,076	4,296,670	37,458,456	197,407	-	-	46,743,857
Total operating income in the financial statements	2,009,138	640,110	2,142,076	4,296,670	37,458,456	197,407	-	-	46,743,857
Operating cost	1,245,174	513,699	1,777,868	3,862,014	38,498,884	144,595	-	-	46,042,234
Taxes and levies	-	-	-	-	-	-	473,524	-	473,524
Selling expenses	-	-	-	-	-	-	42,397	-	42,397
Administrative expenses	-	-	-	-	-	-	652,396	-	652,396
Research and development expenses	-	-	-	-	-	-	45,276	-	45,276
Financial expenses	-	-	-	-	-	-	695,451	-	695,451
Less: Impairment losses of assets	-	-	-	-	-	-	10,936	-	10,936
Credit impairment losses	-	-	-	-	-	-	-692	-	-692
Gains (losses) from changes in fair value	-	-	-	-	-	-	1,402,251	-	1,402,251
Investment income	-	-	-	-	-	-	126,539	-	126,539
Gains (losses) from disposal of assets	-	-	-	-	-	-	5,990	-	5,990
Other income	-	-	-	-	-	-	12,913	-	12,913
Segment operating profit	-	-	-	-	-	-	350,516	-	350,516
Operating profit in the financial statements	-	-	-	-	-	-	350,516	-	350,516
Add: Non-operating income	-	-	-	-	-	-	5,483	-	5,483
Less: Non-operating expenses	-	-	-	-	-	-	5,456	-	5,456
Total profit	-	-	-	-	-	-	350,543	-	350,543
Less: Income tax expenses	-	-	-	-	-	-	-651,606	-	-651,606
Net profit	-	-	-	-	-	-	1,002,149	-	1,002,149

Jan. - Jun 2019

Unit: RMB'000

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium and Phosphorus related products	Copper & cobalt related products	Others	Unallocated item	Intersegment eliminations	Total
Operating income								
External income	2,070,594	651,960	2,354,592	4,474,719	426,804	-	-	9,978,669
Inter-segment income								
Total segment operating income	2,070,594	651,960	2,354,592	4,474,719	426,804	-	-	9,978,669
Total operating income in the financial statements	2,070,594	651,960	2,354,592	4,474,719	426,804	-	-	9,978,669
Operating cost	933,981	522,518	1,819,868	4,119,461	381,327	-	-	7,777,155
Taxes and levies	-	-	-	-	-	486,300	-	486,300
Selling expenses	-	-	-	-	-	41,074	-	41,074
Administrative expenses	-	-	-	-	-	481,777	-	481,777
Research and development expenses	-	-	-	-	-	122,672	-	122,672
Financial expenses	-	-	-	-	-	507,798	-	507,798
Less: Impairment losses of assets	-	-	-	-	-	-11,899	-	-11,899
Credit impairment losses	-	-	-	-	-	-17,437	-	-17,437
Gains (losses) from changes in fair value	-	-	-	-	-	136,953	-	136,953
Investment income	-	-	-	-	-	158,967	-	158,967
Gains (losses) from disposal of assets	-	-	-	-	-	-10,676	-	-10,676
Other income	-	-	-	-	-	10,134	-	10,134
Segment operating profit	-	-	-	-	-	827,935	-	827,935
Operating profit in the financial statements	-	-	-	-	-	827,935	-	827,935
Add: Non-operating income	-	-	-	-	-	2,528	-	2,528
Less: Non-operating expenses	-	-	-	-	-	6,551	-	6,551
Total profit	-	-	-	-	-	823,912	-	823,912
Less: Income tax expenses	-	-	-	-	-	50,421	-	50,421
Net profit	-	-	-	-	-	773,491	-	773,491

XII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

Unit: RMB

Category	30 June 2020	31 December 2019
Accounts receivable	338,110,979.13	69,757,554.20
At amortized cost	338,110,979.13	69,757,554.20
Total	338,110,979.13	69,757,554.20

(1) Disclosure by categories based on the method of bad debt provision

Bad debt provision is made using general model of expected credit loss:

At 30 June 2020, the Company's loss allowance for accounts receivable provided based on expected credit loss is as follows:

Unit: RMB

Gross amount	Impairment provision	Carrying amount
341,037,704.90	2,926,725.77	338,110,979.13

At 31 December 2019, the Company's loss allowance for accounts receivable provided based on expected credit loss is as follows:

