洛阳钼业

洛陽欒川鉬業集團股份有限公司
CMOC Group Limited*

(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 2023

INTERIM RESULTS

The board of directors (the "**Board**") of CMOC Group Limited* (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 2023. This announcement contains the full text of the interim report of the Group for the six months ended 30 June 2023 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 2023 will be despatched to shareholders and will also be available at the abovementioned websites in due course.

By Order of the Board
CMOC Group Limited*
Yuan Honglin
Chairman

Luoyang City, Henan Province, the People's Republic of China
25 August 2023

As at the date of this announcement, the Company's executive directors are Mr. Sun Ruiwen and Mr. Li Chaochun; the Company's non-executive directors are Mr. Yuan Honglin, Mr. Lin Jiuxin and Mr. Jiang Li; and the Company's independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

* *For identification purposes only*

IMPORTANT NOTICE

I. **The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this interim report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint legal liabilities for the information contained herein.**

II. **All Directors of the Company have attended the meeting of the Board. The Audit and Risk Committee and the Supervisory Committee have reviewed the financial statements of the Company for the six months ended 30 June 2023 and considered that the statements complied with relevant accounting standards and that the Company has made appropriate and relevant disclosures.**

III. **This interim report has not been audited.**

IV. **Yuan Honglin, the person in charge of the Company, Li Guojun, chief financial officer, and Xu Bin, head of accounting department (accounting executive), hereby warrant and guarantee that the financial report contained in the interim report is true, accurate and complete.**

V. **The proposal of profit distribution or capital conversion from capital reserve for the reporting period approved by resolutions of the Board**

Nil

VI. **Risk statement with respect to the forward-looking statements**

Forward-looking statements including future plans and development strategies contained in this report, other than statements of historical facts, are subject to various variables and uncertainties. The Company's actual results or developments in the future may differ materially from those indicated by these forward-looking statements. The Company made the forward-looking statements in this report on 25 August 2023 and undertakes no obligation or responsibility to update these statements, therefore, they do not constitute the Company's substantive undertakings to investors. Investors and relevant parties are advised to maintain sufficient risk awareness in this regard and shall understand the difference between plans or estimates and undertakings.

Investors are advised to beware of investment risks.

IMPORTANT NOTICE (CONTINUED)

VII. Any appropriation of funds of the Company by any controlling shareholders or other related parties for non-operating purposes

No

VIII. Any provision of external guarantees in violation of the prescribed decision-making procedures

No

IX. Whether more than half of the Directors could not guarantee the authenticity, accuracy and integrity of the interim report disclosed by the Company

No

X. Warning on major risks

Please refer to paragraph under "Possible Risks" in "Section III Management Discussion and Analysis" in this report for details.

XI. Other

The Company has the right to interpret and supplement the information disclosed in this report with reference to laws and regulations of jurisdictions where our projects locate, applicable international mining standards and international laws as well as agreements entered into by parties thereto.

CONTENTS

Index of Documents for Inspection

Financial statements signed and sealed by the Company's legal representative, chief financial officer and head of accounting department

SECTION I DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions shall have the meanings set forth below:

DEFINITION OF COMMON TERMS

APT	ammonium paratungstate
CATL	Contemporary Amperex Technology Co., Limited
CFC	Cathay Fortune Corporation, the controlling shareholder of the Company
CMOC Brasil	CMOC Brasil Mineração Indústria e Participações Ltda
CMOC Limited	a wholly-owned subsidiary of the Company
CMOC, Company, Group	洛陽欒川鉬業集團股份有限公司(CMOC Group Limited*)
Donggebi Molybdenum Mine	a large-scale molybdenum mine located in Donggebi, China, which is owned by a controlled subsidiary of the Company
Fuchuan Mining	Luoyang Fuchuan Mining Co., Ltd., a holding subsidiary of Xuzhou Huanyu Molybdenum Co., Ltd.
Gécamines	La Générale des Carrières et des Mines S.A.
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Huayue Nickel Cobalt	PT. Huayue Nickel Cobalt (Indonesia) Co., Limited, an associate company of the Company
IXM	generally refers to IXM Holding S.A., its subsidiaries and affiliates
KFM	CMOC KISANFU MINING SARL
KFM Copper and Cobalt Mine	Kisanfu Copper and Cobalt Mine Area located in Congo (DRC)
LMG	Luoyang Mining Group Co., Ltd., the second largest shareholder of the Company
Luoyang Guohong	Luoyang Guohong Investment Holdings Group Co., Ltd.

Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
Niobium Mine in Brazil	the Boa Vista niobium mine located in the Catalão mining area in Brazil, which is owned by CMOC Brasil
NPM, Northparkes Copper and Gold Mine	located in the northwest of the town of Parkes, New South Wales, Australia, in which a wholly-owned subsidiary of the Company owns 80% interest and acts as administrator
Phosphate Mine in Brazil	the Chapadão phosphate mine located in the Catalão mining area in Brazil, which is owned by CMOC Brasil
Sandaozhuang Molybdenum and Tungsten Mine	located in Luanchuan County, Henan Province, China, the major operating molybdenum and tungsten mine of the Company at present
SFO	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
Shangfanggou Molybdenum Mine	located in Luanchuan County, Henan Province, China, which is owned by a controlled subsidiary of Xuzhou Huanyu Molybdenum Co., Ltd., a joint venture of the Company
Sichuan CATL	Sichuan Contemporary Amperex Technology Limited
Stock Exchange	The Stock Exchange of Hong Kong Limited
TFM	Tenke Fungurume Mining S.A. (DRC)
TFM Copper and Cobalt Mine	Tenke Fungurume Copper and Cobalt Mine Area located in Congo (DRC)
Yulu Mining	Luoyang Yulu Mining Co., Ltd., an associate company of the Company

SECTION II COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS

I. COMPANY INFORMATION

Chinese name of the Company	洛陽欒川鉬業集團股份有限公司
Abbreviation of Chinese name of the Company	洛陽鉬業
English name of the Company	CMOC Group Limited
Abbreviation of English name of the Company	CMOC
Legal representative of the Company	Yuan Honglin

II. CONTACT

	Secretary to the Board, joint company secretary	Joint company secretary	Securities affairs representatives
Name	Xu Hui	Ng Sau Mei	Gao Fei, Wang Chunyu
Address	North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC	31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC
Tel.No.	0379-68603993	852-35898647	0379-68603993
Fax	0379-68658017	852-35898359	0379-68658017
Email	603993@cmoc.com	Jojo.Ng@tmf-group.com	603993@cmoc.com

III. BASIC INFORMATION

Registered address of the Company	North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC
Office address of the Company	North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC
Postal code of office address of the Company	471500
Company website	www.cmoc.com
Email	603993@cmoc.com

IV. INFORMATION DISCLOSURE AND LOCATION OF DOCUMENTS FOR INSPECTION

Newspapers designated by the Company for information disclosure	Securities Times (www.stcn.com) Securities Daily (www.zqrb.cn) China Securities Journal (www.cs.com.cn) Shanghai Securities News (www.cnstock.com)
Websites for publication of the interim report	Shanghai Stock Exchange (www.sse.com.cn), The Stock Exchange of Hong Kong Limited (www.hkex.com.hk)
Location of the interim report of the Company for inspection	The office of the Board of the Company

V. SHARES OF THE COMPANY

Type of shares	Stock exchange for listing	Stock name	Stock code
A Shares	Shanghai Stock Exchange	洛陽鉬業	603993
H Shares	The Stock Exchange of Hong Kong Limited	洛陽鉬業	03993

VI. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Major Accounting Data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (from January to June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Operating revenue	**86,726,255,654.19**	91,766,808,748.95	-5.49
Net profit attributable to shareholders of the Company	**703,144,213.69**	4,147,930,309.56	-83.05
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the Company	**219,977,157.83**	3,466,057,986.65	-93.65
Net cash flow from operating activities	**8,761,937,139.74**	8,501,505,218.15	3.06

	At the end of the reporting period	At the end of last year	Increase/decrease at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	**52,780,210,829.25**	51,698,562,059.68	2.09
Total assets	**180,520,702,436.56**	165,019,219,538.77	9.39

(II) Major Financial Indicators

Major financial indicators	During the reporting period (from January to June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Basic earnings per share (RMB Yuan per Share)	**0.033**	0.193	-82.99
Diluted earnings per share (RMB Yuan per Share)	**0.033**	0.193	-82.99
Basic earnings per share after deduction of non-recurring profits or losses (RMB Yuan per Share)	**0.010**	0.162	-93.83
Weighted average return on net assets (%)	**1.32**	9.41	Decrease by 8.09 percentage points
Weighted average return on net assets after deduction of non-recurring profits or losses (%)	**0.41**	7.86	Decrease by 7.45 percentage points

VII. ITEMS AND AMOUNTS OF NON-RECURRING PROFITS OR LOSSES

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amounts	Notes (if applicable)
Profits or losses from disposal of non-current assets	8,074,329.94	
Government grants included in profit or loss for the current period, except for those closely relevant to the Company's normal business and in compliance with national policies and regulations and granted continuously according to certain standardized amounts or quotas	69,374,717.66	
Capital utilization fees received from non-financial institutions included in profit or loss for the current period	12,061,379.59	
Profit or loss of changes in fair value arising from holding of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities, and investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities, and other debt investments, except for effective hedging activities associated with normal business operations of the Company	1,078,532,351.36	Including RMB951 million from the changes in fair value of derivative financial instruments of IXM metal trading business
Other non-operating income or expenses other than the above items	-13,547,195.26	
Other profit or loss items falling within the definition of non-recurring profit and loss	-556,443,567.61	Including profit or loss in relation to IXM metal trading business of RMB-573 million other than the above items
Less: Income tax effects	114,797,397.82	
Effects attributable to minority interests (after tax)	87,562.00	
Total	483,167,055.86	

The Company shall provide the reasons for defining the non-recurring gain or loss items as defined in the *Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gain or Loss* as recurring gain or loss, or defining the non-recurring gain or loss items stated in the *Explanatory Announcement No. 1 for Information Disclosure by Public Issuers of Securities – Non-recurring Gain or Loss* as recurring gain or loss.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTIONS OF THE INDUSTRY AND MAIN BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

(I) Main business

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 Asia, Africa, South America, Oceania and Europe, the Company is an important producer of copper and cobalt and a leading producer of molybdenum, tungsten and niobium in the world. It is also a leading producer of phosphate fertilizer in Brazil. In terms of trading business, the Company is one of the leading base metal traders in the world. The Company ranks 841 among the top 2,000 global listed companies by Forbes 2023 and 26 among top 40 global mining companies (by market value) in 2023.

II. ANALYSIS OF CORE COMPETITIVENESSES DURING THE REPORTING PERIOD

(I) Clear development strategy and development model

The Company's vision is to become highly respected, modern and world-class resources company. In order to take advantage of the opportunities from the global strategy of carbon neutrality and carbon peaks and to realize the vision and goals, the Company has formulated a "three-step" development path, of which the first step is to "lay a foundation" for building a low-cost and high-efficiency mechanism by upgrading the organizational structure and establishing a management system applicable to global subsidiaries to attract elites of this industry to our talent pool for preparation. The second step is to "ramp up" with multiplying production capacity by expediting the construction and production of the two world-class projects, TFM mixed ore project and KFM Copper and Cobalt Mine project. This step aims at a modern and effective corporate governance structure with more effective control over subsidiaries and a stronger team that is tested through involvement in world-class projects that are launched to expand our production capacity. The third step is to achieve "stellar growth" towards a world-class company and our vision when new milestones are achieved in business size and cash flows, when teams and project pipelines are reaching a new stage, and when we are ready to seek greater growth around our strategic goals in key regions and key products.

(II) Leading new energy metal producer, world class resources with high quality

The Company is an important producer of copper and cobalt in the world. The TFM Copper and Cobalt Mine operated by the Company in the DRC represents one of the largest reserves and highest grade copper-cobalt mines in production in the world, with a mining area that covers over 1,500 sq. km and huge resource potential. KFM Copper and Cobalt Mine adjacent to TFM mining area has rich resources and high average grade of copper and cobalt ore, with development potential to be a world-class project. The trial operation of KFM further consolidates the Company's position in the field of new energy raw materials, and makes the Company play an important role in the transformation of global green energy industry. The Company holds 30% equity interest of Huayue nickel cobalt project and offtakes a proportionate share of the nickel and cobalt hydroxide products, making presence in nickel metal. In January 2023, the Company and CATL reached an agreement with Bolivia to build a lithium extraction plant on large salt flats in Bolivia, initially making its presence in lithium metal.

With the presence in energy transformation race through copper, cobalt, nickel and lithium resources, the Company will be more closely integrated with the end users of the resources, further consolidating its leading position in raw material supply during energy transformation.

(III) Unique and scarce products portfolio to effectively reduce the impact of cyclical fluctuation

Except for new energy metals, the Company also possesses a unique and scarce product portfolio including molybdenum, tungsten, niobium, phosphate and gold, and has industry-leading positions for each resource variety. The resource varieties cover the base metal, special metals and precious metals, which are closely related to the energy transformation and industrial upgrading sectors, and the Company also enters into the market of agricultural applications with phosphate resources.

Product portfolio with unique and diversified natures enables the Company to better resist cyclical fluctuation risks in resource sector, enhance the ability to resist risks and fully enjoy the enormous benefits brought by the cyclical changes in prices from various resources.

(IV) Competitive advantage in resource acquisition, development and operation cost

The Company adopted an expansion strategy at low cost against the trend, and successfully acquired world class mines at the bottom of industry cycle with competitive mining cost due to open pit mining, large reserve and high grade. The conversion from reserve to production of world-class mines at low cost is the baseline for the Company's internal development. The Company continued to carry out cost reduction and efficiency improvement activities in all operating units, and adopted advanced modern mining technology, process and equipment to continuously consolidate its low-cost operating advantage through centralized procurement, technology improvement and management reform of the Group around the world.

(V) Leading sustainable development of the industry to escort the Company's long-term strategy

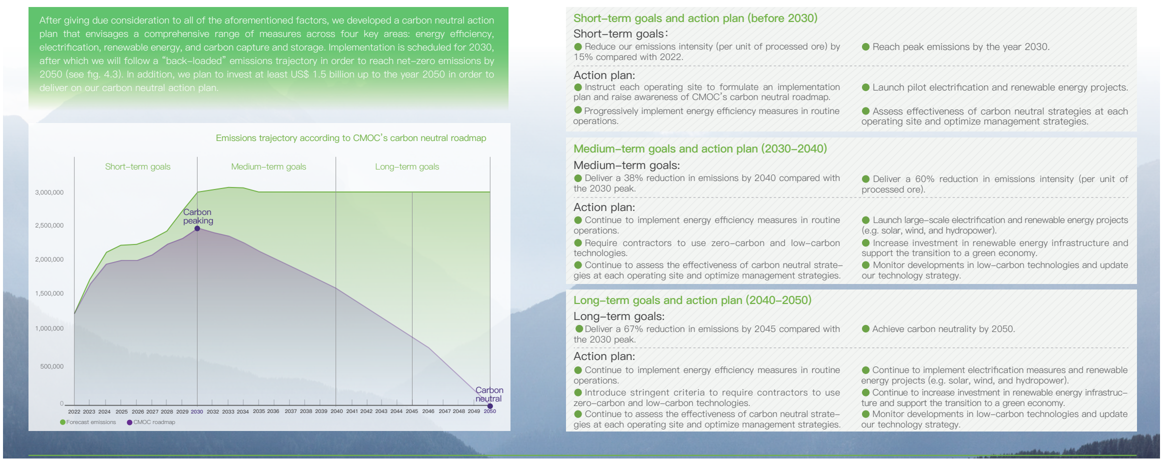
The Company is fully aware of the importance of sustainability to social development, environmental protection and resource development, and has nurtured and actively implemented it as our core competitiveness. The Company has now established a three-tier governance structure of the Board – Executive Management – Operation Management.

The Company's compliance and sustainability policies take reference from international best practice frameworks, continuously improving its governance framework on sustainability through continuous learning of international corporate good practice.

During the reporting period, according to the long-term visions and short-term performance objectives for climate change and biodiversity approved and formulated by the Board of the Company, all operations of the Company actively implemented proactive energy saving and emission reduction work, optimized

the construction of ESG system, published the Scientific Roadmap for the Strategic Target of Carbon Neutrality and joined the United Nations Global Compact, further advancing the deployment of the Group's sustainable development strategy.

Carbon Neutral Roadmap and Action Plan



(VI) Advanced technical capabilities in the industry and industry-leading innovative technologies

The Company has a strong technological research and development team. The Company successfully implemented industrialization of its various scientific research results, leading industrial technology improvement and further promoting the competitiveness of the Company in the industry.

The Company continuously invests in technological research. It passed the review of China's high-tech enterprises in 2020, and won the recognition award on the Sixth China Grand Awards for Industry. The Company was granted the title of "National Enterprise Technology Centre (國家企業技術中心)" jointly by five ministries, including the National Development and Reform Commission and the Ministry of Finance. During the reporting period, the Company's "Clean and Efficient Beneficiation Technology for Difficult-to-process Copper, Molybdenum and Nickel Ores Containing Easy-to-float Argillated Gangue Minerals and Application (含易浮泥化脈石礦物難處理銅鉬鎳礦清潔高效選礦技術及應用)" was awarded Green Mines Scientific-technical Progress First Class Award (綠色礦山科技進步一等獎). The Company won honorary titles such as an "Advanced Group on Scientific and Technological Innovation in Luoyang City (洛陽市科技創新工作先進集體)" and the "Industrial Academy for Key Strategic Materials of Molybdenum and Tungsten in Luoyang City (洛陽市鉬鎢關鍵戰略材料產業研究院)".

The Company has successfully applied 5G technology to mine production. It created an unmanned intelligent mine through the application of unmanned mining equipment in a 5G environment, effectively reducing production costs and improving production efficiency while enhancing the ability to guarantee safe production. The Company's "5G-based key technologies and equipment for unmanned and efficient green mining of metal open pits (基於5G的金屬露天礦無人高效綠色開採關鍵技術與裝備)" was awarded "China Industry-University-Institute Cooperation and Innovation Achievement First Class Award (中國產學研合作創新成果一等獎)", and was selected as "5G Application Scenario Demonstration Project in Henan Province (河南省5G應用場景示範項目)" and "Typical Application Scenarios of Digital Transformation of Intelligent Manufacturing in Henan Province (河南省智能製造數字化轉型典型應用場景)".

(VII) Creating a new model of "Mining + Trading" to create profit growth point

The Company has developed a business model of "Mining + Trading". IXM achieves a high degree of synergy and complementarity in customer, sales, supply chain and logistics, risk control and other aspects of the existing businesses while extending the Company's mine industry chain. IXM makes full use of existing global leading industry research and information advantages, deeply participates in the Company's resource integration and profit realization at many levels, such as taking advantages of logistics, broadening logistics channels and alleviating logistics difficulties, and taking advantages of risk control to establish a risk management approach for self-operated trade to monitor profit and loss and capital exposures. IXM will continue to give play to its industrial status and network advantages as a trader to help the Company expand its business presence and influence in the resource field. By cooperating with the mining sector and leveraging on the Company's investment, financing and research capabilities, it has created a new profit driver, which helped the Company enhance global industry competitiveness and influence, and form new commercial competitive advantages.

(VIII) Robust shareholder structure and continuous high cash dividend rate

In March 2023, CATL became the indirect second largest shareholder of the Company. The Company continues to maintain a robust shareholder structure with two major substantial shareholders and investment from large investment institutions, strategic and industrial investors. Currently, the operating businesses are basically mature projects in production, with stable profitability and strong cash generating capacity of each business segment. Shareholders endorse the Company's strategy based on industry outlook and work together to support the Company's development.

The dividend policy of the Company is stable and the dividend return is considerable. The Company realized an annual average dividend rate of over 48% through cash dividend and shares repurchase since the listing of its A shares.

III. OPERATION DISCUSSION AND ANALYSIS

(I) Operation review

1. Production volume of major products

Major products	Production guidance for 2023 ('0,000 tonnes)	Production volume in the first half of 2023 (tonnes)
TFM copper metal	29.00-33.00	126,500
TFM cobalt metal	2.10-2.40	10,154
KFM copper metal	7.00-9.00	29,818
KFM cobalt metal	2.40-3.00	9,264
Molybdenum metal	1.20-1.50	8,389
Tungsten metal (excluding Yulu Mining)	0.65-0.75	3,813
Niobium metal	0.84-1.00	4,695
Phosphate fertilizer	105.00-125.00	547,864
NPM copper metal (80% equity interest)	2.40-2.70	12,564
NPM gold (80% equity interest)	25,000-27,000 ounces	9,550 ounces
Physical trade volume	570-670	3,364,351

2. Work review for the first half of 2023

(1) Advantage in production capacity is being rapidly realized, with a year-on-year improvement in the output of major products

During the reporting period, a number of key construction projects of the Company were put into production and reached full production, driving production capacity to rise at a rapid pace. In the DRC, TFM mixed ore central-zone project successfully put into production, and KFM copper and cobalt mine reached its designed capacity, increasing the Company's production volume in the DRC of copper by 25% and cobalt by 86% year-on-year. In Australia, the E26L1N orebody of the NPM copper and gold mine continued to perform, driving NPM copper production to increase by 12% year-on-year. In China, we seized opportunities in molybdenum market and took multiple initiatives to increase production, through which we recorded a year-on-year increase in production volume of molybdenum metal by 8%. As all mine areas constantly strengthened their process technology management, the recovery rates of niobium in the Brazil mining area, molybdenum in the Shangfanggou Mine in China and copper in Australian mining area reached new highs in recent years.

(2) The issue regarding royalties was satisfactorily settled, underpinning the Company's advantages to develop in the DRC

On 18 April 2023, the Company and Gécamines reached a consensus on the issue of TFM royalties, which formed a series of win-win cooperation consensus between both parties, providing a "CMOC Solution" for China's enterprises to solve royalty issues during their "going globally" process. Benefit from the settlement of the royalty issue, the export of TFM copper and cobalt products resumed. During his visit to China with his key ministries, Tshisekedi, President of the DRC, made a special trip to the Company to deepen bilateral relations and consolidate the achievements of settlement, and indicated the wish to conduct the world's best cooperation with the Company focusing on the field of new energy industry. The Company's new energy metal strategy has been an integral part of the national industrialization strategy of the DRC, underpinning the Company's advantages to develop in the DRC.

(3) Project construction was sped up to create more momentum for sustainable development

Following the work principle of "ensuring production while striving for early reaching full production and over production", the first phase construction projects of TFM copper-cobalt mixed ore and KFM copper-cobalt mine continued to break new construction records with the CMOC spirit of challenging the impossible. KFM was successfully put into production in the second quarter of 2023, representing the fastest mine construction of its kind in the world. TFM mixed ore central zone was put into trial production in the first quarter of 2023, with its installation progress of the acid plant in the roasting facility completed by 97%; 46% of the overall image project in the eastern area has been completed. In the second half of 2023, TFM mixed ore will be put into production, and the Company will witness a significant improvement in the production capacity of copper and cobalt.

(4) New strategic shareholder introduced and new major breakthroughs made in inorganic development

In the first quarter of 2023, the Company completed the change of shareholding information, and CATL became the indirect second largest shareholder of the Company, upgrading from a strategic partner to a strategic shareholder, opening up a new era of the Company's development. The Company and CATL have in-depth cooperation in key regions such as Africa and South America. The lithium brine development project in Bolivia and the battery value chain project in the DRC were undergoing the preparatory work in full swing, further promoting the Company's layout in the new energy metal field. The Company would continue to anchor in the global energy transition, keep exploring cooperation opportunities across the globe, actively integrate into the development of green power industry chain and promote the landing of new projects for building stronger presence globally.

(5) Business segments were updated and structural reform saw initial achievements

IXM appointed a new CEO, who incorporated the Company's strategy into its trading business. Taking the opportunity of the 5th anniversary of IXM's establishment, the six core pillars and values were extracted for stronger structural reorganization and business optimization. Physical trading and proprietary business were balanced, the mid-to-back-end desk was strengthened, the risk management framework was improved and the operational efficiency of assets was enhanced. During the reporting period, we achieved the best liquidity in history, with net profit attributable to the parent company of more than RMB300 million from trading in the first half of 2023, fostering a cycle of benign interaction between reform and operation.

(6) A carbon neutral roadmap was released and ESG rating further ascended

The Company formally set up the ESG Development Department to build ESG management system within the global business scope. In the first half of 2023, ESG assurance in DRC and Australia mines were successfully completed by external experts, and the HSE audit of Brazil mining area and China's mining area were also finished. All mines continued to maintain good momentum of HSE and ESG management, and kept the fine record of "zero fatality" and "zero environmental accident". In the first quarter of 2023, the Company released a carbon neutral roadmap, committed to "achieving carbon peak by 2030 and carbon neutrality by 2050", so as to contribute to the realization of the global dual-carbon goal. According to the latest MSCI ESG rating report, the Company's ESG performance ascended from A Class to AA Class, placing the Company in the top 16% of the global non-ferrous metals industry in terms of MSCI ratings, which is among the first tier of mining companies in terms of ESG.

(7) Goals for the year of advancement were enhanced and the "three-step" strategy was steadily pushed forward with progress

In line with the Company's "5233" management structure, the management objectives for the "year of advancement" were implemented across the board, transforming from organizational upgrade to cultural and management upgrade. The second phase of the SAP project progressed smoothly, the Group's headquarter connected with production and operation business units, and the transformation of digital intelligence empowered the high-speed integration of industry and finance. A quasi-market-oriented overseas trade platform was built, which has linked the supply chain, sales chain and logistics chain to solve the problem that limited sales. We assigned a "Chief Audit and Supervisory Officer" in each mine to carry out integrity audits, so as to create an incorrupted environment for the Group's "three-step" strategy. All mining areas continued to improve management in fields such as contract performance and cost-efficiency. In China, a number of asset disposal projects were completed; in Brazil, further works were done in promoting comprehensive resource recovery; TFM continued to tap into the potential of cost reduction and efficiency improvement; and KFM transformed from the construction stage to the operation stage.

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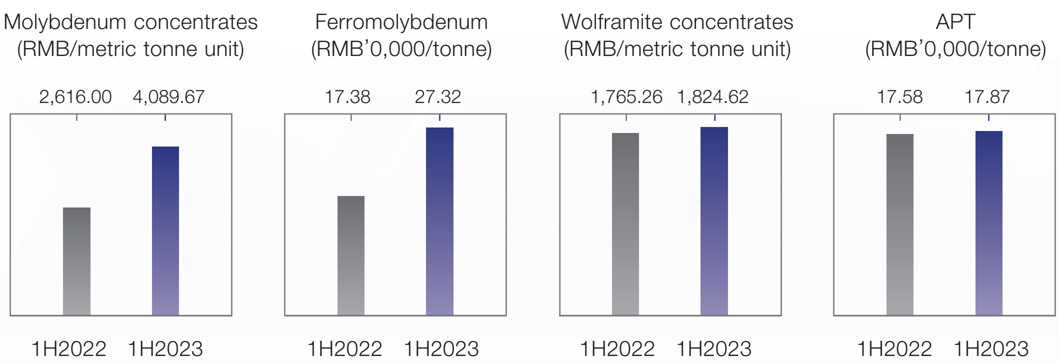
(II) Market review and outlook

1. Market price of major products

Domestic market price of relevant products of the Company

	Products	**First half of 2023**	First half of 2022	**Increase/ decrease on a year-on-year basis** (%)
Molybdenum	Molybdenum concentrates (RMB/metric tonne unit)	**4,089.67**	2,616.00	56.33
	Ferromolybdenum (RMB'0,000/tonne)	**27.32**	17.38	57.19
Tungsten	Wolframite concentrates (RMB/metric tonne unit)	**1,824.62**	1,765.26	3.36
	APT (RMB'0,000/tonne)	**17.87**	17.58	1.65

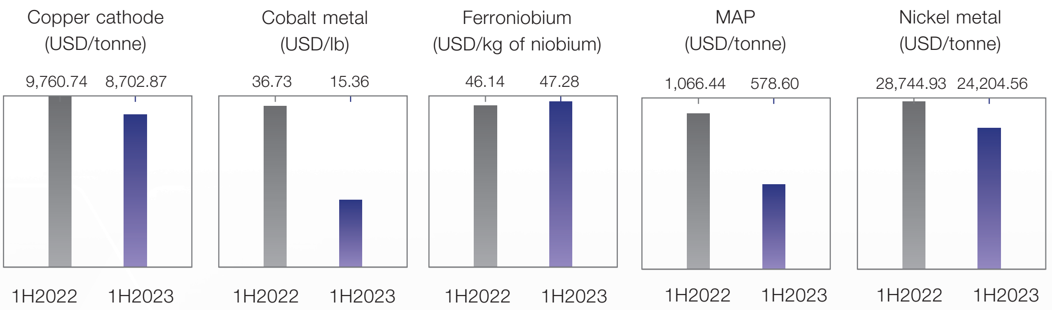
Note: The data is from the average prices quoted on the website of Comelan (product standard: 47.5% for molybdenum concentrate, 60% for ferromolybdenum, grade I for wolframite concentrates, APT GB-0)



International market price of relevant products of the Company

	Products	First half of 2023	First half of 2022	Increase/ decrease on a year-on-year basis (%)
Copper	Copper cathode (USD/tonne)	**8,702.87**	9,760.74	-10.84
Cobalt	Cobalt metal (USD/lb)	**15.36**	36.73	-58.18
Niobium	Ferroniobium (USD/kg of niobium)	**47.28**	46.14	2.47
Phosphate	MAP (USD/tonne)	**578.60**	1,066.44	-45.74
Nickel	Nickel metal (USD/tonne)	**24,204.56**	28,744.93	-15.80

Note: The prices of copper and nickel are the spot average price on LME (London Metal Exchange); cobalt price is the average price of standard grade cobalt (low-end) on the MB (Metal Bulletin); phosphate fertilizer price is from Argus Media; ferroniobium price is from the Asian Metal.



2. Market review of major products

(1) Copper market

The Company mainly sells copper cathode and copper concentrate to the international markets. In the first half of 2023, the average LME copper spot settlement price was USD8,702.87 per tonne, representing a year-on-year decrease of 10.84%. In the first quarter, the domestic economy performed well, and the market had strong expectation on the domestic economic recovery, supporting the copper price in a degree. However, due to the soaring inflation abroad and the tightening monetary policies by the US Federal Reserve, the market concerns on overseas economic recession resulted in upper pressures on the copper price, which fluctuated widely at a relatively high level in the first quarter. In the second quarter, the copper price entered a downward trend as a result of the sluggish recovery of domestic economy, the risk events of overseas banks, the U.S. debt approaching the upper limit and other risk factors. Subsequently, the copper price recovered with the cooling of risk events.

(2) Cobalt market

The Company sells intermediate products of cobalt hydroxide to the international markets. In the first half of 2023, the average low-end price of MB metal cobalt was USD15.36 per lb, representing a year-on-year decrease of 58.18%. At the beginning of the first quarter, the new energy vehicle industry chain underperformed the expectation. Enterprises in all links of the industry actively reduced inventories; the demand for digital batteries showed no signs of recovery, resulting constant declining in price of MB cobalt metal and pricing coefficient. However, the price of cobalt metal overseas saw a trend of rising in March 2023 and the small procurement demand supported the slight hike of cobalt metal prices. In the second quarter, the demands for power batteries and digital batteries showed signs of recovery and coupling with the changes in supply of raw materials in the spot market and the expectation, cobalt metal price and pricing coefficient showed a trend of declines followed by hikes.

(3) Molybdenum market

The Company mainly sells ferromolybdenum in the domestic market. In the first half of 2023, the average ferromolybdenum price was RMB273,200 per tonne, representing a year-on-year increase of 57.19%. At the beginning of the first quarter, the supply of raw materials from the mine was relatively tight. With the outstanding performance in wind power generation, oil and gas pipeline and other terminal fields, the market demand for heat-resistant and corrosion-proof special steel containing molybdenum increased. Coupling with centralized stockpiling in steel mills before Lunar New Year, the ferromolybdenum price rapidly hiked to a high level in nearly 20 years. Subsequently, the stronger resistance of steel mills and other terminals led to the decline in bidding for ferromolybdenum procurement, the price gradually declined to RMB177,000 per tonne at the lowest. In the second quarter, certain ferromolybdenum mills reduced or suspended production to protect the price and steel mills started procurement at the low range of prices. Coupling with the production disturbance in certain mines, the ferromolybdenum price fluctuated up to the range of RMB250,000 per tonne.

(4) Tungsten market

The Company mainly sells APT in the domestic market. In the first half of 2023, the average APT price was RMB178,700 per tonne, representing a year-on-year increase of 1.65%. At the beginning of the first quarter, the domestic economy performed well and the market had high expectations on the recovery of the end demand, resulting in a strong rosy atmosphere on the tungsten market and promoting the APT price to RMB182,000 per tonne. The strong expectation on the end demand failed to materialize and the APT price fell to the downward range. In the second quarter, with increasingly strict supervision on environmental protection, the production of certain small mines was restricted and the supply of raw materials became tight, driving the price higher. The higher cost promoted the APT price to the range of RMB180,000 per tonne. As the end demand failed to be boosted significantly, the APT price remained stable.

(5) Niobium market

The Company sells ferroniobium in the international market. In the first half of 2023, the average ferroniobium price was USD47.28 per kg of niobium, representing a year-on-year increase of 2.47%. In the first quarter, the domestic economy performed well and boosted the demand for ferroniobium. In addition, thanks to the domestic ferroniobium acquisition for storage, the domestic ferroniobium prices maintained a high level despite the increase in ferroniobium import. The enthusiasm of overseas steel mills in purchasing ferroniobium was significantly higher than that of the second half of last year, promoting the continuous increase in price overseas. In the second quarter, the domestic output of crude steel remained at a relatively high level and the demand for ferroniobium was high, driving the growth in market price. Overseas demand declined slightly, leading to a slight decline in price.

(6) Phosphate market

The Company mainly sells phosphate fertilizer in the Brazilian market. In the first half of 2023, MAP CFR Brazil was USD578.60 per tonne, representing a year-on-year decrease of 45.74%. In the first quarter, the fertilizer winter storage and the peak season for fertilizers in spring in China promoted the slight growth in phosphate prices, driving an increase in the price of phosphate fertilizer in Brazil. In the second quarter, due to the off-season for fertilizers and the declining prices of agricultural products, domestic and overseas demands for fertilizers continuously performed weak. Meanwhile, the prices of sulphur, synthesis ammonia and other raw materials declined significantly in the cost end and fertilizers prices continued to maintain a relatively weak level.

(7) Nickel market

The subsidiaries invested in by the Company mainly sell mixed nickel-cobalt hydroxide (MHP) to the domestic market. In the first half of 2023, the average LME nickel spot settlement price was USD24,204.56 per tonne, representing a year-on-year decrease of 15.80%. In the first quarter, the LME resumed trading during Asian hours. But the turnover after the resumption witnessed limited changes. Under the tightening monetary policies by the European and US central banks, the US dollar index remained at a high level, which restricted the end consumption and continuously lowered price focuses. At the beginning of the second quarter, macro pressures were reduced slightly and inventories remained at low levels. Due to the continuous shortage of pure nickel products for delivery, nickel prices experienced staged recovery. With new production capacity of electrolytic nickel coming to the market and the releasing of news on brand registration subsequently, nickel prices remained volatile amid weakness.

3. Market prospects for major products

(1) Copper market

In the second half of 2023, the interest rate hike by the US Federal Reserve will come to an end and macro pressures will be reduced correspondingly. China's economy witnessed a continuous recovery. Despite the declining external demand and the slow recovery of internal demand, thanks to the introduction of various economic policies in the first half and the implementation efforts, it is expected that the macroeconomic regulation at the policy end will continue to support the recovery of physical economies and the end consumption, thereby supporting the performance of copper prices.

(2) Cobalt market

Although the domestic economy is still under weak recovery on the whole, the end demand for cobalt showed an obvious trend of recovery. The power battery industry in China continued to recover and the demand for digital batteries also started recovery. In terms of the policy end, policies on speeding up in promoting new energy vehicles in rural areas have been released. The Ministry of Commerce indicated that it would study policies on supporting the exploration of international markets for new energy vehicles, which will boost the demand for cobalt. The short supply of spot cobalt materials will promote the recovery and hike of cobalt hydroxide prices in the short term. Overseas metal cobalt prices are likely to be supported in the purchase season after the end of the summer break.

(3) Molybdenum market

Under the high molybdenum concentrate prices, there are still certain plans on production ramp-ups in mines, but the total amount is relatively limited. After the significant fluctuations of molybdenum prices in the first half of the year, the ferromolybdenum prices are maintaining fluctuations in a range, which will benefit the stable procurement pace of steel mills. Considering the important role of special steel containing molybdenum in the structural transformation of the steel industry, there will be incremental demands for ferromolybdenum in the wind power and other new energy industries. It is expected that the bidding and procurement of steel mills will remain high, which will facilitate the molybdenum prices to maintain a relatively high level.

(4) Tungsten market

The supply of raw materials is relatively rigid, and the stringent environmental protection policies have resulted in a tightened supply. June and July are the traditional consumption off-season. It is expected that economic stimulus policies will still be introduced after the peak procurement season in September and October and the performance of machinery processing and manufacturing industries may be improved, which will facilitate the upward trend of tungsten prices.

(5) Niobium market

Niobium mines are highly concentrated and new production capacity has been kept within a moderate range. Despite the relatively weak performance of the global manufacturing industry, demand for niobium is expected to maintain a high level in view of the restructuring of the China's steel industry, the further development of high-end manufacturing and the expected increase in the proportion of alloy structural steel to be used in infrastructure projects, which will support the stable operation of ferroniobium prices.

(6) Phosphate market

The third quarter is the peak consumption season in the Brazilian market and it is expected to see improvement in procurement activity, which will drive a certain increase in the price of phosphate fertilizers. The peak season for fertilizer winter storage in China in the fourth quarter may promote price hikes and the relative shrinkage of export in China, which will also boost the strong performance of overseas phosphate fertilizers prices.

(7) Nickel market

In terms of raw materials, the production capacities of MHP, NPI, nickel matte and other intermediate products in Indonesia will still increase and the supply will remain relatively strong. With the production lines of electrodeposited nickel put into production, the delivery of products is expected to increase in the future, which will result in certain pressures on nickel prices. However, the demand in the stainless steel segment is expected to maintain restorative growth and the power battery segment may continue to recover.

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IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Main businesses analysis

1 Analysis of changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the corresponding period of last year	Change (%)
Operating revenue	**86,726,255,654.19**	91,766,808,748.95	-5.49
Operating costs	**83,004,032,078.26**	80,301,263,497.68	3.37
Selling expenses	**58,006,794.63**	60,573,118.36	-4.24
Administrative expenses	**1,210,292,744.70**	827,426,087.60	46.27
Financial expenses	**1,370,089,054.49**	729,521,587.55	87.81
Research and development expenses	**107,688,998.44**	248,344,859.00	-56.64
Gains from changes in fair value	**1,263,729,679.44**	-1,128,527,668.83	211.98
Other income	**69,194,717.66**	30,493,714.00	126.91
Net cash flow from operating activities	**8,761,937,139.74**	8,501,505,218.15	3.06
Net cash flow from investing activities	**-8,594,656,967.42**	-3,719,141,991.95	-131.09
Net cash flow from financing activities	**211,127,744.34**	969,030,202.02	-78.21

Reason for change in net cash flows from investing activities: year-on-year increase in expenses for acquisition and construction of fixed assets for copper-cobalt business during the current period.

Reason for change in net cash flows from financing activities: year-on-year decrease in long-term advance receipt during the current period.

Reason for change in gains from changes in fair value: year-on-year increase in changes in fair value of derivative financial instruments of the base metal trading business during the current period.

Reason for change in other income: increase in tax refunds received during the current period.

2 *Principal Businesses by Industry, Product and Region*

Unit: Yuan Currency: RMB

Principal businesses by industry

By industry	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease in operating revenue as compared with the same period last year (%)	Increase or decrease in operating cost as compared with the same period last year (%)	Increase or decrease in gross profit margin as compared with the same period last year (%)
Mineral exploration and processing	12,209,698,813.52	8,933,780,134.16	26.83	-29.40	7.00	-24.89
Mineral trading (Note)	74,323,389,078.83	73,886,500,704.19	0.59	0.01	2.89	-2.78
Others	98,910.15	91,986.44	7.00	14.80	12.71	1.72

Unit: Yuan Currency: RMB

Principal businesses by product

By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease in operating revenue as compared with the same period last year (%)	Increase or decrease in operating cost as compared with the same period last year (%)	Increase or decrease in gross profit margin as compared with the same period last year (%)
Mineral exploration and processing						
Molybdenum and tungsten	4,430,591,850.01	2,897,274,312.13	34.61	26.48	54.81	-11.96
Copper and gold	849,834,436.59	665,805,791.09	21.65	32.75	30.73	1.21
Niobium and phosphate	2,959,329,406.24	2,301,094,195.94	22.24	-17.42	29.34	-28.11
Copper and cobalt	3,969,943,120.68	3,069,605,835.00	22.68	-58.50	-26.73	-33.53
Mineral trading (Note)						
Concentrate products	21,042,165,231.40	20,688,563,615.47	1.68	4.46	5.91	-1.35
Refined metal products	53,281,223,847.43	53,197,937,088.72	0.16	-1.64	1.76	-3.33
Others	98,910.15	91,986.44	7.00	14.80	12.71	1.72

Unit: Yuan Currency: RMB

Principal businesses by region

By region	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease in operating revenue as compared with the same period last year (%)	Increase or decrease in operating cost as compared with the same period last year (%)	Increase or decrease in gross profit margin as compared with the same period last year (%)
Mineral exploration and processing						
China	4,430,591,850.01	2,897,274,312.13	34.61	26.48	54.81	-11.96
Australia	849,834,436.59	665,805,791.09	21.65	32.75	30.73	1.21
Brazil	2,959,329,406.24	2,301,094,195.94	22.24	-17.42	29.34	-28.11
DRC	3,969,943,120.68	3,069,605,835.00	22.68	-58.50	-26.73	-33.53
Mineral trading (Note)						
China	28,026,512,385.50	27,633,418,525.63	1.40	49.53	47.64	1.26
Overseas	46,296,876,693.33	46,253,082,178.56	0.09	-16.69	-12.88	-4.37
Others						
China	98,910.15	91,986.44	7.00	14.80	12.71	1.72

Note: IXM engages in metal trading business that combines futures and spot trading. The Group only included the corresponding cost of the spot commodities in accordance with the requirements of the Accounting Standards for Enterprises when calculating the operating cost of the metal trading; the profit and loss related to the futures business is reported in gains from changes in fair value. The gross profit margin for the period for IXM trading business under International Accounting Standards was 1.82%.

3 *Analysis of Production and Sales Volume*

Principal products	Unit	Production/ procurement volume	Sales volume	Inventory volume	Increase or decrease of production/ procurement volume as compared to the corresponding period of last year (%)	Increase or decrease of sales volume as compared to the corresponding period of last year (%)	Increase or decrease of inventory volume as compared to the end of last year (%)
Mineral exploration and processing (Note 1)							
Molybdenum	Tonnes	8,389	7,835	1,294	7.92	-3.22	9.64
Tungsten	Tonnes	3,813	3,558	1,221	-8.92	-3.87	-27.42
Niobium	Tonnes	4,695	4,627	739	1.47	7.46	-20.66
Phosphate fertilizer	Tonnes	547,864	569,300	69,044	-2.96	15.07	-64.07
Copper (TFM & KFM)	Tonnes	156,318	93,212	240,729	24.67	-19.22	272.18
Cobalt (TFM & KFM)	Tonnes	19,418	1,663	29,507	85.55	-84.70	189.60
Copper (80% equity interest of NPM)	Tonnes	12,564	12,367	1,335	11.55	40.04	-49.06
Gold (80% equity interest of NPM)	Ounces	9,550	8,825	N/A	13.95	29.30	N/A
Mineral trading							
Concentrate products (Note 2)	Tonnes	1,621,802	1,490,926	253,939	-2.41	-3.61	-25.54
Refined metal products (Note 3)	Tonnes	1,954,217	1,873,425	462,275	35.72	24.29	-2.89

Note 1: Data relating to production volume, sales volume and inventory volume in the mineral exploration and processing is the self-production data of mines of the Company, and the inventory volume of copper and cobalt includes the inventory volume of self-production held by IXM. The change in the sales volume of TFM copper and cobalt was mainly due to the influence of the restriction on export during the reporting period. The export of TFM copper and cobalt products has been resumed since May 2023. The Company will coordinate and arrange the sales plan of existing products with reference to market conditions.

Note 2: It represents the primary products of metal minerals, which are mainly the concentrates.

Note 3: Refined metals and chemical products.

(II) Analysis of Assets and Liabilities

1. *Assets and liabilities*

Unit: Yuan Currency: RMB

Item	Closing balance of the current period	Percentage of closing balance of the current period in total assets (%)	Closing balance of the previous year	Percentage of closing balance of the previous year in total assets (%)	Change in closing balance of the current period over the previous year (%)	Note
Held-for-trading financial assets	7,355,635,769.49	4.07	4,236,792,942.19	2.57	73.61	Increase in structured deposits purchased with idle funds during the current period, and increase in trade receivables designated as held-for-trading financial assets of base metal trading business
Derivative financial assets	3,289,278,169.35	1.82	1,944,853,567.32	1.18	69.13	Increase in fair value of derivative financial assets of base metal trading business during the current period
Other current assets	2,184,841,095.22	1.21	4,504,795,377.38	2.73	-51.50	Decrease in deposits for the base metal trading business during the current period
Intangible assets	25,567,713,962.98	14.16	19,447,513,419.29	11.78	31.47	Increase in mining rights of copper and cobalt business during the current period
Notes payable	1,662,399,064.20	0.92	2,409,419,326.42	1.46	-31.00	Increase in notes payable due for repayment during the current period
Other payables	9,961,175,822.26	5.52	6,861,265,106.60	4.16	45.18	Dividends payable for A+H shares recognized during the current period, and increase in deposits payable for base metal trading business
Non-current liabilities due within one year	4,510,445,099.25	2.50	6,905,036,819.39	4.18	-34.68	Repayment of long-term borrowings due within one year during the current period
Other comprehensive income	2,371,667,424.71	1.31	294,879,708.74	0.18	704.28	Changes in translation differences of financial statements denominated in foreign currencies and cash flow hedge reserve

Note: The gearing ratio (total liabilities divided by total assets) of the Group increased from 62.41% as at the end of 2022 to 64.88% as at 30 June 2023.

2. Overseas assets

(1) Asset structure

Where: Overseas assets amounted to 158,822,312 (Unit: Thousand Yuan Currency: RMB), accounting for 87.98% of total assets.

(2) Explanation on the high proportion of overseas assets

Unit: Thousand Yuan Currency: RMB

Overseas assets	Reason for occurrence	Operation model	Operating revenue for the reporting period	Net profit for the reporting period
DRC TFM copper and cobalt business	Business combinations not involving enterprises under common control	Self-operation	4,560,698	479,583
Brazilian niobium and phosphorus business	Business combinations not involving enterprises under common control	Self-operation	3,053,097	323,173
IXM metal trading business	Business combinations not involving enterprises under common control	Self-operation	79,614,403	306,491

Other explanation

The Company's overseas assets are mainly copper and cobalt mine in the DRC, niobium and phosphorus mine in Brazil, copper and gold mine in Australia, and metal trading sector across the globe. Meanwhile, the Company also has interests in project of the Huayue Nickel Cobalt in Indonesia, with a shareholding percentage of 30%.

3. Restrictions on major assets as at the end of the reporting period

As at the end of the Reporting Period, details of the Company's major restricted assets are set out in "1. Cash And Bank Balances", "2. Held-For-Trading Financial Assets", "5. Financing with Receivables", "8. Inventories", "9. Non-Current Assets Due Within One Year", "10. Other Current Assets" and "22. Other Non-Current Assets" of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

4. Other information

(1) Capital structure

The Company maintains sound capital structure and credit rating by equity and debt financing to ensure normal production and operating activities. The Group might make adjustments to the capital structure in due course in light of changes in the economic environment by way of borrowing new debts or issuing new shares.

As at 30 June 2023, the equity interests of shareholders of the Company amounted to approximately RMB63.405 billion, among which the equity attributable to shareholders of the parent company was approximately RMB52.780 billion. There was no change in the capital of the Company during January to June 2023.