Unit: RMB

Gross amount	Impairment provision	Carrying amount
72,611,193.61	2,853,639.41	69,757,554.20

Movement of provision for expected credit loss/bad debt of accounts receivable is as follows:

Unit: RMB

	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
1 January 2020	–	2,853,639.41	2,853,639.41
Expected credit loss charged for the period	73,086.36	–	73,086.36
30 June 2020	73,086.36	2,853,639.41	2,926,725.77

2. Other receivables

(1) Categories of interest receivable

Unit: RMB

Item	30 June 2020	31 December 2019
Term deposit	51,844,622.65	24,207,311.15
Intra-group interest receivable	240,790,656.82	280,575,342.55
Step deposit interest	61,495,926.51	86,109,290.01
Structured deposit	–	9,821,666.70
Total	354,131,205.98	400,713,610.41

(2) Dividends receivable

Unit: RMB

Item (or investee)	30 June 2020	31 December 2019
Jiu Yang	26,993,751.76	26,993,751.76
San Qiang	10,118,892.09	10,118,892.09
Da Dong Po	6,893,440.23	6,893,440.23
Yulu Mining	75,800,000.00	–
Total	119,806,084.08	44,006,084.08

(3) *Categories by nature*

Unit: RMB

Nature	30 June 2020	31 December 2019
Intra-group balances	5,204,682,158.69	4,547,873,867.01
Deposits	3,000,000.00	3,000,000.00
Others	184,048,335.65	40,527,983.35
Total	5,391,730,494.34	4,591,401,850.36

(4) *Bad debt provision*

Other receivables with impairment provision recognized by the Company based on the expected credit loss:

Unit: RMB

	Gross amount	Impairment provision	Carrying amount
Other receivables with impairment provision recognized based on the expected credit loss	5,391,730,494.34	22,795,374.22	5,368,935,120.12

3. Long-term equity investments

Unit: RMB

Item	30 June 2020			31 December 2019		
	Gross amount	Impairment provision	Carrying amount	Gross amount	Impairment provision	Carrying amount
Investments in subsidiaries	29,234,227,613.67	-	29,234,227,613.67	29,173,994,665.40	-	29,173,994,665.40
Investments in associates and joint ventures	676,519,952.05	-	676,519,952.05	738,007,211.06	-	738,007,211.06
Total	29,910,747,565.72	-	29,910,747,565.72	29,912,001,876.46	-	29,912,001,876.46

(1) Investments in subsidiaries

Unit: RMB

Investee	31 December	Increase	Decrease	30 June 2020	Provision for the period	Impairment provision at 30 June 2020
	2019	in the period	in the period			
International Hotel	210,000,000.00	-	-	210,000,000.00	-	-
Ye Lian	5,638,250.27	-	-	5,638,250.27	-	-
Metal Material	650,000,000.00	-	-	650,000,000.00	-	-
Sales Company	50,700,000.00	-	-	50,700,000.00	-	-
Sales and Trading	2,000,000.00	-	-	2,000,000.00	-	-
Wu Ye	100,000,000.00	-	-	100,000,000.00	-	-
Hu Qi	9,900,000.00	-	-	9,900,000.00	-	-
Fu Run	8,803,190.84	-	-	8,803,190.84	-	-
Da Chuan	17,500,000.00	-	-	17,500,000.00	-	-
Luoyang Yuehe	-	60,232,948.27	-	60,232,948.27	-	-
Beijing Yongbo	267,800,000.00	-	-	267,800,000.00	-	-
Qi Xing	46,963,636.00	-	-	46,963,636.00	-	-
Da Dong Po	33,483,749.86	-	-	33,483,749.86	-	-
San Qiang	33,397,038.41	-	-	33,397,038.41	-	-
Jiu Yang	17,028,900.00	-	-	17,028,900.00	-	-
Xinjiang Luo Mu	980,000,000.00	-	-	980,000,000.00	-	-
Fu Kai	261,520,000.00	-	-	261,520,000.00	-	-
Molybdenm UK	1,869,455,300.96	-	-	1,869,455,300.96	-	-
Schmoeke	660,000,000.00	-	-	660,000,000.00	-	-
CMOC Limited	23,721,409,809.48	-	-	23,721,409,809.48	-	-
AU Mining Pty	39,000,000.00	-	-	39,000,000.00	-	-
High-tech	189,394,789.58	-	-	189,394,789.58	-	-
Total	29,173,994,665.40	60,232,948.27	-	29,234,227,613.67	-	-