As at 30 June 2023, the Company issued 21,599,240,583 shares, comprising 17,665,772,583 A shares and 3,933,468,000 H shares.

Details of borrowings of and issuance of bonds by the Group as at 30 June 2023 are set out in Notes 23, 32, 34 and 35 of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(2) Financial instruments

The Company's major financial instruments include cash and bank balances, held-for-trading financial assets, derivative financial assets, financing receivables and accounts receivable, other receivables, non-current assets due within one year, other current assets, other equity instrument investment, other non-current financial assets, other non-current assets, held-for-trading financial liabilities, derivative financial liabilities, notes and accounts payable, other payables, borrowings, other current liabilities, non-current liabilities due within one year, bonds payable, and other non-current liabilities, etc. Details of these financial instruments are disclosed in "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(3) Short-term borrowings

Details of the short-term borrowings are disclosed in Note 23 of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(4) Long-term borrowings

Details of the long-term borrowings are disclosed in Note 34 of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(5) Bonds payable

Details of the bonds payable are disclosed in Note 35 of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(III) Investment Analysis

1. *Overall analysis of external equity investment*

(1). Material non-equity investments

Name of project	Amount of project	Progress of project	Investment during the reporting period	Total actual investment	Benefits of project
Mixed ore project of the TFM Copper and Cobalt Mine	USD2,510 million	The construction in the central smelting area has been completed and trial production has been initiated. 97% of installment in the roasting and acid-making area has been completed. 46% of the overall image project in the eastern area has been completed	USD479 million	USD1,472 million	After reaching full production, it is estimated that the average annual production capacity of copper will be increased by 200,000 tonnes, and the average annual production capacity of cobalt will be increased by 17,000 tonnes
KFM Development Project (oxide and mixed ores) (phase I) in the DRC	USD1,826 million	The construction of concentrator, smelter and acid plant has been completed and they have been put into production	USD283 million	USD1,127 million	After reaching full production, it is estimated that the average annual production capacity of copper metal will increase by 90,000 tonnes and the average annual production capacity of cobalt metal will increase by 30,000 tonnes

Notes: 1. The mixed ore project of the TFM Copper and Cobalt Mine has been approved at the second extraordinary meeting of the sixth session of the Board of the Company.

2. The KFM Development Project (oxide and mixed ores) (phase I) in the DRC has been approved at the sixth extraordinary meeting of the sixth session of the Board of the Company.

General plot of beneficiation and smelting area in the eastern zone of TFM

Ore grinding workshop of KFM

(2). Financial assets measured at fair value

Unit: Yuan Currency: RMB

Assets category	Opening balance	Gain or loss arising from the changes in fair value for the current period	Accumulated changes in fair value recorded in equity	Purchase amount for the current period	Disposal/ redemption amount for the current period	Investment income for the current period	Other changes (Note 1)	Closing balance
Shares	12,160,856.65	2,086,113.18	-90,977,430.00	-	-	-	156,096.83	**14,403,066.66**
Trust products	350,656,539.92	6,826,973.42	-	-	267,181,849.03	-	-	**90,301,664.31**
Private funds	824,298,264.61	-10,091,334.80	-	2,660,700.00	-	-	30,777,665.42	**847,645,295.23**
Futures (Note 2)	713,117,168.22	24,889,431.02	541,238,582.82	-	183,184,121.57	-	11,763,671.20	**566,586,148.87**
Monetary funds	20,764,481.75	198,354.37	-	-	-	-	-	**20,962,836.12**
Structured deposits	100,000,000.00	3,242,265.61	-	1,200,000,000.00	100,000,000.00	-	-	**1,203,242,265.61**
Wealth management products	101,187,703.05	34,065,788.14	-	122,258,000.00	56,621,787.91	-	-	**200,889,703.28**
Equity interests in unlisted companies	156,332,956.79	-	-	-	-	-	5,645,746.17	**161,978,702.96**
Partnership shares	1,063,680,603.86	2,839,802.81	-	-	38,511,913.08	13,439,075.63	3,157,865.26	**1,031,166,358.85**
Target asset management plans	1,071,213,564.32	3,143,598.82	-	-	-	-	40,232,602.01	**1,114,589,765.15**
Treasury Securities	4,928.00	-	-	-	-	-	-	**4,928.00**
Total	4,413,417,067.17	67,200,992.57	450,261,152.82	1,324,918,700.00	645,499,671.59	13,439,075.63	91,733,646.89	**5,251,770,735.04**

Note 1: Other changes represent the translation difference of financial statements denominated in foreign currencies.

Note 2: The Company is engaged in mining and sales business of copper and cobalt products and expects that the copper and cobalt products sold will be exposed to cash flow risks arising from changes in prices. The Company purchases futures contracts as hedging instruments to reduce cash flow risks arising from changes in prices of commodities expected to be sold, and records changes in fair value of the effective portion of hedges in other comprehensive income according to the requirements of the Accounting Standards for Enterprises.

IXM is engaged in the metal trading business which combines the futures and spot commodities, and futures and derivatives trading is its principal business instead of an investment business.

Note 3: The accounts receivable arising from IXM's metal trading business are measured at fair value, and are recorded in held-for-trading financial assets according to the requirements of the Accounting Standards for Enterprises. The relevant business is its principal business instead of an investment business. For details, please refer to "2. Held-for-trading financial assets" of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

Note 4: The Company discounts or endorses part of notes receivable received from its principal business according to its day-to-day capital demand, and the relevant notes receivable are recorded in financing receivables according to the requirements of the Accounting Standards for Enterprises, which is not an investment business. For details, please refer to "5. Financing receivables" of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

Investment in securities

Unit: Yuan Currency: RMB

Securities type	Stock code	Stock abbreviation	Initial investment costs	Source of fund	Opening book value	Gain or loss arising from the changes in fair value for the current period	Other changes	Closing book value	Accounting Item
Stocks	ONCR	Oncorus	8,016,360.00	Self-owned funds	364,870.38	133,247.08	16,136.73	514,254.19	Other non-current financial assets
Stocks	DM	DesktopMetal	9,686,973.33	Self-owned funds	2,773,416.27	1,952,866.10	139,960.10	4,866,242.47	Other non-current financial assets
Stocks	836012.NQ	Baixing.com	100,000,000.00	Self-owned funds	9,022,570.00	–	–	9,022,570.00	Investments in other equity instruments
Funds	000917	Harvest Fund	9,714,945.42	Self-owned funds	10,415,359.09	97,195.40	–	10,512,554.49	Held-for-trading financial assets
Funds	003473	Tiantianli A	9,713,108.53	Self-owned funds	10,349,122.66	101,158.97	–	10,450,281.63	Held-for-trading financial assets
Total	/	/	137,131,387.28	/	32,925,338.40	2,284,467.55	156,096.83	35,365,902.78	/

Investment in private funds

For the details of the Company's investment in private funds during the reporting period, please refer to "13. Other Non-Current Financial Assets" of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

Investment in derivatives

Leveraging on the futures market, the Company engages in risk management activities, such as hedging for copper and cobalt products, to manage cash flow risks resulting from changes in the expected sales price of copper and cobalt products.

IXM is primarily engaged in the trading of commodities (copper concentrate, lead concentrate, zinc concentrate, refined metals, etc.). While IXM conducts spot trading of non-ferrous metals, it also holds futures contracts of the same metal species that can be settled on a net basis. Taking advantage of the strong correlation between spot trading and future businesses, the combined business model of futures business and spots trading reduces the risks caused by industry cyclical and price fluctuations. IXM has a mature risk management and control system. After the risk prevention and control strategy is approved by the Company, it will be implemented by the risk management and macro strategy committee of IXM. IXM has set up a special risk management department to ensure that IXM's risk control policies can be strictly implemented.

For details of the Company's investment in derivatives during the reporting period, please refer to "3. Derivative Financial Assets" and "25. Derivative Financial Liabilities" of "VII. Notes to Items in the Consolidated Financial Statements" in "Section VIII Financial Report" in this report.

(IV) Analysis of Major Subsidiaries and Associates

Unit: Yuan Currency: RMB

Company name	Principal business	Shareholding method	Shareholding proportion	Operating revenue	Operating profit	Net profit attributable to shareholders of the Company	Total assets	Net assets
CMOC Mining Pty Limited	Copper and gold mine assets/business	Indirect	80%	870,131,179.00	144,632,766.37	97,886,934.03	5,489,655,687.63	3,064,100,911.15
TF Holdings Limited	Copper and cobalt mine assets/business	Indirect	80%	4,560,698,004.33	1,132,434,781.33	479,583,302.83	77,180,585,474.67	44,208,435,755.92
CMOC Brasil	Niobium and phosphates mine assets/business	Indirect	100%	3,053,097,177.20	419,368,077.59	323,173,050.47	14,239,531,331.78	8,014,000,367.26
IXM	Trading business	Indirect	100%	79,614,402,967.86	381,191,080.12	306,491,357.99	33,341,210,874.90	7,155,387,646.53

(V) Substantial investment held by the Company

As of 30 June 2023, the Group did not hold any substantial investment accounting for more than 5% of total assets.

V. OTHER DISCLOSURE

(I) Possible risks

1. As the Russian-Ukrainian war continues, uncertainty about global economic recovery has increased, which could lead to financial and economic risks.

2. The Company has a large number of overseas investment projects, mainly located in the DRC, Brazil, Australia, Switzerland and other countries and regions. As there are major discrepancies in state politics and economy development level among different countries, we may face policies, political, legal and community risks of different countries.

3. The Company is mainly engaged in mineral mining and processing and mineral trading business, and may face risks such as decline in the grade of mineral resources, safe production, fluctuations in product spot and futures prices as well as natural disasters.

4. The estimated results of mine resources and reserves are related to various factors such as the complexity of the geological characteristic of ore body, the degree of control of the ore body, the selection of technical indicators as well as the selection of rules and standards in different regions, and may be subject to a risk of deviation from the original prediction.

5. The Company held the assets and liabilities denominated in non-functional currencies and IXM B.V. Group conducted international business, of which the assets and liabilities are denominated in functional currencies different from those of the entities. Therefore, the Company is subject to fluctuation in foreign exchange rates. As the Company manages its exchange rates risks with the principle of matching the currencies of assets/revenue with those of liabilities, the exchange rates risks exposure arising from financing is relatively insignificant. Since currencies used for denominating revenue and cost may be different for certain businesses, the fluctuation in the short-term exchange rates of different settlement currencies may affect the operating results of the Company to a certain extent. The Company pays close attention to the impacts of the fluctuation in exchange rates on the Group, and will make use of financial instruments, such as forward foreign exchange contracts, to hedge against foreign exchange rates risks in due course.

For details of other "possible risks" of the Company, please refer to the contents disclosed in relevant sections of the Company's previous periodic reports.

(II) Other disclosure

I. PRIORITIES OF THE COMPANY FOR THE SECOND HALF OF 2023

1. Maintain the good momentum of steady progress, and explore space with efficiency-improving effect in key mines

The Company will further strengthen production and operation management, prevent risks, establish safety and environmental protection, stabilize processes and improve technical indicators, ensure equipment to increase raw ore throughput, tap potential and continue to promote cost reduction and efficiency increase.

The Company will speed up the commissioning of the eastern zone of TFM's mixed ore project, and ensure that the throughput and selected grade of each production line that has been put into operation are "optimized and improved". It will accelerate the system debugging in the central zone of the mixed ore project to ensure the supply of mixed ore selection. KFM will maintain stable production and continuously improve operational efficiency. The phosphate mine will start the stripping work in the southern and northeastern zones to ensure the stability of the raw ore grade, the beneficiation side will conduct magnesium reduction experiments to improve the beneficiation recovery rate. For niobium, the Company will accelerate the narrowing of the process gap between the grinding sections of two niobium concentrators, which is expected to significantly improve the niobium recovery rate. It will utilize surplus smelting capacity to carry out processing business other than niobium and improve profitability. The Company will accelerate the promotion of revenue-generating projects such as magnetite, phosphogypsum and weak magnetic tailings sales to achieve maximum utilization of valuable elements. The Company will seize molybdenum market opportunities in molybdenum and tungsten end to facilitate the deep exploration of Sandaozhuang molybdenum and tungsten mine and the technical breakthrough of Shangfanggou molybdenum mine. As for the mining projects in Australia, the Company will speed up the feasibility study design of E22 and the commissioning of E31/E31N, comprehensively improve and balance the grade of copper and gold selection and further improve equipment availability.

2. Launch "Mining + Trading" collaboration 2.0 and test the effectiveness of IXM reform

The Company will focus on improving spot trading capabilities while stabilizing its proprietary trading performance. It will continue to enhance its risk control and focus on improving efficiency of use of working capital and reducing financial expenses. The Company will accelerate the layout of the Group's digital intelligence system and build a comprehensive three-dimensional marketing network. The Company will continue to build the model of "modern mining", give play to industry and trade synergy, fully stimulate the strengths of IXM as a trading company to achieve trade value-added and create additional profits based or the balance between risks and return, and promote "Mining + Trading" integration into the 2.0 era.

3. **Promote high-quality inorganic growth and continuously cultivate new profit drivers**

The Company will actively search, screen and research high-quality projects based on the global strategy of carbon neutrality and carbon peaks and resource ensuring goals, relying on its existing layout in Africa, South America, and Southeast Asia, and focusing on new energy related industries and scarce resource in domestic market, and increase investment and mergers and acquisitions efforts. The Company will continue to deepen cooperation with CATL and accelerate the development of lithium brine project in Bolivia and the implementation of battery value chain projects in Africa. The Company will continue to strengthen the strategic cooperation with established Chinese enterprises, share resources and achieve mutual benefits in various fields such as mining and construction, trade, logistics, technical equipment, drive Chinese manufacturing to go global, participate in international production capacity cooperation, and create a dual circulation pattern.

4. **Benchmark, implement and meet standards and lead global governance with leading ESG performance**

In combination with the goal of "Year of Improvement", the Company will lead the enterprise management with leading ESG, and create a global governance structure that matches the positioning of the Company. The Company will adhere to the regular patrol review mechanism of HSE committee members, and efficiently achieve experience sharing in mining business units. The Company will carry out tailings pond management to implement ICMM, the international tailings pond management standard, and improve the operation and maintenance and new construction of tailings ponds in various mining zones. The Company will accelerate the preparation of the implementation plan of 2030 carbon peaks and carbon reduction at mine-site level, so as to implement the Company's overall strategy of carbon neutrality and carbon peaks.

II. EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES DURING THE REPORTING PERIOD

(1) Exploration

① Copper and Cobalt Mine in the DRC

TFM Copper and Cobalt Mine: During the reporting period, geological exploration work mainly focused on limestone deposits. A large-scale geological mapping of 3km^2 was completed and 3 new limestone target areas were discovered. A total of 1,200 meters of diamond drilling footage was completed, all meeting the expected prospecting results.

KFM Copper and Cobalt Mine: During the reporting period, the exploration mainly focused on the 2-year mining area for drilling grid infill drilling and production prospecting construction with exploration towards boundaries and bottoms with 44 designed drilling holes and a designed footage of 2,730 meters. A total of 40 drilling holes have been completed with a total footage of 2,629 meters. The exploration performed well and all met expectations.

Copper and Cobalt Operation in the DRC

② Niobium and Phosphate Mine in Brazil

Niobium: Diamond drilling (DDH) activities were initiated at the Boa Vista Mine at the end of February 2023. A total of 2,433 meters of drilling was completed mainly in 3 projects and the work was optimized based on the availability of research fields. For exploration of mineral resources, a total of 4 drilling holes were constructed, with a total footage of 864 meters, to have a detailed understanding and improvement of the reliability, conversion and increase of mineral resources. For collection of geotechnical technical parameters, a total of 5 drilling holes were constructed, with a total footage of 1,256 meters, to obtain rock and soil samples to verify geomechanical models, review and optimize operation parameters and determine the security coefficients of pits. For hydrogeology, a total of 4 drilling holes were constructed, with a total footage of 313 meters, to develop new hydrogeological instruments for monitoring the groundwater and the base of waste rock piles.

Niobium and Phosphate Operation in Brazil

The air reverse circulation (RC) drilling was initiated in mid-February 2023. A total of 248 drilling holes were constructed, with a total footage of 6,458 meters, to make a detailed explanation and improvement of the reliability of short-term geotechnical models, ensure the control of grade and pollution element indicators in drilling, exploration and mining plans and support the conversion and increase of mineral resources in inferred mine areas.

In the greenfield project of ALE, 6 diamond drilling holes were constructed, with a total footage of 2,039 meters, to verify existing drilling holes (double holes) and improve the defining of the geometrical shapes of ore bodies. An underground geophysical profile survey at 369 meters (gamma-gamma), a natural gamma at 1,135 meters and other approaches, such as a magnetic susceptibility survey (MAGSUS) at 889 meters, a resistivity survey at 687 meters and a bi-neutron (porosity) survey at 247 meters, were carried out to provide support to geological modeling data by providing petrophysical parameters.

Phosphate: In Chapadão Mine, a total of 113 RC drilling holes were constructed, with a total footage of 2,220 meters and an average depth of 20 meters, and a total of 908 samples were collected to control the ore and pollution element indicators.

As for the greenfield exploration projects, 3 diamond drilling holes were constructed in the target of the Monjolos project (MNJ-SV), with a total footage of 453 meters. A total of 220 samples in 11 batches, including blank control samples, standard samples and repeated samples, were obtained. In the target of the Iraí de Minas project (IDM-SJB), 652 samples in 33 batches, including blank control samples, standard samples and repeated samples, were obtained.

③ Mines in the PRC

Sandaozhuang Molybdenum and Tungsten Mine: During the reporting period, production exploration of mines was conducted in the central and southern areas, with drilling work conducted on the surface of the open pit, using core drilling rigs to conduct 64 drill holes with a depth of 6,382 meters. In order to prevent geological disasters and ensure the safety of open-pit mining, mined-out exploration of mines was carried out in the northern and southern areas, with drilling on the surface of the open pit. A total of 1,209 meters of mined-out exploration was carried out, including 787 meters of single-layered mined-out areas and 422 meters of multi-layered mined-out areas.

Shangfanggou Molybdenum Mine: During the reporting period, production exploration has been carried out in key production area, and dig drilling has been carried out on the surface of the open pit, using core drilling rigs to conduct 52 drill holes to a depth of 5,084 meters. During the reporting period, in-depth exploration has been carried out at standard height of 1,520 to 885 meters in mine areas, and dig drilling has been carried out on the surface of the open pit, using core drilling rigs to conduct 2 drill holes to a depth of 768 meters. In order to ensure the production safety, mined-out area exploration was carried out in the horizontal mined-out areas 1,154 to 1,342 meters deep, using the reverses circulation drill rigs to construct 14 exploration holes for mined-out area, with a depth of 1,327 meters, including 885 meters of single-layered mined-out areas and 442 meters of multi-layered mined-out areas.

Donggebi Molybdenum Mine: During the reporting period, no mine exploration activity was carried out.

④ NPM Copper and Gold Mine in Australia

During the reporting period, a total of 72 diamond, reverse circulation and sonic drilling holes were carried out at the NPM mine area and EL5801, with a footage of 10,447 meters. Infill holes were carried out at E28 in the ML1247 mine rights to further evaluate near-surface resources. Validation drilling was carried out at the proposed Rocklands tailing storage to ensure no loss of near-surface resources with economic value. Sonic drilling and sampling were completed at the surface of the TSF1 tailing storage to evaluate the value of residual copper and gold in historical tailing storage. Exploration of near-surface mineralization and deep drill testing on known mineralization were completed at the area of the E37 project for the EL5801 mining rights. In addition to drilling, rock and soil drilling on the ML1247 mining rights were completed to support the block caving mining at the E26L1N and the underground infrastructure for the proposed E22 project. Renewal of the five-year exploration rights for the EL5800 and the EL8377 was completed.

(2) Development

① Copper and Cobalt Mine in the DRC

TFM Copper and Cobalt Mine: During the reporting period, the external roadway construction at mofya and kasa have been completed; the expansion of the kwat dump, the land expropriation for the zoro and fgme dumps, the stripping at mamb and kasa as well as the construction of the h5mx dump have been completed; gushing water governance for railway relocation and digging of certain replacement layers have been completed. 16 dewatering wells have been completed, totaling 2,646 meters. 1 monitoring hole was completed, totaling 160 meters. 2 old drainage wells were repaired, totaling 300 meters. A total of 2,958 meters of protective embankment controlling surface water and 200 meters of roads and drainage culverts were installed to effectively control the impact of water environment and resolve the problem of puddle on roads in the mining area. The installation of 16 slope monitoring radars was completed, further expanding the coverage of monitoring on the pit and effectively improving the safety of production and operation.

KFM Copper and Cobalt Mine: During the reporting period, the secondary drainage system of the mine was optimized and the replacement of the new and old collecting tanks at the bottom of the mine were completed, with a maximum displacement of 12,000 cubic meters per day. The lowest point of the funnel curve of the groundwater level drop was about 15 meters lower than the bottom of the pit, ensuring the smooth implementation of exploration in the new stage and the production of ores. In addition, the transportation system of the mine was optimized with 4 temporary slopes added, reducing the transportation distance of approximately 4 million cubic meters of waste stones and saving the mining cost.

② Niobium and Phosphate Mine in Brazil

Niobium: During the reporting period, the major work was the infrastructure construction approved for piling of new waste ores to ensure the continuity of the operation of mines. The environment administration authorities of Goiás have issued certain licenses for operation (LO) and the final licenses for operation will be obtained in October 2023. In addition, the drainage and pumping systems of mines were under adjustment to ensure the use of water for road wetting in dry seasons and the water level at the bottom of mines was under control to guarantee normal mining in rainy seasons.

The niobium mine continued to improve the operation to improve the safety, the production efficiency and the environmental control. It planned to transform the dispatch system to adopt more modernized systems to simplify the decision-making procedures.

Phosphate: During the reporting period, the Company planned the relocation work of niobium slag and conducted the designing work of the concept project program, with an aim to plan the relocation of the facilities and structures in the southern part of the phosphate mine (Fagundes, Metal Ar and geological shelves).

③ Mines in the PRC

Sandaozhuang Molybdenum: During the reporting period, the ecological restoration work was further strengthened with an area of 25,653 square meters and 27,908 square meters of ecological restoration in the mine and the dump. Slope safety management was strengthened with an area of 4,007 square meters of slope areas in Bijiajian restored, 134 cubic meters of rib retaining walls constructed and 5,069 square meters of the lower area of the dispatch center restored. Meanwhile, the construction of the drainage system in the mine was enhanced with 500 meters and 700 meters of ditches completed in the dump and the mine, respectively.


Molybdenum and Tungsten Operation in China

Shangfanggou Molybdenum Mine: During the reporting period, in accordance with the national green mine construction requirements, the ecological restoration work was further strengthened. We completed the greening with an area of 18,000 square meters in the slag dump; hardened road of 4,320 square meters in the mine; strengthened the construction of the drainage system in the mine, constructed fixed ditches of 75 meters and temporary ditches of 2,500 meters in the mine; built fixed ditches of 180 meters and temporary ditches of 1,200 meters in the dump at Xiaosiyuan groove.

Donggebi Molybdenum Mine: No development activities were conducted during the reporting period.

④ NPM Copper and Gold Mine in Australia

The mining and production at E26L1N were under smooth progress and met the expectation and the plan. It has become the major source of ores for underground production, accounting for over 75% of the total underground output. In the first half of the year, the output of E26L1N was 326,000 tonnes higher than the planned. On-going monitoring of block cave mine was carried out to ensure the safety of block cave mine and monitoring data showed that the block cave mine activity met the expectation. Considering the lower grade of ores at E48, it will continue to be supplemental source of ores till the end of 2023. The development of SLC5&6 at E26 was under smooth progress ahead of schedule and is expected to complete in November 2023 and start mining and production by the end of the year. With the signing of mining contracts recently, the open-pit operation at E31/31N started the preparation for supplying ores with high gold grade. The feasibility study on E22 has been initiated and is planned to complete by the end of 2023.