(2) Investments in associates and joint ventures

Unit: RMB

Investee	1 January 2020	Additional investments	Reduction of investments	Investment income under equity method	Changes in the period				Others	30 June 2020	Impairment provision at 30 June 2020
					Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profit declared	Impairment provision			
I. Joint venture											
Huan Yu	628,372,427.71	-	-	-30,259,524.68	-	-	-	-	-	598,112,903.03	-
Sub-total	628,372,427.71	-	-	-30,259,524.68	-	-	-	-	-	598,112,903.03	-
II. Associates											
Yulu Mining	108,618,691.48	-	-	44,004,463.05	-	-	75,800,000.00	-	-	76,823,154.53	-
Nanomoly Development	-	-	-	-	-	-	-	-	-	-	-
Luoyang Shenyu	1,016,091.87	-	-	567,802.62	-	-	-	-	-	1,583,894.49	-
Sub-total	109,634,783.35	-	-	44,572,265.67	-	-	75,800,000.00	-	-	78,407,049.02	-
Total	738,007,211.06	-	-	14,312,740.99	-	-	75,800,000.00	-	-	676,519,952.05	-

4. Operating income and operating cost

(1) Operating income and operating cost

Unit: RMB

Item	Jan.-Jun. 2020		Jan.-Jun. 2019	
	Income	Cost	Income	Cost
Principal operating activities	1,458,971,946.93	713,142,648.86	1,631,385,512.83	598,233,508.97
Other operating activities	65,892,965.19	61,825,859.06	46,831,716.96	48,399,034.45
Total	1,524,864,912.12	774,968,507.92	1,678,217,229.79	646,632,543.42

5. Investment income

Unit: RMB

Item	Jan.-Jun. 2020	Jan.-Jun. 2019
Income from long-term equity investment under equity method	14,312,740.99	18,982,849.03
Investment income from holding held-for-trading financial assets	65,773,388.50	75,972.88
Investment income on disposal of held-for-trading financial assets	–	1,868,819.49
Investment income from holding other non-current financial assets	26,294,807.79	25,428,138.16
Gains or losses on disposal of derivative financial instruments	–	-101,808,568.20
Total	106,380,937.28	-55,452,788.64

XIII. SUPPLEMENTARY INFORMATION

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Unit: RMB

Item	Amount	Description
Gains or losses on disposal of non-current assets	5,989,609.46	
Government grants included in profit or loss (exclusive of those relating closely to the enterprise's business and subject to the uniform national standards on amount and quantity)	12,963,448.92	Including subsidies of 3,502 thousand from low-grade scheelite project
Gains (losses) from changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities other than effective hedging business relating to the Company's normal operations, and investment income from disposal of above financial assets/liabilities and other debt investments.	1,522,549,740.78	Including gains of 1,457 million from the changes in fair value of derivatives of metal trading industry of IXM
Other losses from changes in fair value	2,176,208.19	
Donation expenses	-1,445,334.19	
Gains or losses relating to changes in fair value of assets and liabilities of IXM metal trading business, including the inventories at fair value	-1,283,750,844.46	
Other non-operating income or expenses other than the above	1,422,428.55	
Income tax effects	241,407,398.54	
Effect of non-controlling interests	-1,256,757.39	
Total	500,055,898.40	

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS (RMB)	Diluted EPS (RMB)
Net profit attributable to ordinary shareholders of the Company	2.44	0.047	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	1.23	0.024	N/A

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Li Chaochun
Li Faben (*General Manager*)

Non-Executive Directors

Yuan Honglin (*Chairman*)
(*appointed as Chairman on 12 June 2020*)
Guo Yimin (*Vice Chairman*)
Cheng Yunlei

Independent Non-Executive Directors

Wang Gerry Yougui
Yan Ye
Li Shuhua

SUPERVISORS

Kou Youmin (*Chairperson of the Supervisory Committee*)
Zhang Zhenhao
Wang Zhengyan

BOARD COMMITTEES

Remuneration Committee

Wang Gerry Yougui (*Chairman*)
Li Shuhua
Yuan Honglin

Audit and Risk Committee

Li Shuhua (*Chairman*)
Yan Ye
Yuan Honglin

Strategic and Sustainability Committee

Yuan Honglin (*Chairman*)
(*appointed as Chairman of Strategic and Sustainability Committee on 12 June 2020*)
Li Chaochun
Li Faben
Wang Gerry Yougui