Copper and Gold Operation in Australia

(3) Mining Activities

Domestic mining activities ('0,000 tonnes)	
Mining volume of Sandaozhuang Molybdenum and Tungsten Mine	990.19
Mining volume of Shangfanggou Molybdenum Mine	265.75

Overseas mining activities ('0,000 tonnes)	
Mining volume of TFM Copper and Cobalt Mine in the DRC	709.96
Mining volume of KFM Copper and Cobalt Mine in the DRC	84.58
Mining volume of Niobium Mine in Brazil	170.80
Mining volume of Phosphate Mine in Brazil	253.36
Mining volume of NPM Copper and Gold Mine in Australia	366.30

(4) Costs of Exploration, Development and Mining

Projects	Mining costs	Exploration costs	Development costs
Domestic mines (RMB'0,000)			
Sandaozhuang Molybdenum and Tungsten Mine	34,805.91	239.39	857.69
Shangfanggou Molybdenum Mine	11,653.07	232.89	619.66
Overseas mines (USD million)			
TFM Copper and Cobalt Mine in the DRC	218.76	3.28	104.44
KFM Copper and Cobalt Mine in the DRC	52.67	0.00	0.00
Niobium Mine in Brazil	17.07	1.63	3.22
Phosphate Mine in Brazil	6.72	1.41	0.58
NPM Copper and Gold Mine in Australia	17.21	3.22	2.88

(5) Cost of Ore Raw Materials

Unit: Thousand yuan Currency: RMB

Type and source of ore raw materials	Total cost of raw materials	Percentage (%)	Increase/decrease of total cost of raw materials as compared to the corresponding period of last year (%)
Owned mines	3,120,145.87	92.54	60.08
External procurement	251,542.75	7.46	23.15
Total	3,371,688.62	100.00	56.58

SECTION IV CORPORATE GOVERNANCE

I. BRIEF INTRODUCTION TO THE GENERAL MEETINGS

Session	Date of meeting	Index of website designated for publication of the resolutions	Date of disclosure	Resolutions approved at the meeting
2023 first extraordinary general meeting	5 May 2023	Websites of the Shanghai Stock Exchange (www.sse.com.cn) and The Stock Exchange of Hong Kong Limited (www.hkex.com.hk)	6 May 2023	All resolutions have been approved and there is no rejected resolution.
2022 annual general meeting	9 June 2023		10 June 2023	

II. THE CHANGES IN THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position held	Change
Guo Yimin	Non-executive director, vice chairman	Resigned
Cheng Yunlei	Non-executive director	Resigned
Kou Youmin	Supervisor	Resigned
Lin Jiuxin	Non-executive director	Elected
Jiang Li	Non-executive director	Elected
Zheng Shu	Supervisor	Elected
Wang Hanyuan	Vice president	Resigned

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

Explanations on Changes in the Company's Directors, Supervisors and Senior Management

1. On 28 April 2023, the Company received the resignation report from each of Mr. Guo Yimin (a non-executive director), Mr. Cheng Yunlei (a non-executive director) and Ms. Kou Youmin (a supervisor). Due to work assignment, Mr. Guo Yimin applied to the Board of the Company for the resignation as the vice chairman and a non-executive director, Mr. Cheng Yunlei applied for the resignation as a non-executive director, and Ms. Kou Youmin applied for the resignation as the chairperson of the Supervisory Committee. Their resignations took effect from the supplemental election of non-executive directors and non-employee representative supervisor on 9 June 2023.

2. On 9 June 2023, the resolutions on the Addition of Mr. Jiang Li as a Non-executive Director of the Sixth Session of the Board of the Company, the Addition of Mr. Lin Jiuxin as a Non-executive Director of the Sixth Session of the Board of the Company and the Addition of a Non-employee Representative Supervisor of the Sixth Session of the Supervisory Committee of the Company were respectively considered and approved at the 2022 annual general meeting of the Company, pursuant to which Mr. Jiang Li and Mr. Lin Jiuxin were elected as the non-executive directors of the Company, and Mr. Zheng Shu was elected as a non-employee representative supervisor of the Company.

3. On 25 August 2023, the Company received the resignation report from Mr. Wang Hanyuan (vice president), under which he applied for the resignation as the vice president of the Company. Upon his resignation, Mr. Wang Hanyuan will continue to serve as the chief expert of the Company and serve as the general manager of TFM.

Please refer to the relevant announcements of the Company published on the websites of the Shanghai Stock Exchange and the Stock Exchange for details.

III. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALIZATION FROM CAPITAL RESERVE

Proposal of profit distribution and capitalization from capital reserve to share capital for the first half of the year

Whether to make profit distribution or capitalization of capital reserve into share capital	No
Bonus shares for every 10 shares (share)	/
Profit declared for every 10 shares (RMB) (tax inclusive)	/
Transfer of capital reserve fund into share capital for every 10 shares (share)	/
Explanations on proposal of profit distribution or capitalization from capital reserve	
/	

IV. INFORMATION ON THE COMPANY'S EQUITY INCENTIVE SCHEME, EMPLOYEE SHARE OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

(I) Relevant Equity Incentive Events Disclosed in ad hoc Announcements with no Progress or Change in Subsequent Implementation

Description	Index for enquiry
The 2021 First Phase of Employee Share Ownership Plan of the Company (Draft) was considered and approved at the 2020 annual general meeting of the Company and the source of shares under the 2021 First Phase of Employee Share Ownership Plan is the 48,513,287 A-share ordinary shares of the Company in the Company's dedicated repurchase account and the repurchase price of the shares obtained is RMB2 per share. The 48,513,287 shares of the Company held in the Company's dedicated repurchase securities account have been transferred to the dedicated securities account of the Company for the 2021 First Phase of Employee Share Ownership Plan through non-trading transfer on 17 June 2021. The abovementioned shares accounted for 0.22% of the Company's total share capital with an actual subscription amount of RMB97,026,574. On 10 June 2022, the Company convened the second holders' meeting of the 2021 First Phase of Employee Share Ownership Plan, the fifth extraordinary meeting of the sixth session of board of directors and the ninth meeting of the sixth session of board of supervisors, which considered and approved the Proposal on Adjusting the 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited, the Proposal on Amending the 2021 Phase I Employee Stock Ownership Plan of CMOC Group Limited and the Proposal on Amending the Management Measures for the 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited and approved to amend and implement the employee share ownership plan. On 10 June 2022, the appraisal conditions during the first tranche of interest allocation period of the 2021 First Phase of Employee Share Ownership Plan of the Company were satisfied. According to the 2021 First Phase of Employee Share Ownership Plan of the Company, the management committee of the Employee Share Ownership Plan may assign the units and corresponding interests unlocked during first tranche of interest allocation period to the incentive recipients. On 22 September 2022, with the approval of the management committee of the Employee Share Ownership Plan, the 2021 First Phase of Employee Share Ownership Plan assigned relevant interests to relevant incentive recipients with the appraisal conditions during the first tranche of interest allocation period satisfied. On 9 June 2023, the performance appraisal conditions during the corresponding interest allocation period in 2022 under the 2021 First Phase of Employee Share Ownership Plan of the Company were satisfied. According to the "2021 First Phase of Employee Share Ownership Plan (Amended)" of the Company, the management committee of the Employee Share Ownership Plan may assign the units and corresponding interests unlocked during the corresponding interest allocation period in 2022 to the incentive recipients.	Please refer to the relevant announcements of the Company published on the websites of the Shanghai Stock Exchange and the Stock Exchange for details.

1. *Purpose of the Employee Share Ownership Plan*

In recent years, the Company has continuously upgraded its management and organizational structure and is vigorously expanding its talent echelon in response to the challenges from the continuous development and growth of CMOC. To realize the Company's medium and long-term development strategic plan, establish and improve the benefit sharing mechanism of employees and shareholders, the Company will gradually launch employee share ownership plans or equity incentive plans that are in line with the Company's actual situation.

2. *Basis for determination of holders and allocation of the First Phase of Employee Share Ownership Plan*

The participants in the Employee Share Ownership Plan are Directors (excluding independent Directors), senior management and other core staff of the Company (including subsidiaries of the Company). All participants are required to enter into labor contracts or engagement agreements with the Company or its subsidiaries during the valid term of the Employee Share Ownership Plan.

The total funds under the Employee Share Ownership Plan upon its establishment shall not be more than RMB97,026,574, divided into "units" for subscription and each unit is equal to RMB1.00. The cap of units of the Employee Share Ownership Plan is 97,026,574. The units held by the holders of the Employee Share Ownership Plan are determined according to their actual payment amount, and the time for payment of units under the Employee Share Ownership Plan shall be arranged by a unified notice of the Company.

Holder	**Position**	**Maximum number of shares to be subscribed (unit)**	**Proportion of shares to be subscribed to the total shares under the Employee Share Ownership Plan**
Sun Ruiwen	CEO	36,000,000	37.10%
Yuan Honglin	Chairman of the Board	16,026,574	16.52%
Li Chaochun	Vice chairman of the Board, Chief Investment Officer	15,000,000	15.46%
Zhou Jun	Vice President of Operations	15,000,000	15.46%
Liu Dajun	Assistant to CEO	15,000,000	15.46%
Total		97,026,574	100.00%

3. *Source of Funds, Source of Shares, Size and Purchase Price of the Employee Share Ownership Plan*

   1) Source of Funds: The sources of the funds for the Company's employees to participate in the Employee Share Ownership Plan include their legitimate salary, self-raised funds and other sources as permitted under relevant laws and regulations.

   2) Source of Shares: The source of target shares under the Employee Share Ownership Plan is ordinary A Shares of CMOC repurchased through the Company's designated repurchase account.

   3) Size of the Employee Share Ownership Plan: The number of shares held under the Employee Share Ownership Plan will not exceed 48,513,287 Shares, accounting for approximately 0.22% of the total share capital of the Company of 21,599.24 million shares as of the date of announcement of the Employee Share Ownership Plan.

   Subscription Price: The subscription price of the shares to be obtained by the participants under the Employee Share Ownership Plan is RMB2 per share, no less than 50% of the actual cost of the Company's repurchase.

4. *Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan*

   1) Term

   The term of the Employee Share Ownership Plan is 60 months, commencing from the date when the Employee Share Ownership Plan was considered and approved at the shareholders' general meeting of the Company and the Company announced the registration of the last tranche of the target shares under the Employee Share Ownership Plan. The Employee Share Ownership Plan will be automatically terminated if it is not extended upon expiry.

   2) Lock-up Period

   The lock-up period of the target shares under the Employee Share Ownership Plan is 12 months, commencing from the date when the Company announced the registration of the last tranche of the target shares under the Employee Share Ownership Plan, during which the target shares under the Employee Share Ownership Plan shall not be traded. The shares derived from the distribution of dividends and the transfer of capital reserves of the Company shall also be subject to the lock-up arrangements. After the expiry of the lock-up period, the management committee or its authorized institution shall sell the target shares under the Employee Share Ownership Plan according to the authorization of the holders' meeting when appropriate.

3) **Allocation**

Upon the expiry of the lock-up period, shares held under the Employee Share Ownership Plan will be allocated to the holders in three tranches according to the performance appraisal results. Allocation proportion of each tranche is as follows:

The first tranche of interest allocation period: 12 months after the date when the Employee Share Ownership Plan was considered and approved at the shareholders' general meeting of the Company and the Company announced the registration of the last tranche of the target shares under the Employee Share Ownership Plan, the distribution will be made in cash for 30% of the total amount of the target shares held under the Employee Share Ownership Plan;

The second tranche of interest allocation period: 24 months after the date when the Employee Share Ownership Plan was considered and approved at the shareholders' general meeting of the Company and the Company announced the registration of the last tranche of the target shares under the Employee Share Ownership Plan, the distribution will be made in cash for 30% of the total amount of the target shares held under the Employee Share Ownership Plan;

The third tranche of interest allocation period: 36 months after the date when the Employee Share Ownership Plan was considered and approved at the shareholders' general meeting of the Company and the Company announced the registration of the last tranche of the target shares under the Employee Share Ownership Plan, the distribution will be made in cash for 40% of the total amount of the target shares held under the Employee Share Ownership Plan.

4) **Performance Appraisal Indicators**

Interest Allocation Period	Performance appraisal objectives
First tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2021 shall not be more than 60%;
	(2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2021 shall not be less than 12%.
Second tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2022 shall not be more than 60%;
	(2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2022 shall not be less than 12%.
Third tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2023 shall not be more than 60%;
	(2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2023 shall not be less than 12%.

Note 1: The asset-liability ratio is calculated based on the amount after deducting monetary capital, which includes RMI (high liquidity trade inventory) of IXM; the return on equity ratio is the weighted average return on equity ratio, and the incentive cost arising from the implementation of the Employee Share Ownership Plan is not considered in the calculation; during the term of the Employee Share Ownership Plan, if there are changes in the total assets and net assets caused by the Company's follow-on offerings, allotment of Shares, issuance of convertible bonds, etc., the changes in the total assets and net assets caused by such events and the corresponding revenue shall be excluded from the appraisal results.

Note 2: According to the requirements under Item 2 of Clause (III) of Section VI under the Measures, as Mr. Zhou Jun, a new incentive recipient under the Employee Share Ownership Plan, acquired the relevant shares and corresponding interests held by Ms. Wu Yiming, a previous incentive recipient, by way of transfer, the appraisal years for Mr. Zhou Jun are 2022 to 2024 as follows:

Interest Allocation Period	Performance appraisal objectives
First tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2022 shall not be more than 60%; (2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2022 shall not be less than 12%.
Second tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2023 shall not be more than 60%; (2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2023 shall not be less than 12%.
Third tranche of interest allocation period	(1) The asset-liability ratio (excluding monetary funds (including RMI)) at the end of 2024 shall not be more than 60%; (2) Based on the performance in 2020, the compound annual growth rate of return on equity in 2024 shall not be less than 12%.

5. *Completion of Interest Allocation during the First Tranche of Interest Allocation Period of the First Phase of Employee Share Ownership Plan*

According to the Audit Report (De Shi Bao (Shen) Zi (22) No. 01472) issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the Company's performance appraisal for the first tranche of interest allocation period of the 2021 First Phase of Employee Share Ownership Plan has been accomplished. Except for one resigned incentive recipient in the Company's 2021 First Phase of Employee Share Ownership Plan, the personal performance of other incentive recipients in the first tranche of interest allocation period was confirmed to be qualified after the assessment by the Company's human resources department, i.e. the personal unlocking factor for the current tranche is 100%, and the specific unlocking units are as follows:

No.	Holders	Positions	Amount of units
1	Sun Ruiwen	CEO	10,800,000
2	Yuan Honglin	Chairman of the Board	4,807,972
3	Li Chaochun	Vice chairman of the Board, Chief Investment Officer	4,500,000
4	Liu Dajun	Assistant to CEO	4,500,000
Total			24,607,972

Approximately 12,303,900 Shares of the Company (representing 0.057% of the total share capital of the Company in aggregate) corresponding to 24,607,972 units unlocked during the first tranche of interest allocation period under the Employee Share Ownership Plan have been transferred to the person acting in concert designated by the relevant incentive recipients by way of block trades from 20 September 2022 to 22 September 2022. As of 22 September 2022, the allocation has been completed.

6. *Satisfaction of the performance appraisal conditions during the corresponding allocation period in 2022 under the First Phase of Employee Share Ownership Plan*

On 9 June 2023, the performance appraisal conditions during the corresponding interest allocation period in 2022 under the 2021 First Phase of Employee Share Ownership Plan of the Company were satisfied. According to the "2021 First Phase of Employee Share Ownership Plan (Amended)" of the Company, the management committee of the Employee Share Ownership Plan may assign the units and corresponding interests unlocked during the corresponding interest allocation period in 2022 to the incentive recipients. The specific unlocking units are as follows:

No.	Holders	Positions	Amount of units
1	Sun Ruiwen	CEO	10,800,000
2	Yuan Honglin	Chairman of the Board	4,807,972
3	Li Chaochun	Vice chairman of the Board, Chief Investment Officer	4,500,000
4	Liu Dajun	Assistant to CEO	4,500,000
5	Zhou Jun	Vice President	4,500,000
Total			29,107,972

7. Details of shares granted under Employee Share Ownership Plan

Under the Hong Kong Listing Rules, changes in the shares under the Employee Share Ownership Plan for the six months ended 30 June 2023 are as follows:

Unit: A share

Participant	Date of grant	Number of shares not yet vested as of 1 January 2023[1]	Number of shares granted during the six months ended 30 June 2023	Number of shares vested during the six months ended 30 June 2023[2]	Number of shares cancelled during the six months ended 30 June 2023	Number of shares lapsed during the six months ended 30 June 2023	Number of shares repurchased during the six months ended 30 June 2023	Number of shares not yet vested as of 30 June 2023[3]	Subscription price[4] (RMB/share)
Directors and chief executives									
Sun Ruiwen	21 May 2021	12,600,000	–	5,400,000	–	–	–	7,200,000	2
Yuan Honglin	21 May 2021	5,609,301	–	2,403,986	–	–	–	3,205,315	2
Li Chaochun	21 May 2021	5,250,000	–	2,250,000	–	–	–	3,000,000	2
Other holders	21 May 2021	5,250,000	–	2,250,000	–	–	–	3,000,000	2
	10 June 2022	7,500,000	–	2,250,000	–	–	–	5,250,000	2
Total	–	36,209,301	–	14,553,986	–	–	–	21,655,315	–

Notes:

(1) Among the shares not yet vested as of 1 January 2023, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 3) Allocation" in this section for the vesting period of shares granted on 21 May 2021, and "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 4) Performance Appraisal Indicators" in this section for the vesting period of shares granted on 10 June 2022.

(2) The weighted average closing price of shares vested during the six months ended 30 June 2023 immediately prior to the vesting date of such shares was RMB5.33 per share.

(3) Among the shares not yet vested as of 30 June 2023, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 3) Allocation" in this section for the vesting period of shares granted on 21 May 2021, and "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 4) Performance Appraisal Indicators" in this section for the vesting period of shares granted on 10 June 2022.

(4) Including the subscription price of shares not yet vested as of 1 January 2023, shares granted during the six months ended 30 June 2023, shares vested during the six months ended 30 June 2023, shares repurchased during the six months ended 30 June 2023 and shares not yet vested as of 30 June 2023.

Save as disclosed above, the Company has not granted relevant shares to (i) other Directors; (ii) five highest paid individuals for the six months ended 30 June 2023 (other than the Directors); or (iii) other persons.

V. OTHER EXPLANATIONS

(I) Securities transactions conducted by Directors, Supervisors and employees

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules as the code of conduct for trading in securities by its own Directors and Supervisors. After specific enquiry made on all Directors and Supervisors, all Directors and Supervisors have confirmed that they have been complied with the required standards set out in the Model Code throughout the six months ended 30 June 2023.

(II) Corporate governance

The Group is committed to achieving high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. During the six months ended 30 June 2023, the Company complied with all applicable code provisions under the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules.

(III) Information on staff of the parent company and major subsidiaries as at the end of the reporting period

1. Information of staff

Category of professional composition	Number of professionals in the first half of 2023
Production staff	7,990
Sales and other supporting personnel	1,954
Technical staff	892
Finance staff	342
Administrative staff	1,293
Total	12,471

2. Remuneration policy

The remuneration policy for the employees of the Company principally consists of a broadbanding salary system, based on employees' positions and responsibilities and their quantified performance evaluation. 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 employees of the Company in China have participated 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 Company is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, health insurance, unemployment insurance, work injury insurance and housing provident fund. Pursuant to current applicable local regulations in China, the percentages of certain insurances are as follows: the pension insurance, health insurance, unemployment insurance, work injury insurance and the contribution to housing provident fund of our Chinese employees represent 16%, 7.5% (levied 1% lower in the first half of 2023), 0.7%, 0.33% to 1.43% and 7% to 12% of his or her total basic monthly salary respectively.

The overseas employees of the Company participate in pension and healthcare plans under the requirement of the laws in the countries where they reside. The company in the DRC pays social insurance contribution of 13% and social training contribution of 1% on a monthly basis, and undertakes all medical treatment for employees and their families. At the same time, in line with the local situation in the DRC, a loyalty award has been set up in order to stabilise the workforce in the DRC, such as a loyalty bonus for employees who have worked for five years, construction materials for building their own houses after 10 years of service, a school subsidy for employees' children to help their children's education, a retirement subsidy for employees upon retirement, burial grants for employees upon their death or death of their family members, an annual physical examination, communication fees, a business trip subsidy, a replacement subsidy, a subsidy for transportation and corn flours, and gift packs for Christmas and Women's Day on 8 March. The company in Brazil makes monthly contribution of 37% to social insurance and Length-of-Service Guarantee Fund for employees. Employees enjoy vacation allowances after one year of service (double pay during annual leave), and the Company provides medical support, dental insurance, employee childcare allowance and other allowances for employees and their families.

The Company conducts measures such as monthly and annual assessments, implements production and construction task assessments, and labor competition assessments, implements "wage-performance linkage", and encourages employees to "work more and get more" and "get paid based on workload".

3. *Training plan*

The Company's employees training plan is designed primarily to cater for the Company's strategic development needs, enhance the level of management personnel and improve the business skills and education level of the employees, and improve the overall quality of the employee team through training.

In China's mining areas, the Company established a well-designed training system to support the talent development strategy of the Company in all dimensions and improve the management and staff efficiency of the Company. In construction of the talent pool, the Company focused on the selection and cultivation of trainees at the ministerial/section level. While delegating more discretion to units, the Company encouraged cross-departmental/unit job rotation, improved the management of the talent pool and cultivated compound talents. It innovated training methods for management talents and carried out hierarchical management trainings. For mid-level and senior management, the Company enhanced their awareness on market-based operation through collective brainstorming and lecturing by external senior management consultants and organized special trainings on ESG. For grass-roots management, the Company carried out communications and trainings on business etiquette to improve their professional quality. For technical talents, different professional technical trainings were implemented and professional technicians were able to broaden their horizons in R&D through benchmarking learning in outings organized by the technical committee. In improving the skills of employees, the Company followed the policies, optimized autonomous appraisal mechanisms and carried out skills training and skill level assessment to facilitate the improvement of skills. To make trainings more accessible, we actively carried out various online training. The number of people who have logged in to the online APP has reached 4,793, and the average daily active number of people has reached 1,343; each functional management line, each branch and each subsidiary conducted internal training on safety and business improvement. As of the end of the reporting period, a total of 21,454 staff had been trained in China.

In the DRC's copper-cobalt mining areas, the Company familiarised the employees with the management mode and system of TFM, encouraged employees to quickly integrate into the work and life in a multicultural company, enhanced employees' safety awareness to avoid risks, and improved employees' safety work skills in specific positions through relevant training courses according to the safety production needs of the mining area. In terms of personnel training, the Company carried out training courses such as personnel entry safety training, special operation safety training, fire safety training, fatigue management training, and annual safety update and review training according to the employee's work content, work cycle and work nature. The training courses included the profiles of TFM, corporate production and culture introduction, zero tolerance rules, risk identification and prevention, introduction and prevention of common diseases, environmental governance, fire prevention, fatigue management, instructions for working at heights, instructions for hot work and instructions for working in confined spaces, with an aim to deepening employees' understanding of TFM's corporate culture, management model and rules and regulations, so as to quickly integrate into the work and life in the mining areas of TFM, enhance employees' awareness of safety risk prevention and team cooperation, and improve employees' safety operation awareness and skills for special operations. In terms of equipment operation and maintenance training, according to the needs of various departments or units, the Company conducted training and operation skill tests on the operation, maintenance, traffic rules and other items of fixed equipment or mobile equipment for employees who need to operate corresponding equipment, so as to ensure the safe operation or driving of equipment in the mining area and avoid traffic or equipment accidents. In terms of management training, the Company carried out compliance training, ISO14001/ISO45001 training, performance evaluation training, human rights training and ESG-related training.

In the first half of 2023, TFM and KFM delivered training to 34,500 and 7,800 enrolments, respectively, and the company in Brazil carried out 26,124 hours of various trainings in total in the first half of 2023.

In other international mining areas, the Company has followed the training plans of various mining areas and actively launched training courses on safety, skills and professional development, and promoted the improvement of employees' safety awareness and professional skills to align with the Company's strategic development.

I. MATERIAL LITIGATION AND ARBITRATION

(I) Litigation and arbitration not disclosed in ad hoc announcements or with subsequent development

On 30 December 2008, Luanchuan Chengling Molybdenum Co., Ltd. ("**Chengling Molybdenum**") filed a litigation against the Company with the Higher People's Court of Henan Province, alleging that the Company built a 10,000 tonnes beneficiation plant on its main mining zone, directly encroaching 2,083 tonnes of molybdenum metal of Chengling Molybdenum's mining zone, which was calculated based on its first phase project, resulting in a decrease in profits for Chengling Molybdenum of RMB130 million. At the same time, Chengling Molybdenum alleged that, during the construction of the beneficiation plant, the Company directly discharged the tailings from the test run into Chengling Molybdenum's tunnels, burying all the tunnels and mining facilities of Chengling Molybdenum, resulting in a direct economic loss of RMB5.1723 million. Therefore, Chengling Molybdenum requested the Company to bear corresponding infringement liability and make a compensation of RMB135.1723 million. Later, the Higher People's Court of Henan Province referred the case to the Intermediate People's Court of Luoyang for trial.

On 25 January 2019, the Intermediate People's Court of Luoyang held a court hearing on the Chengling case, and issued the Civil Judgment of (2018) Yu 03 Min Chu No. 920 on 11 April 2019, which rejected the request of Chengling Molybdenum. Both Chengling Molybdenum and the Company were dissatisfied and appealed to the Higher People's Court of Henan Province. On 10 October 2020, the Higher People's Court of Henan Province issued the Civil Final Judgment of (2019) Yu Min Zhong No. 856, ordering that the Company shall compensate Chengling Molybdenum for various losses totaling RMB2 million and rejected other requests of Chengling Molybdenum. The Company has executed the effective final judgment.

On 21 May 2021, Chengling Molybdenum applied to the Supreme People's Court for a retrial, and the Supreme People's Court issued the Civil Ruling Paper of (2021) Zui Gao Fa Min Shen No. 1145, rejecting the retrial application of Chengling Molybdenum.

On 21 June 2023, the Company received a notice from the People's Procuratorate of Henan Province ("**Henan Procuratorate**") stating that Chengling Molybdenum was dissatisfied with the Civil Final Judgment of (2019) Yu Min Zhong No. 856 issued by the Higher People's Court of Henan Province and applied for supervision from the Henan Procuratorate in May 2023. The Henan Procuratorate found that the application met the acceptance criteria and decided to accept the case. This case is currently being reviewed by the Henan Procuratorate.

Based on the current information available, the Company believes that the results of the supervision application will not have a material adverse impact on the financial condition, results of operations or cash flow of the relevant business.

(II) Other explanations

The Company is subject to some lawsuits, claims and liability claims in daily business activities. In the evidence-based opinion of the management and taking into account information at hand and advice from professional lawyers, the results of such litigations and arbitrations will not have a material adverse effect on the financial position, operating performance or cash flows of relevant business.

II. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

During the reporting period, there was no circumstance where the controlling shareholders and de facto controllers of the Company failed to fulfill any obligation under effective court judgments or repay any due debt of a significant amount.

III. MAJOR CONTRACTS AND THEIR PERFORMANCE

1 Major Guarantees Performed and Outstanding during the Reporting Period

Unit: Thousand Yuan Currency: RMB

External guarantee of the Company (excluding the guarantees for subsidiaries)

Guarantor	Relationship of the guarantor with the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (Date of signing agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Whether the guarantee is fully performed	Whether the guarantee is overdue	Overdue amount of guarantee	With counter guarantee or not	Whether the guarantee is provided to the related parties	Related parties relations
The Company	Headquarters of the Company	Fuchuan Mining	200,000.00	4 December 2022	7 December 2022	29 November 2026	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Fuchuan Mining	200,000.00	2 December 2022	2 December 2022	1 December 2027	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Fuchuan Mining	160,000.00	31 March 2023	31 March 2023	30 March 2029	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Fuchuan Mining	100,000.00	26 May 2023	26 May 2023	29 May 2026	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Fuchuan Mining	100,000.00	29 May 2023	29 May 2023	31 May 2027	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Fuchuan Mining	100,000.00	12 June 2023	12 June 2023	7 June 2027	Joint liability guarantee	Nil	No	No	0.00	Yes	Yes	Joint Venture
The Company	Headquarters of the Company	Huayue Nickel Cobalt	1,702,398.48	30 September 2021	30 September 2021	21 March 2032	Joint liability guarantee	Equity pledge	No	No	0.00	No	No	Associate

Total guarantee incurred during the reporting period (excluding those provided to subsidiaries)	460,000.00
Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries)	2,542,398.48
Guarantees of subsidiaries from the Company	
Total guaranteed amount for subsidiaries during the reporting period	14,017,009.12
Total balance of the guaranteed amount for subsidiaries at the end of the reporting period (B)	27,605,236.87
Total guarantee of the Company (including the guarantees for subsidiaries)	
Total guaranteed amount (A+B)	30,147,635.35
Percentage of the total guaranteed amount to net assets of the Company (%)	57.12
Among which:	
Guaranteed amount provided to the shareholders, the de facto controller and its connected parties (C)	840,000.00
Guaranteed amount directly or indirectly provided on liabilities to guaranteed targets with gearing ratio of over 70% (D)	15,786,047.86
Excess amount of guarantee with total amount exceeding 50% of net assets (E)	3,757,529.94
Total of the above three guaranteed amounts (C+D+E)	19,543,577.79
Explanation on the possible joint repayment liability under the unexpired guarantee	Nil
Description on guarantee	C represents that the Company provides guarantee to Fuchuan Mining, a subsidiary of its joint venture; D represents that the Company or its subsidiaries provides guarantee to enterprises with a gearing ratio of over 70%; The guarantee provided by the Company to Fuchuan Mining satisfies both C and D, for which the aggregate guaranteed amount will calculate only once.

2 Other Major Contracts

Unit: Thousand Yuan Currency: RMB

Principal entrusted wealth management										
Trustee	Type of entrusted wealth management	Amount of entrusted wealth management	Commencement date of entrusted wealth management	Expiry date of entrusted wealth management	Capital source	Usage of funds	Payment methods of remuneration	Annualized rate of return	Actual gains or losses	Statutory procedure or not
Bohai International Trust Co., Ltd.	Trust plan	90,000.00	2021/6/25	2024/6/24	Own capital	Wealth management funds from banks	Fixed revenue	6.23%	7,181.85	Yes
NEW CHINA CAPITAL MANAGEMENT	Asset management plan	1,114,589.77	2017/9/8	Without fixed maturity	Own capital	Portfolio investment	Payment in due course	–		Yes
Henan Branch of Ping An Annuity Insurance Company of China, Ltd.	Annuity insurance	10,000.00	2022/1/28	Without fixed maturity	Own capital	Annuity insurance	Fixed revenue	2.50%		Yes
Luoyang branch of Zhongyuan Bank	Closed-end wealth management products	60,000.00	2019/1/23	2026/1/24	Own capital	Bond assets with fixed income	Floating revenue	4.39%		Yes
Industrial Bank	Structured deposits	700,000.00	2023/5/26	2023/11/24	Own capital	Wealth management funds from banks	Floating revenue	1.8% or 2.71%		Yes
Industrial Bank	Structured deposits	300,000.00	2023/5/26	2023/11/24	Own capital	Wealth management funds from banks	Floating revenue	1.8% or 2.71%		Yes
China CITIC Bank	Structured deposits	200,000.00	2023/5/25	2023/8/28	Own capital	Wealth management funds from banks	Floating revenue	1.05% or 2.77% or 3.17%		Yes
Industrial Bank	Closed-end wealth management products	50,000.00	2023/3/9	2023/9/25	Own capital	Standardized debt assets	Fixed revenue	3.80%		Yes
Total		2,524,589.77							7,181.85	

Note: As of the reporting date, both the principals and returns of entrusted wealth management and structured deposits in due were recovered.

I. CHANGES IN SHARE CAPITAL

(I) Table of Changes in Shares

1. *Table of changes in shares*

During the reporting period, there is no change in the total number of shares and share capital structure of the Company.

II. SHAREHOLDERS

(I) Total Number of Shareholders:

Total number of holders of ordinary shares as at the end of the reporting period 311,746

(II) Table on the Shareholdings of the Top Ten Shareholders and the Top Ten Shareholders with Tradable Shares (or Shareholders Not Subject to Selling Restrictions) as at the End of the Reporting Period

Unit: 10,000 shares

Shareholding of the top ten shareholders							
Name of shareholders (full name)	Changes during the reporting period	Closing number of shares held	Percentage (%)	Number of shares held subject to selling restrictions	Pledge, mark or frozen Status of shares	Number	Nature of shareholders
Cathay Fortune Corporation	0	533,322.00	24.69	0	Nil	0	Domestic non-state-owned legal person
Luoyang Mining Group Co., Ltd.	0	532,978.04	24.68	0	Pledged	532,978.04	Domestic non-state-owned legal person
HKSCC NOMINEES LIMITED	69.30	359,716.58	16.65	0	Unknown	0	Overseas legal person
Hong Kong Securities Clearing Company Limited	54,474.23	102,764.44	4.76	0	Nil	0	Overseas legal person
China Securities – China Huarong Asset Management Co., Ltd. – China Securities – Pioneer Single Asset Management Plan	17,955.24	50,509.92	2.34	0	Nil	0	Unknown
China State-owned Enterprise Structure Adjustment Fund Co., Ltd.	0	18,148.26	0.84	0	Nil	0	State-owned legal person
Ningbo Shanshan Venture Capital Co., Ltd.	1.00	15,000.00	0.69	0	Nil	0	Domestic non-state-owned legal person
Dai Deming	0	7,773.45	0.36	0	Nil	0	Domestic natural person
National Social Insurance Fund No. 118 Portfolio	7,654.71	7,654.71	0.35	0	Nil	0	Unknown
Industrial and Commercial Bank of China Limited – Huashang New Trend Selected Flexible Allocation Mixed Securities Investment Fund	1,725.51	3,984.00	0.18	0	Nil	0	Unknown

Shareholding of the top ten shareholders not subject to selling restrictions

Name of shareholders	Number of tradable shares held not subject to selling restrictions	Types and number of shares: Types	Number
Cathay Fortune Corporation	533,322.00	RMB-denominated ordinary shares and overseas-listed foreign-invested shares	533,322.00
Luoyang Mining Group Co., Ltd.	532,978.04	RMB-denominated ordinary shares	532,978.04
HKSCC NOMINEES LIMITED	359,716.58	Overseas-listed foreign-invested shares	359,716.58
Hong Kong Securities Clearing Company Limited	102,764.44	RMB-denominated ordinary shares	102,764.44
China Securities – China Huarong Asset Management Co., Ltd. – China Securities – Pioneer Single Asset Management Plan	50,509.92	RMB-denominated ordinary shares	50,509.92
China State-owned Enterprise Structure Adjustment Fund Co., Ltd.	18,148.26	RMB-denominated ordinary shares	18,148.26
Ningbo Shanshan Venture Capital Co., Ltd.	15,000.00	RMB-denominated ordinary shares	15,000.00
Dai Deming	7,773.45	RMB-denominated ordinary shares	7,773.45
National Social Insurance Fund No. 118 Portfolio	7,654.71	RMB-denominated ordinary shares	7,654.71
Industrial and Commercial Bank of China Limited – Huashang New Trend Selected Flexible Allocation Mixed Securities Investment Fund	3,984.00	RMB-denominated ordinary shares	3,984.00
Explanation of the repurchase account of the top ten shareholders	The Company's repurchase account is not listed in the "Shareholding of the top ten shareholders". On 17 December 2021 and 8 June 2022, the Company completed its A Share Repurchase Plan (phase II) and (phase III), respectively. Through centralized price bidding, it repurchased 99,999,964 and 104,930,443 shares, respectively. The number of shares in the Company's repurchase account as of the end of the reporting period was 204,930,407 shares.		
Explanation of the aforesaid shareholders' related relations or concerted action	Cathay Fortune International Company Limited and Cathay Fortune Investment Limited, which are wholly-owned subsidiaries of Cathay Fortune Corporation, hold 303 million H shares of the Company, which were registered under HKSCC NOMINEES LIMITED. Cathay Fortune Corporation, which holds a total of 5,333.22 million shares of the Company, accounting for 24.69% of the shareholding, is the largest controlling shareholder of the Company.		

Shareholding of the top ten shareholders subject to selling restrictions and the selling restrictions

Unit: shares

No.	Name of shareholder subject to selling restrictions	Number of shares held subject to selling restrictions	Shares subject to selling restrictions available for trading: Available time for trading	Shares subject to selling restrictions available for trading: Number of shares newly available for trading	Selling restrictions
1	Securities account designated for repurchase of CMOC Group Limited	204,930,407	Note	/	Note
Explanation of the aforesaid shareholders' related relations or concerted action					

Note: For "available time for trading", "selling restrictions" and other details, please refer to relevant announcements published by the Company on the websites of the Shanghai Stock Exchange and the Stock Exchange.

III. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

To the best knowledge of all Directors and Supervisors, as at 30 June 2023, the persons or companies (other than Directors, the chief executives or Supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (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 (shares)	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%
Sichuan Contemporary Amperex Technology Limited	5,329,780,425	Interest in controlled corporation	A Share	30.17%
Cathay Fortune Corporation ("**CFC**")	5,030,220,000	Beneficial owner	A Share	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%(L)
Cathay Fortune Investment Limited ("**Cathay Hong Kong**") (1)	91,518,000(L)	Beneficial owner	H Share	2.33%(L)
Cathay Fortune International Company Limited	211,482,000(L)	Beneficial owner	H Share	5.37%(L)
Yu Yong (2)	5,030,220,000	Interest in controlled corporation	A Share	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%(L)
BlackRock, Inc. (3)	313,283,244(L)	Interest in controlled corporation	H Share	7.96%(L)

Notes: (L) - Long position

(1) Cathay Hong Kong and Cathay Fortune International Company Limited are wholly-owned subsidiaries of CFC in Hong Kong.

(2) Mr. Yu Yong holds 99% interest in CFC and is deemed to hold 5,030,220,000 A shares of the Company held directly by CFC. In addition, Mr. Yu Yong is deemed to hold 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) BlackRock, Inc. is deemed to hold a total of long position of 313,283,244 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, BlackRock Asset Management Schweiz AG, EG Holdings Blocker, LLC, Amethyst Intermediate, LLC, Aperio Holdings, LLC and Aperio Group, LLC, being the controlled corporations, directly or indirectly hold the shares of the Company.

Save as disclosed above, as at 30 June 2023, 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.

IV. DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

Under the Hong Kong Listing Rules and the SFO, as at 30 June 2023, the shareholding of A Shares of the current Directors, chief executives and Supervisors of the Company was as follows:

Name	Number of shares held (shares)	Percentage in total share capital (%)
Yuan Honglin	9,063,887	0.042
Sun Ruiwen	18,000,000	0.083
Li Chaochun	9,087,692	0.042
Zhang Zhenhao	1,063,500	0.005
Total	37,215,079	0.172

Note: Mr. Yuan Honglin, Mr. Sun Ruiwen and Mr. Li Chaochun are deemed to be interested in 8,013,287 A shares, 18,000,000 A shares and 7,500,000 A shares of the Company respectively by virtue of their participation as incentive recipients in the First Phase of Employee Share Ownership Plan of the Company adopted on 21 May 2021. On 22 September 2022, as approved by the management committee of the Employee Share Ownership Plan, the 2021 First Phase of Employee Share Ownership Plan assigned relevant interests to relevant incentive recipients who had accomplished the performance appraisal indicators during the first tranche of interest allocation period, of which Mr. Yuan Honglin, Mr. Li Chaochun and Mr. Sun Ruiwen were awarded 2,404,000 A shares, 2,250,000 A shares and 5,400,000 A shares, respectively. On 9 June 2023, the performance appraisal conditions during the corresponding interest allocation period in 2022 under the 2021 First Phase of Employee Share Ownership Plan of the Company were satisfied. According to the "2021 First Phase of Employee Share Ownership Plan (Revised)" of the Company, the management committee of the Employee Share Ownership Plan may assign the units and corresponding interests unlocked during the corresponding interest allocation period in 2022 to the incentive recipients. As of the reporting date, the corresponding interests in 2022 under the 2021 First Phase of Employee Share Ownership Plan have not been granted to relevant incentive recipients.

As of the date of this report, none of the undertakers has reduced his/her holdings in the Company's shares.

As at 30 June 2023, the shareholding of H Shares of the current Directors, chief executives and Supervisors of the Company was as follows:

Name	Number of shares held (shares)	Percentage in total share capital (%)
Wang Gerry Yougui	311,000	0.001

Save as disclosed above, so far as was known to the Directors, as at 30 June 2023, none of the Directors, chief executives 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 to be notified to the Company and the Stock Exchange 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 the Stock Exchange pursuant to the Model Code.

V. REPURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company or any of its subsidiaries during the six months ended 30 June 2023.

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) Corporate Bonds

1. Basic information of corporate bonds

Unit: 100 million Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of bonds	Interest rate (%)	Payment method for principal and interest	Trading venues	Transaction mechanism	Whether there are risks of termination of listing and trading
Public issuance of Renewable Corporate Bonds (first tranche) of CMOC Group Limited to professional investors in 2022	22 CMOC Y1	138732	2022/12/16	2022/12/16	2025/12/16 (proposed)	10.00	5.62	Interest payment once a year, one-off payment of principal upon expiry, and the final installment of interest will be paid together with the principal.	Shanghai Stock Exchange	Public trading	No

Note: According to the relevant requirements under the Accounting Standards for Enterprises, the Company included "22 CMOC Y1" in other equity instruments, which was not accounted as liabilities.

2. Implementation and changes of guarantees, settlement plan and other settlement safeguards and their impact during the reporting period

Current status	Implementation	Any change
Interest has not been due for payment during the current period.	Interest has not been due for payment during the current period.	No

(II) Non-financial Corporate Debt Financing Instruments in the Inter-bank Bond Market

1. Basic information of non-financial corporate debt financing instruments

Unit: 100 million Yuan Currency: RMB

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of bonds	Interest rate (%)	Payment method for principal and interest	Trading venues	Transaction mechanism	Whether there are risks of termination of listing and trading
2020 First Tranche of Medium-term Notes of CMOC Group Limited	20 Luanchuan Molybdenum MTN001	102001086	2020/5/26	2020/5/28	2025/5/28	10.00	4.20	Interest payment once a year, one-off payment of principal upon expiry	Inter-bank market	The inter-bank bond market transactions are arrived at through price inquiries and settled on a deal-by-deal basis through arms-length negotiations by both parties, i.e. both parties negotiate the transaction elements through the trading system, telephone, fax, e-mail or other media, and enter into contracts on a case-by-case basis after reaching an agreement. At present, the transactions are mainly conducted through the local currency trading system of the inter-bank center.	No
2021 First Tranche of Green Medium-term Notes of CMOC Group Limited	21 Luanchuan Molybdenum MTN001 (Green)	102101306	2021/7/14	2021/7/16	2024/7/16	1.50	3.90	Interest payment once a year, one-off payment of principal and the final installment of interest on the principal repayment date	Inter-bank market	The inter-bank bond market transactions are arrived at through price inquiries and settled on a deal-by-deal basis through arms-length negotiations by both parties, i.e. both parties negotiate the transaction elements through the trading system, telephone, fax, e-mail or other media, and enter into contracts on a case-by-case basis after reaching an agreement. At present, the transactions are mainly conducted through the local currency trading system of the inter-bank center.	No

Name of bonds	Abbreviation	Code	Issue date	Value date	Maturity date	Balance of bonds	Interest rate (%)	Payment method for principal and interest	Trading venues	Transaction mechanism	Whether there are risks of termination of listing and trading
2022 First Tranche of Medium-term Notes (sustainably linked) of CMOC Group Limited	22 Luanchuan Molybdenum MTN001 (sustainably linked)	102280263	2022/2/14	2022/2/16	2025/2/16	10.00	3.80	Interest payment once a year, one-off payment of principal upon expiry, and the final installment of interest will be paid together with the principal.	Inter-bank market	The inter-bank bond market transactions are arrived at through price inquiries and settled on a deal-by-deal basis through arms-length negotiations by both parties, i.e. both parties negotiate the transaction elements through the trading system, telephone, fax, e-mail or other media, and enter into contracts on a case-by-case basis after reaching an agreement. At present, the transactions are mainly conducted through the local currency trading system of the inter-bank center.	No

2. *Implementation and changes of guarantees, settlement plan and other settlement safeguards and their impact during the reporting period*

Status	Implementation information	Changed or not	Status after change	Reason for change	Whether approval from competent authority has been obtained for the change	Impact of the change on the interests of bond investors
20 Luanchuan Molybdenum MTN001: no guarantee, interest accruing from 28 May 2020, interest payable on an annually basis as scheduled as prescribed in the prospectus.	During the subsisting period, the Company has paid the interest as scheduled according to the settlement plan.	No	N/A	N/A	N/A	N/A
21 Luanchuan Molybdenum MTN001 (Green): no guarantee, interest accruing from 16 July 2021, interest payable on an annually basis as prescribed in the prospectus.	During the subsisting period, the Company has paid the interest as scheduled according to the settlement plan.	No	N/A	N/A	N/A	N/A
22 Luanchuan Molybdenum MTN001 (sustainably linked): no guarantee, interest accruing from 16 February 2022, interest payable on an annually basis as prescribed in the prospectus.	During the subsisting period, the Company has paid the interest as scheduled according to the settlement plan.	No	N/A	N/A	N/A	N/A

(III) Key Accounting Data and Financial Indicators

Primary indicators	End of the reporting period	End of last year	Increase or decrease at the end of the reporting period as compared with the end of last year (%)	Reason for change
Current ratio	**1.62**	1.71	-5.26	
Quick ratio	**1.02**	1.07	-4.67	
Gearing ratio (%)	**64.88**	62.41	3.96	

Unit: Yuan Currency: RMB

	The reporting period (January-June)	Corresponding period of last year	Increase or decrease in the reporting period as compared with the corresponding period of last year (%)	Reason for change
Net profit after deducting non-recurring gains and losses	**219,977,157.83**	3,466,057,986.65	-93.65	Year-on-year decrease in net profit attributable to the parent company during the current period
EBITDA to total debts ratio	**0.11**	0.22	-50.00	Year-on-year decrease in EBITDA during the current period
Interest coverage ratio	**1.63**	6.48	-74.85	Year-on-year decrease in EBIT during the current period
Cash interest coverage ratio	**8.30**	14.21	-41.59	Year-on-year increase in interest expenses during the current period
EBITDA interest coverage ratio	**2.67**	8.16	-67.28	Year-on-year decrease in EBITDA during the current period
Loan repayment rate (%)	**100.00**	100.00	0.00	
Interest repayment ratio (%)	**100.00**	100.00	0.00	

1. AUDIT REPORT

This interim report has not been audited.

II. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

30 June 2023

Prepared by: CMOC Group Limited
Unit: RMB

Item	Notes	30 June 2023	31 December 2022
Current assets:			
Cash and bank balances	VII, 1	**35,276,195,724.90**	32,647,565,268.28
Held-for-trading financial assets	VII, 2	**7,355,635,769.49**	4,236,792,942.19
Derivative financial assets	VII, 3	**3,289,278,169.35**	1,944,853,567.32
Accounts receivable	VII, 4	**683,200,907.39**	800,256,289.83
Financing with receivables	VII, 5	**302,721,868.87**	388,389,728.54
Prepayments	VII, 6	**1,496,525,151.16**	2,129,545,006.22
Other receivables	VII, 7	**4,616,184,324.03**	5,017,084,484.19
Including: Interest receivable		**205,395,241.70**	618,379,463.56
Inventories	VII, 8	**32,763,234,808.65**	32,254,722,426.64
Non-current assets due within one year	VII, 9	**471,641,718.60**	1,757,787,239.02
Other current assets	VII, 10	**2,184,841,095.22**	4,504,795,377.38
Total Current Assets		**88,439,459,537.66**	85,681,792,329.61
Non-current assets:			
Long-term equity investments	VII, 11	**2,166,144,581.97**	1,933,910,294.77
Investments in other equity instruments	VII, 12	**14,827,911.48**	14,827,558.48
Other non-current financial assets	VII, 13	**3,311,968,949.40**	3,554,476,351.83
Fixed assets	VII, 15	**29,473,297,553.83**	28,055,742,014.75
Construction in progress	VII, 16	**17,153,496,054.52**	13,659,085,249.76
Right-of-use assets	VII, 17	**350,082,155.79**	264,313,360.66
Intangible assets	VII, 18	**25,567,713,962.98**	19,447,513,419.29
Long-term inventories	VII, 8	**7,360,430,074.48**	7,001,735,495.28
Goodwill	VII, 19	**438,831,780.91**	422,968,781.50
Long-term prepaid expenses	VII, 20	**263,746,285.62**	217,666,607.09
Deferred tax assets	VII, 21	**1,483,140,141.96**	1,111,487,581.86
Other non-current assets	VII, 22	**4,497,563,445.96**	3,653,700,493.89
Total Non-current Assets		**92,081,242,898.90**	79,337,427,209.16
Total Assets		**180,520,702,436.56**	165,019,219,538.77

Item	Notes	30 June 2023	31 December 2022
Current liabilities:			
Short-term borrowings	VII, 23	**23,998,217,253.22**	20,107,509,714.04
Held-for-trading financing liabilities	VII, 24	**2,830,557,753.68**	3,651,811,361.47
Derivative financial liabilities	VII, 25	**1,837,430,372.07**	2,350,847,071.76
Notes payable	VII, 26	**1,662,399,064.20**	2,409,419,326.42
Accounts payable	VII, 27	**2,289,586,454.20**	1,547,305,043.03
Contract liabilities	VII, 28	**1,845,014,895.49**	1,689,792,175.08
Employee benefits payable	VII, 29	**1,148,511,719.99**	1,017,993,590.42
Taxes payable	VII, 30	**1,142,437,184.15**	804,749,758.78
Other payables	VII, 31	**9,961,175,822.26**	6,861,265,106.60
Including: Interest payable		**–**	234,561,190.61
Dividends payable		**1,848,113,706.45**	27,885,796.67
Non-current liabilities due within one year	VII, 32	**4,510,445,099.25**	6,905,036,819.39
Other current liabilities	VII, 33	**3,420,289,912.27**	2,715,386,791.93
Total Current Liabilities		**54,646,065,530.78**	50,061,116,758.92
Non-current Liabilities:			
Long-term borrowings	VII, 34	**23,485,335,583.18**	18,975,172,198.88
Bonds payable	VII, 35	**2,150,000,000.00**	2,150,000,000.00
Non-current derivative financial liabilities	VII, 14	**–**	230,168,848.27
Lease liabilities	VII, 36	**259,367,609.75**	209,349,065.29
Long-term employee benefits payable	VII, 37	**391,994,179.42**	356,539,615.25
Provisions	VII, 38	**3,359,067,942.26**	3,167,361,155.32
Deferred income	VII, 39	**42,228,011.30**	45,713,239.10
Deferred tax liabilities	VII, 21	**5,997,234,710.03**	6,092,532,551.64
Other non-current liabilities	VII, 40	**26,784,835,357.55**	21,693,849,406.96
Total Non-current Liabilities		**62,470,063,393.49**	52,920,686,080.71
Total Liabilities		**117,116,128,924.27**	102,981,802,839.63
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)	VII, 41	**4,319,848,116.60**	4,319,848,116.60
Other equity instruments	VII, 42	**1,000,000,000.00**	1,000,000,000.00
Including: Perpetual bonds		**1,000,000,000.00**	1,000,000,000.00
Capital reserve	VII, 43	**27,680,470,553.89**	27,681,918,087.25
Less: Treasury shares	VII, 44	**1,266,543,810.15**	1,325,021,131.22
Other comprehensive income	VII, 45	**2,371,667,424.71**	294,879,708.74
Special reserve	VII, 46	**87,570,549.04**	22,655,587.06
Surplus reserve	VII, 47	**1,684,388,527.69**	1,684,388,527.69
Retained profits	VII, 48	**16,902,809,467.47**	18,019,893,163.56
Total owners' equity (or shareholders' equity) attributable to equity holders of the Company		**52,780,210,829.25**	51,698,562,059.68
Minority interests		**10,624,362,683.04**	10,338,854,639.46
Total owners' equity (or shareholders' equity)		**63,404,573,512.29**	62,037,416,699.14
Total liabilities and owners' equity (or shareholders' equity)		**180,520,702,436.56**	165,019,219,538.77

Head of the Company: Yuan Honglin   Chief Financial Officer: Li Guojun   Head of Accounting Department: Xu Bin

THE COMPANY'S BALANCE SHEET

30 June 2023

Prepared by: CMOC Group Limited

Unit: RMB

Item	Notes	30 June 2023	31 December 2022
Current assets:			
Cash and bank balances		**14,947,680,866.04**	8,958,241,995.55
Held-for-trading financial assets		**261,081,707.37**	65,004,265.31
Accounts receivable	XVI, 1	**1,170,660,665.85**	846,728,976.47
Financing with receivables		**41,643,337.37**	23,568,174.55
Prepayments		**19,603,029.14**	48,180,221.62
Other receivables	XVI, 2	**4,944,048,763.06**	6,523,434,232.49
Including: Interest receivable		**356,242,937.55**	582,664,067.06
Dividends receivable		**244,006,084.08**	244,006,084.08
Inventories		**192,432,192.60**	196,779,778.83
Non-current assets due within one year		**241,614,583.49**	1,485,000,000.00
Other current assets		**22,358,413.76**	20,820,228.33
Total Current Assets		**21,841,123,558.68**	18,167,757,873.15
Non-current assets:			
Long-term equity investments	XVI, 3	**31,326,871,302.14**	31,383,435,254.25
Other non-current financial assets		**157,013,672.03**	441,617,664.08
Fixed assets		**2,367,242,550.38**	2,314,140,257.30
Construction in progress		**143,446,363.59**	168,974,058.10
Intangible assets		**173,741,675.22**	248,332,438.02
Long-term prepaid expenses		**131,011,817.59**	72,268,173.79
Deferred tax assets		**96,394,285.12**	64,894,436.49
Other non-current assets		**303,048,269.77**	47,752,981.20
Total Non-current Assets		**34,698,769,935.84**	34,741,415,263.23
Total Assets		**56,539,893,494.52**	52,909,173,136.38

Item	Notes	30 June 2023	31 December 2022
Current liabilities:			
Short-term borrowings		**1,894,107,986.10**	997,000,000.00
Held-for-trading financing liabilities		**416,449,983.84**	676,512,725.59
Notes payable		**251,488,860.77**	714,014,262.47
Accounts payable		**239,232,517.16**	442,894,736.90
Contract liabilities		**7,569,794.11**	46,694,091.36
Employee benefits payable		**93,346,219.22**	104,910,055.17
Taxes payable		**193,975,591.75**	84,739,146.59
Other payables		**6,456,484,850.39**	3,589,599,404.72
Non-current liabilities due within one year		**261,282,482.81**	998,200,000.00
Other current liabilities		**876,741,014.47**	474,168,460.69
Total Current Liabilities		**10,690,679,300.62**	8,128,732,883.49
Non-current Liabilities:			
Long-term borrowings		**8,445,874,584.70**	6,764,400,000.00
Bonds payable		**2,150,000,000.00**	2,150,000,000.00
Non-current derivative financial liabilities		**–**	230,168,848.27
Provisions		**106,626,033.06**	71,753,870.18
Deferred income		**17,438,445.80**	17,631,238.70
Total Non-current Liabilities		**10,719,939,063.56**	9,233,953,957.15
Total Liabilities		**21,410,618,364.18**	17,362,686,840.64
Owners' equity (or Shareholders' equity):			
Paid-in capital (or share capital)		**4,319,848,116.60**	4,319,848,116.60
Other equity instruments		**1,000,000,000.00**	1,000,000,000.00
Including: Perpetual bonds		**1,000,000,000.00**	1,000,000,000.00
Capital reserve		**27,799,514,868.29**	27,800,962,401.65
Less: Treasury shares		**1,266,543,810.15**	1,325,021,131.22
Special reserve		**76,236,401.79**	21,113,064.91
Surplus reserve		**1,684,388,527.69**	1,684,388,527.69
Retained profits		**1,515,831,026.12**	2,045,195,316.11
Total owners' equity (or shareholders' equity)		**35,129,275,130.34**	35,546,486,295.74
Total liabilities and owners' equity (or shareholders' equity)		**56,539,893,494.52**	52,909,173,136.38

Head of the Company: Yuan Honglin　　Chief Financial Officer: Li Guojun　　Head of Accounting Department: Xu Bin

CONSOLIDATED INCOME STATEMENT

Jan. – Jun. 2023

Unit: RMB

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
I. Total operating revenue		**86,726,255,654.19**	91,766,808,748.95
Including: Operating revenue	VII, 49	**86,726,255,654.19**	91,766,808,748.95
II. Total operating costs		**86,609,335,260.17**	83,050,643,333.25
Including: Operating costs	VII, 49	**83,004,032,078.26**	80,301,263,497.68
Taxes and levies	VII, 50	**859,225,589.65**	883,514,183.06
Selling expenses	VII, 51	**58,006,794.63**	60,573,118.36
Administrative expenses	VII, 52	**1,210,292,744.70**	827,426,087.60
Research and development expenses	VII, 53	**107,688,998.44**	248,344,859.00
Financial expenses	VII, 54	**1,370,089,054.49**	729,521,587.55
Including: Interest expenses		**2,089,782,557.88**	1,036,938,162.44
Interest income		**788,230,430.05**	464,986,568.32
Add: Other income	VII, 55	**69,194,717.66**	30,493,714.00
Investment income (losses are indicated by "-")	VII, 56	**221,026,761.46**	345,040,340.20
Including: Income from investments in associates and joint ventures		**225,800,529.94**	251,555,691.22
Gains from changes in fair value (losses are indicated by "-")	VII, 57	**1,263,729,679.44**	-1,128,527,668.83
Credit impairment losses (losses are indicated by "-")	VII, 58	**-822,985.71**	-7,304,050.99
Asset impairment losses (losses are indicated by "-")	VII, 59	**-28,972,091.55**	-19,724,927.33
Gains from disposal of assets (losses are indicated by "-")	VII, 60	**8,146,048.15**	13,307,215.88
III. Operating profit (loss is indicated by "-")		**1,649,222,523.47**	7,949,450,038.63
Add: Non-operating income	VII, 61	**1,328,289.94**	5,427,667.30
Less: Non-operating expenses	VII, 62	**23,752,905.51**	43,156,688.14
IV. Total profit (total loss is indicated by "-")		**1,626,797,907.90**	7,911,721,017.79
Less: Income tax expenses	VII, 63	**1,011,601,350.12**	3,093,652,219.99

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
V. Net profit (net loss is indicated by "-")		**615,196,557.78**	4,818,068,797.80
(I) Classified by business continuity			
1. Net profit from continuing operations (net loss is indicated by "-")		**615,196,557.78**	4,818,068,797.80
2. Net profit from discontinued operations (net loss is indicated by "-")		**–**	–
(II) Classified by ownership			
1. Net profit attributable to shareholders of the Company (net loss is indicated by "-")		**703,144,213.69**	4,147,930,309.56
2. Profit or loss attributable to minority interests (net loss is indicated by "-")		**-87,947,655.91**	670,138,488.24
VI. Other comprehensive income, net of tax	VII, 45	**2,448,349,722.41**	4,900,540,403.43
(I) Other comprehensive income attributable to owners of the Company, net of tax		**2,076,787,715.97**	4,460,029,495.65
1. Other comprehensive income that will be reclassified to profit or loss		**2,076,787,715.97**	4,460,029,495.65
(1) Cash flow hedging reserves		**212,415,906.92**	2,756,144,219.88
(2) Translation differences of financial statements denominated in foreign currencies		**1,864,371,809.05**	1,703,885,275.77
(II) Other comprehensive income attributable to minority interests, net of tax		**371,562,006.44**	440,510,907.78
VII. Total comprehensive income		**3,063,546,280.19**	9,718,609,201.23
(I) Total comprehensive income attributable to owners of the Company		**2,779,931,929.66**	8,607,959,805.21
(II) Total comprehensive income attributable to minority interests		**283,614,350.53**	1,110,649,396.02
VIII. Earnings per share:			
(I) Basic earnings per share (RMB/share)		**0.033**	0.193
(II) Diluted earnings per share (RMB/share)		**0.033**	0.193

Head of the Company: Yuan Honglin   Chief Financial Officer: Li Guojun   Head of Accounting Department: Xu Bin

THE COMPANY'S INCOME STATEMENT

Jan. – Jun. 2023

Unit: RMB

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
I. Operating revenue	XVI, 4	**3,957,485,958.31**	2,696,302,382.58
Less: Operating costs	XVI, 4	**1,957,997,509.46**	1,388,404,901.52
Taxes and levies		**300,486,361.52**	161,555,361.38
Administrative expenses		**96,823,136.82**	122,332,349.18
Research and development expenses		**93,339,296.93**	93,203,919.49
Financial expenses		**70,856,812.54**	41,630,128.38
Including: Interest expenses		**309,053,247.09**	245,736,086.28
Interest income		**282,781,955.90**	256,226,294.16
Add: Other income		**4,554,278.03**	8,053,827.97
Investment income (losses are indicated by "-")	XVI, 5	**-52,060,586.51**	1,612,971,243.61
Including: Income from investments in associates and joint ventures		**-52,060,586.51**	-33,698,442.67
Gains from changes in fair value (losses are indicated by "-")		**4,227,332.58**	76,120,356.91
Credit impairment losses (losses are indicated by "-")		**370,803.16**	-623,875.46
Asset impairment losses (losses are indicated by "-")		**-3,632,456.77**	–
Gains from disposal of assets (losses are indicated by "-")		**99,762,916.73**	46,897.49
II. Operating profit (loss is indicated by "-")		**1,491,205,128.26**	2,585,744,173.15
Add: Non-operating income		**18,349,365.43**	3,513,646.30
Less: Non-operating expenses		**10,445,436.93**	10,173,350.00
III. Total profit (total loss is indicated by "-")		**1,499,109,056.76**	2,579,084,469.45
Less: Income tax expenses		**208,245,436.97**	126,667,913.77
IV. Net profit (net loss is indicated by "-")		**1,290,863,619.79**	2,452,416,555.68
(I) Net profit from continuing operations (net loss is indicated by "-")		**1,290,863,619.79**	2,452,416,555.68
V. Total comprehensive income		**1,290,863,619.79**	2,452,416,555.68

Head of the Company: Yuan Honglin　　Chief Financial Officer: Li Guojun　　Head of Accounting Department: Xu Bin

CONSOLIDATED CASH FLOW STATEMENT

Jan. – Jun. 2023

Unit: RMB

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		**86,523,407,057.16**	91,463,322,565.65
Other cash receipts relating to operating activities	VII, 65, (1)	**3,242,010,375.94**	432,036,588.98
Sub-total of cash inflows from operating activities		**89,765,417,433.10**	91,895,359,154.63
Cash payments for goods purchased and services received		**74,836,615,380.00**	75,553,535,402.69
Cash payments to and on behalf of employees		**1,987,756,668.84**	1,766,636,277.82
Payments of various types of taxes		**3,688,491,967.84**	5,619,877,900.98
Other cash payments relating to operating activities	VII, 65, (2)	**490,616,276.68**	453,804,354.99
Sub-total of cash outflows from operating activities		**81,003,480,293.36**	83,393,853,936.48
Net Cash Flow from Operating Activities		**8,761,937,139.74**	8,501,505,218.15
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments	VII, 65, (3)	**6,201,289,262.19**	5,830,154,743.86
Cash receipts from investment income		**323,909,260.51**	297,112,010.07
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**82,524,719.40**	3,760,985.96
Net cash receipts from disposals of subsidiaries and other business units		**–**	23,500,000.00
Other cash receipts relating to investing activities	VII, 65, (4)	**245,421,139.50**	162,426,203.83
Sub-total of cash inflows from investing activities		**6,853,144,381.60**	6,316,953,943.72
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**6,583,250,074.03**	3,757,458,656.86
Cash payments to acquire investments	VII, 65, (5)	**8,453,106,688.56**	5,809,214,944.53
Other cash payments relating to investing activities	VII, 65, (6)	**411,444,586.43**	469,422,334.28
Sub-total of cash outflows from investing activities		**15,447,801,349.02**	10,036,095,935.67
Net Cash Flow from Investing Activities		**-8,594,656,967.42**	-3,719,141,991.95

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		**53,784,672,884.98**	59,286,010,814.44
Other cash receipts relating to financing activities	VII, 65, (7)	**415,518,801.15**	3,943,457,966.50
Sub-total of cash inflows from financing activities		**54,200,191,686.13**	63,229,468,780.94
Cash repayments of borrowings		**50,768,150,069.52**	59,650,027,076.41
Cash payments for distribution of dividends or profits or settlement of interest expenses		**1,923,875,752.51**	875,837,947.14
Other cash payments relating to financing activities	VII, 65, (8)	**1,297,038,119.76**	1,734,573,555.37
Sub-total of cash outflows from financing activities		**53,989,063,941.79**	62,260,438,578.92
Net Cash Flow from Financing Activities		**211,127,744.34**	969,030,202.02
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		**658,313,342.50**	772,934,787.33
V. Net Increase in Cash and Cash Equivalents		**1,036,721,259.16**	6,524,328,215.55
Add: Opening balance of cash and cash equivalents		**29,045,548,650.93**	20,392,690,843.69
VI. Closing Balance of Cash and Cash Equivalents	VII, 66, (2)	**30,082,269,910.09**	26,917,019,059.24

Head of the Company: Yuan Honglin Chief Financial Officer: Li Guojun Head of Accounting Department: Xu Bin

THE COMPANY'S CASH FLOW STATEMENT

Jan. – Jun. 2023

Unit: RMB

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		**1,098,239,761.80**	1,608,010,109.76
Other cash receipts relating to operating activities		**6,506,738,796.67**	4,499,060,969.49
Sub-total of cash inflows from operating activities		**7,604,978,558.47**	6,107,071,079.25
Cash payments for goods purchased and services received		**527,425,683.13**	553,782,020.00
Cash payments to and on behalf of employees		**276,790,280.12**	238,155,692.93
Payments of various types of taxes		**842,956,254.64**	609,672,188.40
Other cash payments relating to operating activities		**3,261,429,204.51**	2,745,897,133.39
Sub-total of cash outflows from operating activities		**4,908,601,422.40**	4,147,507,034.72
Net Cash Flow from Operating Activities		**2,696,377,136.07**	1,959,564,044.53
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		**1,339,950,000.00**	2,218,108,086.02
Cash receipts from investment income		**54,115,242.19**	79,920,074.49
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		**80,684,050.00**	–
Net cash receipts from disposals of subsidiaries and other business units		**–**	23,500,000.00
Other cash receipts relating to investing activities		**2,251,330,159.91**	8,599,094,192.85
Sub-total of cash inflows from investing activities		**3,726,079,452.10**	10,920,622,353.36
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**164,817,076.27**	35,033,809.33
Cash payments to acquire investments		**1,398,540,430.02**	1,711,510,000.00
Other cash payments relating to investing activities		**2,074,280,779.44**	10,872,014,307.62
Sub-total of cash outflows from investing activities		**3,637,638,285.73**	12,618,558,116.95
Net Cash Flow from Investing Activities		**88,441,166.37**	-1,697,935,763.59

Item	Notes	Jan. – Jun. 2023	Jan. – Jun. 2022
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		**7,856,977,918.03**	12,096,494,444.45
Other cash receipts relating to financing activities		**12,859,664,457.76**	7,566,343,237.10
Sub-total of cash inflows from financing activities		**20,716,642,375.79**	19,662,837,681.55
Cash repayments of borrowings		**5,258,600,000.00**	9,251,636,205.50
Cash payments for distribution of dividends or profits or settlement of interest expenses		**257,895,938.58**	161,773,843.34
Other cash payments relating to financing activities		**12,788,291,611.92**	7,567,889,347.98
Sub-total of cash outflows from financing activities		**18,304,787,550.50**	16,981,299,396.82
Net Cash Flow from Financing Activities		**2,411,854,825.29**	2,681,538,284.73
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		**-1,296,050.21**	-11,179,518.48
V. Net Increase in Cash and Cash Equivalents		**5,195,377,077.52**	2,931,987,047.19
Add: Opening balance of cash and cash equivalents		**8,901,293,066.14**	4,208,336,354.31
VI. Closing Balance of Cash and Cash Equivalents		**14,096,670,143.66**	7,140,323,401.50

Head of the Company: Yuan Honglin Chief Financial Officer: Li Guojun Head of Accounting Department: Xu Bin

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Jan. – Jun. 2023

Unit: RMB

	Jan. – Jun. 2023										
	Attributable to owners of the Company										
Item	Paid-in capital (or share capital)	Other equity instruments Perpetual bonds	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Sub-total	Minority interests	Total owners' equity
I. Closing balance of the preceding year	4,319,848,116.60	1,000,000,000.00	27,681,918,087.25	1,325,021,131.22	294,879,708.74	22,655,587.06	1,684,388,527.69	18,019,893,163.56	51,698,562,059.68	10,338,854,639.46	62,037,416,699.14
II. Opening balance of the current year	4,319,848,116.60	1,000,000,000.00	27,681,918,087.25	1,325,021,131.22	294,879,708.74	22,655,587.06	1,684,388,527.69	18,019,893,163.56	51,698,562,059.68	10,338,854,639.46	62,037,416,699.14
III. Changes for the period (decrease is indicated by "-")	-	-	-1,447,533.36	-58,477,321.07	2,076,787,715.97	64,914,961.98	-	-1,117,083,696.09	1,081,648,769.57	285,508,043.58	1,367,156,813.15
(I) Total comprehensive income	-	-	-	-	2,076,787,715.97	-	-	703,144,213.69	2,779,931,929.66	283,614,350.53	3,063,546,280.19
(II) Owners' contributions and reduction in capital	-	-	-1,447,533.36	-58,477,321.07	-	-	-	-	57,029,787.71	-	57,029,787.71
1. Ordinary shares contributed by owners	-	-	26,237,059.16	-	-	-	-	-	26,237,059.16	-	26,237,059.16
2. Share-based payments recognised in owners' equity	-	-	-27,684,592.52	-58,477,321.07	-	-	-	-	30,792,728.55	-	30,792,728.55
(III) Profit distribution	-	-	-	-	-	-	-	-1,820,227,909.78	-1,820,227,909.78	-	-1,820,227,909.78
1. Distributions to (shareholders)	-	-	-	-	-	-	-	-1,820,227,909.78	-1,820,227,909.78	-	-1,820,227,909.78
(IV) Special reserve	-	-	-	-	-	64,914,961.98	-	-	64,914,961.98	1,893,693.05	66,808,655.03
1. Transfer to special reserve in the period	-	-	-	-	-	99,506,098.40	-	-	99,506,098.40	2,176,429.46	101,682,527.86
2. Amount utilised in the period	-	-	-	-	-	34,591,136.42	-	-	34,591,136.42	282,736.41	34,873,872.83
IV. Closing balance of the current period	4,319,848,116.60	1,000,000,000.00	27,680,470,553.89	1,266,543,810.15	2,371,667,424.71	87,570,549.04	1,684,388,527.69	16,902,809,467.47	52,780,210,829.25	10,624,362,683.04	63,404,573,512.29

Jan. – Jun. 2022

Item	Attributable to owners of the Company									
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Sub-total	Minority interests	Total owners' equity
I. Closing balance of the preceding year	4,319,848,116.60	27,645,855,518.39	876,357,019.96	-6,406,227,030.65	487,314.82	1,463,370,956.65	13,698,308,770.45	39,845,286,626.30	8,418,925,710.77	48,264,212,337.07
II. Opening balance of the current year	4,319,848,116.60	27,645,855,518.39	876,357,019.96	-6,406,227,030.65	487,314.82	1,463,370,956.65	13,698,308,770.45	39,845,286,626.30	8,418,925,710.77	48,264,212,337.07
III. Changes for the period (decrease is indicated by "-")	–	8,817,545.00	448,664,111.26	4,460,029,495.65	614,462.96	–	2,623,585,709.52	6,644,383,101.87	1,110,879,805.71	7,755,262,907.58
(I) Total comprehensive income	–	–	–	4,460,029,495.65	–	–	4,147,930,309.56	8,607,959,805.21	1,110,649,396.02	9,718,609,201.23
(II) Owners' contributions and reduction in capital	–	8,817,545.00	448,664,111.26	–	–	–	–	-439,846,566.26	–	-439,846,566.26
1. Ordinary shares contributed by owners	–	22,447,195.19	–	–	–	–	–	22,447,195.19	–	22,447,195.19
2. Share-based payments recognised in owners' equity	–	-13,629,650.19	-51,335,885.06	–	–	–	–	37,706,234.87	–	37,706,234.87
3. Repurchase of treasury shares	–	–	499,999,996.32	–	–	–	–	-499,999,996.32	–	-499,999,996.32
(III) Profit distribution	–	–	–	–	–	–	–1,524,344,600.04	–1,524,344,600.04	–	–1,524,344,600.04
1. Distributions to owners (shareholders)	–	–	–	–	–	–	–1,524,344,600.04	–1,524,344,600.04	–	–1,524,344,600.04
(IV) Special reserve	–	–	–	–	614,462.96	–	–	614,462.96	230,409.69	844,872.65
1. Transfer to special reserve in the period	–	–	–	–	64,856,517.89	–	–	64,856,517.89	783,515.64	65,640,033.53
2. Amount utilised in the period	–	–	–	–	64,242,054.93	–	–	64,242,054.93	553,105.95	64,795,160.88
IV. Closing balance of the current period	4,319,848,116.60	27,654,673,063.39	1,325,021,131.22	-1,946,197,535.00	1,101,777.78	1,463,370,956.65	16,321,894,479.97	46,489,669,728.17	9,529,805,516.48	56,019,475,244.65