Nomination and Governance Committee

Wang Gerry Yougui (*Chairman*)
Yuan Honglin (*Vice Chairman*)
(*appointed as Vice Chairman of Nomination and Governance Committee on 12 June 2020*)
Yan Ye
Li Shuhua

BOARD SECRETARY

Yue Yuanbin

JOINT COMPANY SECRETARIES

Yue Yuanbin
Ng Sau Mei (*FCS,FCIS*) (*appointed on 10 January 2020*)

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

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay, Hong Kong (*changed on 10 January 2020*)

LEGAL REPRESENTATIVE

Yuan Honglin (*appointed on 12 June 2020*)

AUTHORIZED REPRESENTATIVES

Yuan Honglin (*appointed on 12 June 2020*)
Ng Sau Mei (*appointed on 10 January 2020*)

ENQUIRY DEPARTMENT OF THE COMPANY

Office of the Board of Directors

INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY

(+86) 379 6860 3993

SHANGHAI A SHARE REGISTRAR

China Securities Depository and Clearing Corporation
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:

Freshfields Bruckhaus Deringer
55/F, One Island East, Taikoo Place
Quarry Bay, Hong Kong

As to PRC law:

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

WEBSITE

www.cmoc.com

DEFINITIONS

"APT"	ammonium paratungstate
"BHR"	BHR Newwood Investment Management Limited
"CFC"	Cathay Fortune Corporation, a controlling shareholder of the Company
"CIL Phosphate Mine" or "Brazil Phosphate Mine"	Chapadão Phosphate Mine of CMOC Brasil, located in the Catalão mining area in Brazil
"CMOC", the "Company" or "Group"	洛陽樂川鋁業集團股份有限公司(China Molybdenum Co., Ltd.*)
"CMOC Brasil"	CMOC Brasil Mineração Indústria e Participações Ltda. During the Reporting Period, the Group's Brazil Niobium-Phosphorus business underwent a reorganization through merger of three legal entities and renamed the reorganized company as CMOC Brasil Mineração Indústria e Participações Ltda
"Fuchuan Mining"	Luoyang Fuchuan Mining Co., Ltd., a controlled subsidiary of Xuzhou Huanyu
"Gécamines"	La Generale des Carrieres et des Mines
"Hong Kong CMOC"	CMOC Limited
"IXM "	generally refers to IXM B.V. and its affiliates
"LMG"	Luoyang Mining Group Co., Ltd., the second largest shareholder of the Company
"Luxembourg SPV"	CMOC Luxembourg S.A.R.L
"MAP"	ammonium dihydrogen phosphate, a chemical agent, also known as monoammonium phosphate

“Natural Resources Investment Fund”	NCCL Natural Resources Investment Fund LP
“NML Niobium Mine” or “Brazil Niobium Mine”	Boa Vista Niobium Mine of CMOB Brasil, located in the Catalão mining area in Brazil
“NPM” 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 a wholly-owned subsidiary of the Company registered as the manager
“Reporting period”	for the six months ended 30 June 2020
“Sandaozhuang Mine” or “Sandaozhuang Molybdenum/Tungsten Mine”	located in Luanchuan County, Henan Province, China, the mine where the Company is carrying out major mining work of molybdenum/tungsten at present
“Shangfanggou Mine” or “Shangfanggou Molybdenum Mine”	located in Luanchuan County, Henan Province, China, which is owned by a controlled subsidiary of Xuzhou Huanyu, a joint venture of the Company
“TFM”	Tenke Fungurume Mining S.A. (DRC)
“TFM Copper/Cobalt Mine”	Tenke Fungurume Copper/Cobalt Mine Area located in Congo (DRC)
“Xinjiang Luomu”	Xinjiang Luomu Mining Co., Ltd., a controlled subsidiary of the Company
“Xinjiang Mine”	a large molybdenum mine located in East Gobi, Hami, Xinjiang, China, which is owned by Xinjiang Luomu, a controlled subsidiary of the Company
“Xuzhou Huanyu”	Xuzhou Huanyu Molybdenum Co., Ltd., a joint venture of the Company
“Yulu Mining”	Luoyang Yulu Mining Co., Ltd., a non wholly-owned subsidiary of the Company

Note: In case of any inconsistency, the Chinese text of this interim report shall prevail over the English text.

By Order of the Board
China Molybdenum Co., Ltd.*
Yuan Honglin
Chairman

Luoyang City, Henan Province, the People's Republic of China
28 August 2020

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. Yuan Honglin, Mr. Guo Yimin and Mr. Cheng Yunlei; and the Company's independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

* *For identification purposes only*