Head of the Company: Yuan Honglin Chief Financial Officer: Li Guojun Head of Accounting Department: Xu Bin

THE COMPANY'S STATEMENT OF CHANGES IN OWNERS' EQUITY

Jan. – Jun. 2023

Unit: RMB

	Jan. – Jun. 2023							
Item	Paid-in capital (or share capital)	Other equity instruments Perpetual bonds	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	Retained profits	Total owners' equity
I. Closing balance of the preceding year	4,319,848,116.60	1,000,000,000.00	27,800,962,401.65	1,325,021,131.22	21,113,064.91	1,684,388,527.69	2,045,195,316.11	35,546,486,295.74
II. Opening balance of the current year	4,319,848,116.60	1,000,000,000.00	27,800,962,401.65	1,325,021,131.22	21,113,064.91	1,684,388,527.69	2,045,195,316.11	35,546,486,295.74
III. Changes for the period (decrease is indicated by "-")	-	-	-1,447,533.36	-58,477,321.07	55,123,336.88	-	-529,364,289.99	-417,211,165.40
(I) Total comprehensive income	-	-	-	-	-	-	1,290,863,619.79	1,290,863,619.79
(II) Owners' contributions and reduction in capital	-	-	-1,447,533.36	-58,477,321.07	-	-	-	57,029,787.71
1. Ordinary shares contributed by owners	-	-	26,237,059.16	-	-	-	-	26,237,059.16
2. Share-based payment recognised in owners' equity	-	-	-27,684,592.52	-58,477,321.07	-	-	-	30,792,728.55
(III) Profit distribution	-	-	-	-	-	-	-1,820,227,909.78	-1,820,227,909.78
1. Distributions to owners (shareholders)	-	-	-	-	-	-	-1,820,227,909.78	-1,820,227,909.78
(IV) Special reserve	-	-	-	-	55,123,336.88	-	-	55,123,336.88
1. Transfer to special reserve in the period	-	-	-	-	87,799,047.22	-	-	87,799,047.22
2. Amount utilised in the period	-	-	-	-	32,675,710.34	-	-	32,675,710.34
IV. Closing balance of the current period	4,319,848,116.60	1,000,000,000.00	27,799,514,868.29	1,266,543,810.15	76,236,401.79	1,684,388,527.69	1,515,831,026.12	35,129,275,130.34

Item	Jan. – Jun. 2022						
	Paid-in capital (or share capital)	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	Retained profits	Total owners' equity
I. Closing balance of the preceding year	4,319,848,116.60	27,699,294,622.38	876,357,019.96	373,559.65	1,463,370,956.65	1,738,828,490.96	34,345,358,726.28
II. Opening balance of the current year	4,319,848,116.60	27,699,294,622.38	876,357,019.96	373,559.65	1,463,370,956.65	1,738,828,490.96	34,345,358,726.28
III. Changes for the period (decrease is indicated by "-")	–	8,817,545.00	448,664,111.26	-6,759.99	–	928,071,955.64	488,218,629.39
(I) Total comprehensive income	–	–	–	–	–	2,452,416,555.68	2,452,416,555.68
(II) Owners' contributions and reduction in capital	–	8,817,545.00	448,664,111.26	–	–	–	-439,846,566.26
1. Ordinary shares contributed by owners	–	22,447,195.19	–	–	–	–	22,447,195.19
2. Share-based payments recognised in owners' equity	–	-13,629,650.19	-51,335,885.06	–	–	–	37,706,234.87
3. Repurchase of treasury shares	–	–	499,999,996.32	–	–	–	-499,999,996.32
(III) Profit distribution	–	–	–	–	–	–1,524,344,600.04	–1,524,344,600.04
1. Distributions to owners (shareholders)	–	–	–	–	–	–1,524,344,600.04	–1,524,344,600.04
(IV) Special reserve	–	–	–	-6,759.99	–	–	-6,759.99
1. Transfer to special reserve in the period	–	–	–	58,021,480.47	–	–	58,021,480.47
2. Amount utilised in the period	–	–	–	58,028,240.46	–	–	58,028,240.46
IV. Closing balance of the current period	4,319,848,116.60	27,708,112,167.38	1,325,021,131.22	366,799.66	1,463,370,956.65	2,666,900,446.60	34,833,577,355.67

Head of the Company: Yuan Honglin   Chief Financial Officer: Li Guojun   Head of Accounting Department: Xu Bin

III. BASIC INFORMATION ABOUT THE COMPANY

1. General Information

CMOC Group Limited (the "Company") was incorporated on 25 August 2006 as a joint-stock limited company on the basis of China Molybdenum Co., Ltd. by Luoyang Mining Group Co., Ltd. ("LMG") and Cathay Fortune Corporation ("CFC").

On 30 September 2020, the Company held the fifteenth extraordinary meeting of the fifth session of board of directors and approved the Proposal on Repurchase A Shares by Way of Centralized Competitive Bidding Transaction, agreeing that the Company should use its own funds of no more than RMB450 million to repurchase A shares of the Company at a price of no more than RMB4.5 per share. As at 31 December 2020, the Company had accumulatively repurchased 48,513,287 shares with payment of RMB193,832,602.21 by way of centralized competitive bidding transactions, representing 0.2246% of the current total share capital of the Company. On 13 July 2021, the Company held the first extraordinary meeting of the sixth session of board of directors and approved the Proposal on Terminating the Plan of Repurchase of A Shares by Way of Centralized Competitive Bidding Transaction (Phase I), deciding to terminate the plan of repurchase of A shares (Phase I).

On 13 July 2021, the Company held the first extraordinary meeting of the sixth session of board of directors and approved the Proposal on Repurchase A Shares by Way of Centralized Competitive Bidding Transaction (Phase II), agreeing that the Company should use its own funds of no more than RMB800 million to repurchase A shares of the Company at a price of no more than RMB8 per share. On 16 December 2021, the Company completed the repurchase of shares (Phase II) and repurchased 99,999,964 shares, representing 0.46% of the total share capital of the Company, by way of centralized competitive bidding transaction at the price of RMB684,117,491.95.

On 24 May 2022, the Company held the fourth extraordinary meeting of the sixth session of board of directors and approved the Proposal on Repurchase A Shares by Way of Centralized Competitive Bidding Transaction (Phase III), agreeing that the Company should use its own funds of no more than RMB500 million to repurchase A shares of the Company at a price of no more than RMB7.25 per share. On 8 June 2022, the Company completed the repurchase of shares (Phase III) and repurchased 104,930,443 shares, representing 0.49% of the total share capital of the Company, by way of centralized competitive bidding transaction at the price of RMB499,999,996.32. The details of treasury shares are set out in Note (VII),44.

The Company together with its subsidiaries (collectively as the "Group") are principally engaged in mining, smelting and deep processing of molybdenum tungsten series products; export of molybdenum tungsten series products and chemical products; mining and smelting of copper, cobalt and niobium series products; mining and deep processing of phosphorus series products; mining, processing and sale of gold and silver, and metal trading.

2. Scope of the Consolidated Financial Statements

The consolidated and the Company's financial statements have been approved by the board of directors of the Company on 25 August 2023.

See Note (IX) "INTERESTS IN OTHER ENTITIES" for details of subsidiaries within the scope of the consolidated financial statements for current year. The changes in the scope of the consolidated financial statements mainly arise from the establishment of subsidiaries. See Note (VIII) "CHANGES IN SCOPE OF CONSOLIDATION" for details.

IV. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

1. Preparation basis

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

2. Going concern

The Group assessed its ability to continue as a going concern for 12 months from 30 June 2023, and didn't notice any event or circumstance that may cast significant doubts on its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Tips on specific accounting policies and accounting estimates:

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements of the Company have been prepared in accordance with Accounting Standards for Business Enterprises, and present truly and completely, the consolidated and the Company's financial position as at 30 June 2023, and the consolidated and the Company's results of operations, changes in shareholders equity and cash flows for the period from January to June 2023.

2. Accounting period

The Company has adopted the calendar year as its accounting year, i.e. from January 1 to December 31.

3. Operating cycle

The operating cycle refers to the period from purchase of assets used for processing to realization of cash or cash equivalents. The Company's operating cycle is usually 12 months.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiaries determine their functional currencies according to the currencies of economic environment in which they operate. The Group adopts RMB to prepare the financial statements.

5. Accounting treatment of business combination involving or not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained are measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess is adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

5.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

For transactions not involving enterprises under common control, the acquirer will consider whether or not to adopt the simplified "concentration test" when determining whether or not an acquired portfolio constitutes a business. If the portfolio passes the concentration test, it will be judged not to constitute a business. If the portfolio does not pass the concentration test, the judgment is made on the basis of whether it constitutes a business.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. Where a business combination not involving enterprises under common control is achieved in stages that involve multiple transactions, the cost of combination is the sum of the consideration paid at the acquisition date and the fair value at the acquisition date of the acquirer's previously held interest in the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Accounting treatment of business combination involving or not involving enterprises under common control (Continued)

5.2 *Business combinations not involving enterprises under common control and goodwill (Continued)*

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria are measured at fair value at the acquisition date.

When the business combination contract provides that, upon the occurrence of multiple future contingencies, the acquirer shall pay an additional consideration for the combination, such contingent consideration as set out in the contract shall be recognized as a liability by the Group as a part of the aggregate consideration transferred in the business combination, and be included in the cost of combination at the fair value at the acquisition date. Within twelve months after the acquisition, if the contingent consideration needs to be adjusted as new or further evidence is obtained in respect of circumstances existed as at the acquisition date, the amount preciously included in goodwill/non-operating income shall be adjusted. A change in or adjustment to the contingent consideration under other circumstances shall be accounted for in accordance with relevant provisions in the Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement. Any change or adjustment is included in profit or loss for the current period.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was effected, the acquirer recognizes and measures the combination using those provisional values. Any adjustments to those provisional values within 12 months after the acquisition date are treated as if they had been recognized and measured on the acquisition date.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements

6.1 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is the power over the investee, exposures or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. If changes of related facts and situations lead to changes of related elements of control, the Group will conduct reassessment.

The combination of subsidiaries begins with the Group's control over the subsidiary, and ceases with the Group's losing control of the subsidiary. For a subsidiary disposed by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company. Influence over the consolidated financial statements arising from significant intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "profit or loss attributable to minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount is still allocated against minority interests.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

6.1 Preparation of consolidated financial statements (Continued)

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving enterprises under common control, it should be dealt with based on whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to 'package deal', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees' shares held before acquisition date will be re-measured, and the difference between the fair value and the carrying amount will be recognized in profit or loss of the current period; if acquirees' shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this will be transferred to income of acquisition date.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost and offset against goodwill. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

When the Group loses control of a subsidiary in two or more arrangements (transactions), terms and conditions of the arrangements (transactions) and their economic effects are considered. One or more of the followings indicate that the Group shall account for the multiple arrangements as a 'package deal': (i) they are entered into at the same time or in contemplation of each other; (ii) they form a complete transaction designed to achieve an overall commercial effect; (iii) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; (iv) one transaction alone is not economically justified, but it is economically justified when considered together with other transactions. Where the transactions of disposal of equity investments in a subsidiary until the loss of control are assessed as a package deal, these transactions are accounted for as one transaction of disposal of a subsidiary with loss of control. Before losing control, the difference of consideration received on disposal and the share of net assets of the subsidiary continuously calculated from acquisition date is recognized as other comprehensive income. When losing control, the cumulated other comprehensive income is transferred to profit or loss of the period of losing control. If the transactions of disposal of equity investments in a subsidiary are not assessed as a package deal, these transactions are accounted for as unrelated transactions.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Classification of joint arrangements and accounting treatments of joint operations

A joint arrangement is classified into joint operation and joint venture, depending on the rights and obligations of the parties to the arrangement, which is assessed by considering the structure and the legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Group accounts for investments in joint ventures using equity method. Refer to Note (V) 14.3.2. "Long-term equity investments accounted for using the equity method" for details.

The Group as a joint operator recognizes the following items in relation to its interest in a joint operation: (1) its solely-held assets, including its share of any assets held jointly; (2) its solely-assumed liabilities, including its share of any liabilities incurred jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its solely-incurred expenses, including its share of any expenses incurred jointly. The Group accounts for the recognized assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the requirements applicable to the particular assets, liabilities, revenues and expenses.

8. Standards for determining cash and cash equivalents

Cash equivalents are the Group's short-term (generally matured within three months from the acquisition date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Translation of transactions and financial statements denominated in foreign currencies

9.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the book balances (other than the amortized cost) of items that are reclassified at fair value through other comprehensive income are included in other comprehensive income.

When the consolidated financial statements include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on translation of financial statements denominated in foreign currencies" in other comprehensive income, and in profit or loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit or loss or as other comprehensive income.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Translation of transactions and financial statements denominated in foreign currencies (Continued)

9.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is recognized as other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the owners' equity of the parent company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

When the disposal of part of the equity investments results in decrease in proportion of equity in a foreign operation but does not result in loss of control, the translation differences of the financial statements denominated in foreign currency relating to the partial disposal of the foreign operation are attributable to minority interests and are not transferred to profit or loss for the period. When the disposal of foreign operation is partial disposal of equity in associate or joint venture, the translation differences of the financial statements denominated in foreign currency relating to the foreign operation is transferred to profit or loss in proportion to the foreign operation disposed.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

For financial assets purchased or sold in a regular way, the Group recognizes assets acquired and liabilities assumed on a trade date basis, or derecognizes the assets sold on a trade date basis.

Contracts to buy or sell non-financial items that can be settled net in cash or other financial instruments, or through an exchange of financial instruments apply to the Revenue Standard when the Group enters into and holds such contracts intended for the receipt or delivery of non-financial items in accordance with the intended purchase, sale or use requirements.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. When conducting initial recognition of the accounts receivable that does not include significant financing components or the financing components in the contract no more than one year are not taken into consideration in accordance with Accounting Standards for Business Enterprises No. 14 – Revenue ("Revenue Standard"), the Group makes the initial measurement at the transaction price specified in the revenue standard.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant accounting period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the book balance of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial assets or financial liabilities (such as repayment in advance, extension, call options or other similar options), without considering future credit losses.

The amortized cost of financial asset or financial liability is the initial recognition amount of the financial asset or the financial liability less the repaid amount of principal plus or less the accumulated amortized amount of the difference between the initial recognition amount and the amount of maturity with the effective interest rate method less the accumulated provisions for the losses (only applicable to the financial assets).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.1 Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortized cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVTPL").

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group classifies such financial asset as financial assets at amortized cost, which include cash and bank balances, accounts receivable, other receivables, other current assets, other non-current assets, etc.

Financial assets that meet the following conditions are classified as at FVTOCI: 1) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such financial assets due over one year since acquisition are presented as other debt investments and those due within one year (inclusive) since balance sheet date are presented as non-current assets due within one year; notes receivable classified as at FVTOCI on acquisition are presented under financing with receivables, and those due within one year (inclusive) since acquisition are presented under other current assets.

On the initial recognition, the Group may irrevocably designate non-trading equity instruments except for contingent consideration recognized in business combination not involving enterprises under common control as financial assets at FVTOCI on an individual basis. Such financial assets are presented as investments in other equity instruments in financial statements.

Financial assets that meet one of the following requirements indicate that the purpose for the Group to hold the financial assets is for trading:

- It has been acquired principally for the purpose of selling in the near term;
- On initial recognition, relevant financial assets are part of a portfolio of the identifiable financial instruments that the Group manages on a collective basis and there is an objective evidence indicating that the Group has an actual pattern of short-term profit-taking recently; or
- Relevant financial assets are classified to derivative instruments, excluding derivatives that meet the definitions of financial guarantee contracts and are designated as effective hedging instruments.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.1 Classification, recognition and measurement of financial assets (Continued)

Financial assets at FVTPL include financial assets classified as at FVTPL and those designated as at FVTPL:

- Financial assets that do not meet the requirements to be reclassified as financial assets at amortized cost or financial assets at FVTOCI are classified as financial assets at FVTPL.

- Upon initial recognition, in order to eradicate or significantly reduce accounting mismatches, the Group can irrevocably designate financial assets as at FVTPL.

- Financial assets at FVTPL (other than derivative financial assets) are all presented under held-for-trading financial assets. Financial assets due over one year (or without fixed maturity) since the balance sheet date and expected to be held for over one year are presented under other non-current financial assets.

10.1.1 Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured subsequently at amortized cost by adopting the effective interest method, with gains or losses arising from the impairment or derecognition recorded to the profit or loss for the period.

Interest income from financial assets at amortized cost are recognized by the Group based on the effective interest method. Interest income is determined by applying an effective interest rate to the book balance of the financial asset except for the following situations:

- For the purchased or originated credit-impaired financial assets, the Group recognizes their interest income based on amortized cost and credit-adjusted effective interest rate of these financial assets since initial recognition.

- For the purchased or originated financial assets not-credit-impaired but subsequently becoming credit-impaired, the Group subsequently recognizes their interest income based on amortized cost and effective interest rate of these financial assets. If no credit exists due to improvement in credit risk of the financial instruments subsequently and such improvement is in relation to an event incurred subsequent to the application of above provisions, the Group will transfer to calculate and determine the interest income by applying an effective interest rate to the book balance of the financial asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.1 Classification, recognition and measurement of financial assets (Continued)

10.1.2 Financial assets at FVTOCI

The impairment losses or gains relating to financial assets classified as at FVTOCI, the interest income calculated by effective interest method, and the exchange gains or losses shall be included into the profit or loss over the current period, and the other financial assets shall be measured at FVTOCI. The amount of the financial assets included into profit or loss of each period shall be regarded as equal as the amount measured at amortized cost through profit or loss over each period. When the financial assets are derecognized, the accumulated income or loss included in the other comprehensive income previously will be reclassified into the profit or loss over the current period from the other comprehensive income.

Fair value change of non-held-for-trading equity investment designated as at FVTOCI, is recognized in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in the non-held-for-trading equity instruments, dividend income is recognized and included in profit or loss for the period when 1) the Group's right to collect dividend has been established; 2) it is probable that economic benefits associated with dividend will flow to the Group; and 3) the amount of dividend can be reliably measured.

10.1.3 Financial assets at FVTPL

Financial assets at FVTPL are measured subsequently at fair value. Gains or losses from changes in fair value and dividends and interest income relevant to the financial assets are recognized in profit or loss for the current period.

10.2 Impairment of financial instruments

The Group accounts for impairment on financial assets at amortized cost, financial assets classified as FVTOCI and financial guarantee contracts that are not measured at FVTPL on the basis of ECL and recognizes relevant loss allowance.

The Group measures loss allowance based on the amount equal to the lifetime ECL for the accounts receivable and notes receivable arising from the transactions under revenue standards but not including significant financial elements or not considering the contract less than one year.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.2 Impairment of financial instruments (Continued)

For other financial assets, except for the purchased or originated credit-impaired financial assets, at each balance sheet date, the Group assess changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has increased significantly since initial recognition, the Group measures loss allowance based on the amount of full lifetime; if credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes loss allowance based on 12-month ECL of the financial instrument. Increase in or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment, except the financial assets classified as FVTOCI. The Group recognizes credit loss allowance for financial assets at FVOCI in other comprehensive income and recognizes loss or gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at the balance sheet date for the current period. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

10.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition with available reasonable and supportable forward-looking information. For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.1 Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

(1) Whether external market indicators of credit risk for the same financial instrument or financial instruments with shared expected life have changed significantly. Indicators include: credit spreads, credit default swap price for the borrower, length and extent of time when fair value of financial assets is less than amortized cost, other market information related to the borrower (including price changes in borrower's debt instruments or equity instruments);

(2) Whether external credit rating of the financial instrument has actually changed significantly or is expected to change significantly;

(3) Whether the debtor's internal credit rating is actually lowered or is expected to be lowered;

(4) Whether expected detrimental changes in business, financial and economic conditions of the debtor which will affect borrower's ability to perform repayment obligation have changed significantly, including significant reduction in the market shares of the debtor, sharp drop of the price of principal products, significant rise of the price of principal raw materials, critical shortage of working capital, and quality reduction of assets, etc.;

(5) Whether the actual or expected results of the debtor's operations have changed significantly, including the circumstance that an evident adverse change happens to the business indicators such as income and profit and is expected difficult to improve in a short term;

(6) Whether the credit risk of other financial instruments issued by the same debtor has increased significantly;

(7) Whether supervisory, economic or technical environment for the borrower has significant detrimental changes, including the circumstance whether the technological change, or the relevant policies proposed to introduce by the state or local government have significant adverse impact on the debtor;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.1 Significant increase in credit risk (Continued)

(8) Whether the value of collateral for debt mortgage or the guarantee or credit enhancement quality provided by a third party has changed significantly, and these changes are expected to lower the economic motive of the debtor to repay within the time limit as specified by the contract or affect the probability of default;

(9) Whether the economic motive that will lower the borrower's repayment within the time limit as specified by the contract has changed significantly;

(10) Whether the loan contract is expected to be changed, including the exemption or revision of contractual obligations, the granting of interest-free periods, the jump in interest rates, the requirement for additional collateral or guarantees, or other changes in the contractual framework for financial instruments that may result from the breach of contract;

(11) Whether the debtor's expected performance and repayment activities have changed significantly;

(12) Whether the Group's approach to credit management of financial instruments has changed.

Regardless of whether the credit risk has increased significantly after the above assessment, when the financial instrument contract payment has been overdue for more than 30 days (inclusive), it indicates that the credit risk of the financial instrument has increased significantly.

At the balance sheet date, the Group may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk. If the default risk of financial instrument is relatively low, the borrower has a strong capability in performing its contract cash flow obligation in the short term, and the capability of the borrower to perform its contract cash obligation is not necessarily reduced even if adverse change exists in the economic situation and business environment in a relatively long time, the financial instrument is considered to be exposed to the credit risk at a relatively low level.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.2 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(1) Significant financial difficulty of the issuer or the debtor;

(2) A breach of contract by the debtor, such as a default in interest or principal or past due event;

(3) The creditor(s) of the debtor, for economic or contractual reasons relating to the debtor’s financial difficulty, having granted to the debtor a concession(s) that the creditor(s) would not otherwise consider;

(4) It is becoming probable that the debtor will enter bankruptcy or other financial reorganization;

(5) The issuer or debtor has financial difficulty resulting in disappearance of active market for the financial assets;

(6) Purchase or originate a financial asset at substantial discount, which reflects the fact that the financial asset has become credit-impaired.

10.2.3 Recognition of expected credit losses

The Group recognizes the credit loss of other receivables, other current assets and financial assets included in other non-current assets based on an individual asset basis, and recognizes credit loss of related financial instruments for accounts receivable on a collectively basis by using an impairment matrix. The Group classifies financial instruments into different groups based on shared risk characteristics, and the Group adopts the shared risk characteristics including: type of financial instruments, credit risk rating, initial recognition date, etc.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.2 Impairment of financial instruments (Continued)

10.2.3 Recognition of expected credit losses (Continued)

ECL of relevant financial instruments is recognized based on the following methods:

- For a financial asset, credit loss is the present value of difference between the contractual cash flow receivable and the expected cash flow to be received.

- For a financial guarantee contract (refer to Note (V) 10.4.1.2.1 for detailed accounting policies), credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

- For credit-impaired financial assets other than the purchased or originated credit-impaired financial assets at the balance sheet date, credit loss is difference between the book balance of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognized by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance date.

10.2.4 Write-down of financial assets

The Group shall directly write down the book balance of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-down constitutes a derecognition of relevant financial assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.3 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control over the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control over the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The Group measures relevant liabilities by the following methods:

- If the financial assets transferred are measured at amortized cost, and the carrying amounts of relevant liabilities are equivalent to the carrying amounts of the transferred financial assets continuing in involvement less the amortized costs of the retained rights of the Group (if the Group retains associated rights for the transfer of financial assets) plus the amortized costs of the Group's obligations (if the Group bears associated obligations for the transfer of financial assets), relevant liabilities are not designated as financial liabilities at FVTPL.

- If financial assets transferred are measured at fair value, and the carrying amounts of relevant liabilities are equivalent to the carrying amounts of the transferred financial assets continuing in involvement less the fair value of the retained rights of the Group (if the Group retains associated rights for the transfer of financial assets) plus the Group's obligations (if the Group bears associated obligations for the transfer of financial assets), the fair value of the rights and obligations should be the fair value measured on an individual basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the derecognition date; and (2) the sum of the consideration received from the transfer of financial assets and the corresponding amount of the derecognition part in the cumulative change that has been recognized in other comprehensive income, is recognized in profit or loss for the current period. If the financial assets transferred by the Group are the non-trading equity instrument investment designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are reclassified in retained earnings from other comprehensive income.

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts at the date of transfer. The difference between (1) the carrying amount allocated to the part derecognized on the date of derecognition; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss for the current period. If the financial assets transferred by the Group are the non-trading equity instrument investment designated as at FVTOCI, cumulative gains or losses previously recognized in other comprehensive income are reclassified in retained earnings from other comprehensive income.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognize the transferred financial asset in its entirety. The consideration received from transfer of assets is recognized as a financial liability upon receipt.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.4 Classification of financial liabilities and equity instruments

Financial instruments issued by the Group are classified in accordance with the economic substance of the contractual arrangements instead of the legal form as well as the definitions of a financial liability and an equity instrument; on initial recognition, financial instruments or their component parts are classified as either financial liabilities or equity instruments.

10.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at FVTPL.

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at FVTPL consist of financial liabilities held for trading (Including derivative instrument of financial liabilities) and those designated as at FVTPL, in which financial liabilities at FVTPL are presented as financial liabilities held for trading, except for derivative liabilities that are presented independently.

A financial liability is classified as held for trading if one of the following conditions is satisfied:

- It has been acquired principally for the purpose of repurchasing in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or

- It is a derivative, except for a financial guarantee contract or a derivative that is a designated and effective hedging instrument.

A financial liability may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (1) Such designation eliminates or significantly reduces accounting mismatch; (2) The financial liability forms part of a group of financial liabilities or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis; or (3) it is a qualifying hybrid contract containing embedded derivatives.

Held-for-trading financial liabilities are subsequently measured at fair value. Any gains or losses arising from changes in the fair value or any dividend or interest expenses related to the financial liabilities are recognized in profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.4 Classification of financial liabilities and equity instruments (Continued)

10.4.1 Classification, recognition and measurement of financial liabilities (Continued)

10.4.1.1 Financial liabilities at FVTPL (Continued)

For financial liability designated as at FVTPL, the amount of change in the fair value of such financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, and other changes in the fair value are presented in profit or loss. Upon the derecognition of such financial liability, the accumulated amount of change in fair value that is attributable to changes in the credit risk of that liability, which is recognized in other comprehensive income, is transferred to retained earnings. Any dividend or interest income earned on the financial liabilities are recognized in profit or loss. If the impact of the change in credit risk of such financial liability dealt with in the above way would create or enlarge an accounting mismatch in profit or loss, the Group shall present all gains or losses on that liability (including the effects of changes in the credit risk of that liability) in profit or loss.

For financial liabilities arising from contingent consideration recognized by the Group as a purchaser in the business combination not involving enterprises under a common control, the Group measures such financial liabilities at fair value and the changes are recognized in profit or loss.

10.4.1.2 Other financial liabilities

Other financial liabilities (exclusive of financial guarantee contracts and those arising from transfer of financial assets that does not meet the requirements for derecognition or continuing involvement in the transferred financial assets) are classified as at amortized cost and measured subsequently at amortized cost. Gains or losses arising from derecognition or amortization are recorded to profit or loss for the period.

When the contractual cash flows are changed due to the renegotiation or modification of the contract made between the Group and the counterparty and the renegotiation or modification does not result in the derecognition of the financial asset that is subsequently measured at amortized cost, the Group shall recalculate the carrying amount of the financial asset and shall recognize related gains or losses in profit or loss. The carrying amount of the financial asset shall be recalculated at the present value of the renegotiated or modified contractual cash flows that are discounted at the financial liability's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial liability and are amortized over the remaining term of the modified financial liability.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.4 Classification of financial liabilities and equity instruments (Continued)

10.4.1 Classification, recognition and measurement of financial liabilities (Continued)

10.4.1.2 Other financial liabilities (Continued)

10.4.1.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL, or financial liabilities arising from transfer of financial assets does not satisfy derecognition criteria or continue involvement of transferred financial assets are measured at the higher of: (1) amount of loss allowance; and (2) the amount initially recognized less cumulative amortization amount during the guarantee period.

10.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

10.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. The Group doesn't recognize the changes in fair value of equity instruments. Transaction costs related to equity transactions are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders equity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.5 Derivatives and embedded derivatives

Derivative instruments include forward foreign exchange contracts, commodity futures contracts, commodity forward contracts, currency swaps contracts, and interest rate swaps contracts and foreign exchange options contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently measured at fair value.

For the hybrid contract comprised of embedded derivatives and master contract, if the master contract belongs to financial assets, the Group shall apply the hybrid contract as a whole to the accounting standards on the classification of financial assets rather than split embedded derivatives from the hybrid contract.

An embedded derivative is separated from the hybrid instrument as a stand-alone derivative instrument, where the master contract included in the hybrid contract does not belong to financial assets and meet the following conditions.

(1) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;

(2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;

(3) the hybrid contract is not measured at FVTPL over the current period.

Where an embedded derivative is split from a hybrid contract, the Group performs accounting treatment for the master contract of the hybrid contract in accordance with applicable accounting standards. Where the Group is unable to measure the fair value of an embedded derivative reliably in accordance with the terms and conditions of the embedded derivative, the fair value of such embedded derivative is determined as the difference between the fair value of the hybrid contract and that of the master contract. Where the fair value of such embedded derivative on the acquisition date or the subsequent balance sheet dates is still unable to be measured separately, the Group designates the hybrid contract in a whole into the financial instrument at FVTPL over the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Financial Instruments (Continued)

10.6 Offsetting financial assets and financial liabilities

When the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, financial assets and financial liabilities are offset with the net amounts presented on the balance sheet. Otherwise, financial assets and financial liabilities are separately presented on the balance sheet without offsetting.

10.7 Compound instruments

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the bonds into equity instrument, is included in other equity instruments.

In subsequent periods, the liability component of the convertible loan notes is carried at amortized cost using the effective interest method. The conversion option classified as equity remains in equity instruments. No gain or loss is recognized in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of convertible loan notes are allocated to the liability component and equity component in proportion to their respective fair values. Transaction costs relating to the equity instruments component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortized over the period of the convertible loan notes using the effective interest method.

11. Financing with receivables

Notes receivable classified as at FVTOCI due within one year (inclusive) since acquisition are presented as financing with receivables, and those due over one year since acquisition are presented as other debt investments. See Note (V) 10.1, 10.2 and 10.3 for relevant accounting policies.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories

12.1 Classification of inventories

The Group's inventories mainly include raw materials, work in progress, finished goods, trading inventories, etc. Inventories (excluding trading inventories outside the PRC) are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

The trading inventories are mainly from IXM (including IXM Holding and its subsidiaries), the subsidiaries of the Group. As a commodity trader, IXM measures the trading inventories at fair value less estimated costs necessary to make the sale and relevant taxes in its financial statements prepared in accordance with International Financial Reporting Standards, and recognizes changes in fair value in profit or loss.

Pursuant to Interpretation No.1 of the Accounting Standards for Business Enterprises, for transactions or events occurred abroad to overseas subsidiaries of a domestic enterprise within China, if such transactions or events are not subject to the relevant laws and regulations of China or if such transactions are rare and not covered by the Accounting Standards for Business Enterprises, the accounting treatments made by the aforesaid overseas subsidiaries may be adjusted under the International Financial Reporting Standards and then be consolidated into the relevant items of the consolidated financial statements of the parent company, provided that the principle of the Accounting Standards for Business Enterprises – Basic Standards is followed. Therefore, in the preparation of the financial statements, trading inventories outside the PRC of IXM are still measured according to the above-mentioned accounting policies.

12.2 Valuation methods of the inventory delivered

When the inventories (excluding trading inventories outside the PRC) are delivered, the actual costs of the delivered inventories are determined using the method of weighted average.

12.3 The basis of the net realizable value of the inventories

At the balance sheet date, the inventories (excluding trading inventories outside the PRC) shall be calculated by the lower of cost and net realized value. When the net realizable value is less than the cost, inventory provision is required.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

The provision for decline in value of inventories shall be provided by the difference between the cost of the individual inventory or a type of inventories and its net realized value.

In case the factors impacting the inventory provision is eliminated, making the net realizable value be higher than the carrying amount, the write-down amount should be recovered from the previous write-down amount of inventory provision and the corresponding amount shall be reversed to profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Inventories (Continued)

12.4 The inventory system for inventories

The Group uses a perpetual inventory system.

12.5 Amortization method of low-value consumables and packaging materials

Packing materials and low-price easily-worn materials are amortized using immediate writing-off method.

13. Held-for-sale assets

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

When there is loss of control over a subsidiary due to disposal of investments in the subsidiary, and the proposed disposal of investment in the subsidiary satisfies classification criteria of held-for-sale category, the investments in subsidiaries are classified as held-for-sale category as a whole in the Company's separate financial statement, and all assets and liabilities of subsidiaries are classified as held-for-sale category in the consolidated financial statements regardless that part of the equity investments are remained after the sale.

The Group measures the no-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognized after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognized before the classification of held-for-sale category will not be reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

All or part of equity investments in an associate or joint venture are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments

14.1 Basis for determining joint control and significant influence over the investee

Control is achieved when the Group has the power over the investee, is exposed or, has the rights to, variable returns from its involvement with the investee; and has the ability to use its power to affect its return. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

14.2 Determination of initial investment cost

For a long-term equity investment acquired through business combination involving enterprises under common control, shares of carrying amount of owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognized as initial investment cost of long-term equity investment at the date of combination. The difference between initial investment cost of long-term equity investment and the aggregate of cash paid, non-cash assets transferred and carrying amount of liabilities assumed, is adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is determined in accordance with shares of carrying amount of owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, with the aggregate face value of the shares issued accounted for as share capital, and the difference between the initial investment cost and the aggregate face value of the shares issued adjusted to capital reserve. If the balance of capital reserve is not sufficient to absorb the difference, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition at the date of combination. Where equity interests in an acquiree are acquired in stages through multiple transactions ultimately constituting a business combination not involving entities under common control, the acquirer shall determine if these transactions are considered to be a "package deal". If yes, these transactions are accounted for as a single transaction where control is obtained. If not, the sum of carrying amount of equity investments previously held in the acquiree and the new investment cost is deemed as the initial investment cost of long-term equity investments that was changed to be accounted for using cost method. If the equity previously held was accounted for using the equity method, the corresponding other comprehensive income is not subject to accounting treatment temporarily. If the equity investment previously held was designated as investment in non-trading equity instruments at FVTOCI, the difference between the fair value and the carrying amount, together with the accumulated fair value previously included in other comprehensive income, is transferred retained earnings.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

14.2 Determination of initial investment cost (Continued)

The expenses incurred by the acquirer or in respect of auditing, legal services, valuation and consultancy services and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement and the additional investment cost.

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

14.3.2 Long-term equity investments accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Long-term equity investments (Continued)

14.3 Subsequent measurement and recognition of profit or loss (Continued)

14.3.2 Long-term equity investments accounted for using the equity method (Continued)

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income of the investee for the period as investment income and other comprehensive income for the period. Meanwhile, carrying amount of long-term equity investment is adjusted: the carrying amount of long-term equity investment is decreased in accordance with its share of the investee's declared profit or cash dividends; Other changes in owners' equity of the investee other than net profit or loss and other comprehensive income are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized in the capital reserve. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individual identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investors' accounting policies and accounting period are inconsistent with those of the Company, the Company recognizes investment income and other comprehensive income after making appropriate adjustments to conform to the Company's accounting policies and accounting period. However, unrealized gains or losses resulting from the Group's transactions with its associates and joint ventures, which do not constitute a business, are eliminated based on the proportion attributable to the Group and then investment gains or losses or is recognized. However, unrealized losses are not eliminated if they result from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

14.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets

(1) Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

(2) Depreciation method

A fixed asset is depreciated over its useful life using the straight-line method or the units of production method since the month subsequent to the one in which it is ready for intended use. The depreciation method, depreciation period, net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Resources-related subsidiaries of the Group situated in PRC

Category	**Depreciation method**	**Depreciation period**	**Residual value rate (%)**	**Annual depreciation rate (%)**
Land use rights, buildings	Straight-line method	8-45	0-5	2.1-12.5
Mining projects	Units of production method	Expected life of mines	0	Unit of production
Machinery and equipment	Straight-line method	8-10	5	9.5-11.9
Electronic equipment, appliances and furniture	Straight-line method	5	5	19.0
Transportation equipment	Straight-line method	8	5	11.9

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

(2) Depreciation method (Continued)

Resources-related subsidiaries of the Group situated in Australia

Category	Depreciation method	Depreciation period	Residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line method	8-45	0~5	2.1-12.5
Mining projects	Units of production method	Expected life of mines	0	Unit of production
Machinery and other equipment	Straight-line method	8-10	5	9.5-11.9

Resources-related subsidiaries of the Group situated in Brazil

Category	Depreciation method	Depreciation period	Residual value rate (%)	Annual depreciation rate (%)
Land ownership	N/A	Permanent	–	–
Buildings	Straight-line method	20-50	0-5	1.9-5.0
Mining projects	Units of production method	Expected life of mines	0	Unit of production
Machinery and other equipment	Straight-line method	5-20	0-5	4.8-20.0

Resources-related subsidiaries of the Group situated in Congo (DRC)

Category	Depreciation method	Depreciation period	Residual value rate (%)	Annual depreciation rate (%)
Land ownership	N/A	Permanent	–	–
Mining projects	Units of production method	Expected life of mines	0	Unit of production
Buildings	Straight-line method	5-33	0~5	2.9-20.0
Machinery and other equipment	Straight-line method	3-20	0~5	4.8-33.3

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Fixed assets (Continued)

(2) Depreciation method (Continued)

Metal trading-related subsidiaries of the Group

Category	Depreciation method	Depreciation period	Residual value rate (%)	Annual depreciation rate (%)
Buildings	Straight-line method	20	5	4.8
Machinery and equipment	Straight-line method	3-5	5	19.0-31.7
Electronic equipment, appliances and furniture	Straight-line method	5	5	19.0

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(3) Other descriptions

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

16. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

18. Biological assets

Biological assets of the Group are consumable biological assets.

18.1 Consumable biological assets

Consumable biological assets are biological assets held for sale or to be harvested as agricultural products in the future. The consumable biological assets the Group owns are timbers.

Upon harvest or disposal of consumable biological assets, the Group uses the weighted average method to carry forward the cost by carrying amount.

If there is an active market for consumable biological asset and the Group can obtain market prices and other relevant information regarding the same or similar type of consumable biological asset from the market so as to reasonably estimate the fair value of the related biological asset, the Group subsequently measures the consumable biological asset at fair value with changes of the fair value are recognized in profit or loss for the current period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets

(1). Valuation method, useful life and impairment test of intangible assets

Intangible assets include land use rights, exploration and mining rights, copper supply concessions, supplier relationships, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less accumulated impairment provision is amortized over its estimated useful life using the straight-line method or the units of production method. Amortization method, useful life and estimate residual value rate of all intangible assets are as follows:

Category	Amortization method	Useful life (year)	Residual value rate (%)
Land use rights	Straight-line method	50 years	0
Exploration and mining rights	Units of production method	N/A	0
Copper supply concessions	Units of purchase method	N/A	0
Supplier relationship	Straight-line method	15 years	0

At the end of the year, the Group reviews the useful life and amortization method of intangible assets and makes adjustments when necessary.

See Note (V) 20. “Impairment of long-term assets” for the details of impairment test of intangible assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Intangible assets (Continued)

(2). Accounting policies for research and development expenditure for internal study

Expenditure during the research phase is recognized as an expense in the period in which it is incurred.

Expenditure during the development phase that meets all of the following conditions at the same time is recognized as intangible asset. Expenditure during development phase that does not meet the following conditions is recognized in profit or loss for the period:

1) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

2) the Group has the intention to complete the intangible asset and use or sell it;

3) the Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence of the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

4) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and

5) the expenditure attributable to the intangible asset during its development phase can be reliably measured.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in profit or loss for the period.

20. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful life and long-term prepaid expenses at each balance sheet date to determine whether there is any indication that they have suffered an impairment loss. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Impairment of long-term assets (Continued)

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Goodwill is tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets groups, i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once an impairment loss is recognized for above mentioned assets, it will not be reversed in any subsequent period.

21. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

22. Contract liabilities

Recognition method of contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract assets and contract liabilities under the same contract are presented at net amount.

23. Employee benefits

(1) Accounting treatment of short-term benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Employee benefits (Continued)

(1) Accounting treatment of short-term benefits (Continued)

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

(2) Accounting treatment of post-employment benefits

Post-employment benefits are classified into defined contribution plans and defined benefit plans.

During the accounting period of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognized as liabilities, and recognized in profit or loss or related costs of assets.

For defined benefit plans, the Group assigns the welfare obligation generated from the defined benefit plans to the period of rendering services using the formula determined by the projected unit credit method, and includes it in the current profit or loss or related asset costs. Employee benefit costs generated from the defined benefit plans are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements.);
- Net interest of net liabilities or net assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Changes arising from re-measurement of net liabilities or net assets of defined benefit plans.

Service cost and net interest of net liabilities or net assets of defined benefit plans are included in the current profit or loss or related asset costs. Remeasurement of changes in net liabilities or net assets of defined benefit plans (including actuarial gains or losses, return on plan assets excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans, and changes to the asset ceiling excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans) is included in other comprehensive income.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Employee benefits (Continued)

(2) Accounting treatment of post-employment benefits (Continued)

Deficit or surplus from present value of obligation of defined benefit plans less fair value of planned asset of defined benefit plans are recognized as net liabilities or net assets of a defined benefit plan. When the defined benefit plan has a surplus, the defined benefit asset is measured at the lower of the surplus in the defined benefit plan and asset ceiling.

(3) Accounting treatment of termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

(4) Accounting treatment of other long-term employee benefits

For other long-term employee benefits, where the definition of defined contribution plans is met, it is accounted for according to above-mentioned requirements of defined contribution plans. Otherwise, net liabilities or net assets of such other long-term employee benefits are recognized and measured according to related requirements of defined benefit plans. At the end of reporting period, the cost of employee benefits arising from other long-term employee benefits are recognized as service cost, and net interest of net liabilities or net assets of other long-term employee benefits, and changes arising from re-measurement of net liability or net assets of other long-term employee benefits. The total net amount of those items is either charged to profit or loss in the period, or included in cost of related assets.

24. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Share-based payments

A share-based payment is a transaction which the Group grants equity instruments, or incurs liabilities for amounts that are determined based on the price of equity instruments, in return for services rendered by employees. The Group's share-based payments include equity-settled share-based payments and cash-settled share-based payments.

25.1 Equity-settled share-based payments

Equity-settled share-based payments granted to employees.

The equity-settled share-based payments granted to employees for exchange of the services rendered by employees are measured at the fair value of the equity instrument at the grant date. The amount of the fair value in the vesting period is determined based on the best estimate of the quantity of exercisable equity instruments, and included in related cost or expenses using straight-line method, with capital reserve increased accordingly.

At each balance sheet date within the vesting period, the Group revises the quantity of expected exercisable equity instruments on the basis of best estimate made based on subsequent information such as the latest change in number of employees with vesting rights.

25.2 Cash-settled share-based payments

Cash-settled share-based payments are measured at the fair value of the liabilities incurred by the Group, which are determined based on the price of the share or other equity instruments. The Group recognizes the services for the period as related costs or expenses, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting at each balance sheet date within the vesting period. Until the liability is settled, the Group re-measures the fair value of the liability at each balance sheet date and at the date of settlement, with any changes in fair value recognized in profit or loss for the period.

25.3 Accounting treatment related to implementation, modification and termination of share-based payment plan

In case the Group modifies a share-based payment arrangement, if the modification increases the fair value of the equity instruments granted, the Group will include the incremental fair value of the equity instruments granted in the measurement of the amount recognized for services received. If the modification increases the number of the equity instruments granted, the Group will include the fair value of additional equity instruments granted in the measurement of the amount recognized for services received. The increase in the fair value of the equity instruments granted is the difference between fair value of the equity instruments before and after the modification on the date of the modification. If the Group modifies the terms or conditions of the share-based payment arrangement in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group will continue to account for the services received as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Share-based payments (Continued)

25.3 Accounting treatment related to implementation, modification and termination of share-based payment plan (Continued)

If cancellation of the equity instruments granted occurs during the vesting period, the Group will account for the cancellation of the equity instruments granted as an acceleration of vesting, and recognize immediately the amount that otherwise would have been recognized over the remainder of the vesting period in profit or loss for the period, with a corresponding recognition in capital reserve. When the employee or counterparty can choose whether to meet the non-vesting condition but the condition is not met during the vesting period, the Group treats it as a cancellation of the equity instruments granted.

26. Other financial instruments such as preference shares, perpetual bonds, etc.

Other financial instruments such as the as preference shares, perpetual bonds issued by the Group are accounted for as equity instruments if all the following criteria are satisfied:

(1) The financial instrument does not include a contractual obligation of delivering cash or other financial assets to other party, or exchanging financial assets or financial liabilities with other party under potentially adverse conditions;

(2) Where the financial instrument is required to be or may be settled using the Group's own equity instrument, it does not include a contractual obligation of settlement by delivering variable quantity of the Group's own equity instruments if the financial instrument is not a derivative instrument; or the financial instrument is settled by exchanging only fixed quantity of the Group's own equity instruments for a fixed amount of cash or other financial assets if the financial instrument is a derivative instrument.

Except for those satisfy the above criteria of classification as equity instruments, the Group's other financial instruments are classified as financial liabilities.

For other financial instruments (including preference shares, perpetual bonds, etc.) classified as financial liabilities, the interest expenses or dividends distribution are accounted for as borrowing cost, with any gain or loss arising from the repurchase or redemption included in profit or loss for the period. If the financial liabilities are measured at amortized cost, related transaction costs are included in initial measurement amount.

For other financial instruments (including preference shares, perpetual bonds, etc.) classified as equity instruments, the interest expenses or dividends distribution are accounted for as profit distribution, and the repurchase, cancellation, etc. are dealt with as changes in equity, with related transaction costs deducted from equity.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue

(1). Accounting policies adopted for revenue recognition and measurement

The revenue of the Group is mainly from:

(1) Sale of goods and metal trading

The Group sells minerals including self-produced mineral products of molybdenum, tungsten, niobium, phosphorus, copper, cobalt and gold, etc. and commercial mineral products of copper, lead and zinc concentrates and copper, lead and zinc refined metal to the customers. Generally, the performance business only includes delivery of goods in the contract concerning sales of goods, so the consideration of sale is recognized according to the price as agreed in the sales contract. The Group recognizes the revenue at the time point when the control over the relevant goods is passed to the customers.

(2) Metal flow transaction

In respect of the Group's metal flow transaction contracts, the Group receives payments in advance from customers for the sale of goods (gold, silver and other mineral products), which are firstly recognized as liabilities (contract liabilities and other non-current liabilities – metal flow transaction contract liabilities) and then transferred to revenue when the relevant performance obligations are satisfied, i.e. when control of the goods is transferred to the customer. Where a metal flow contract has a significant financing component, the Group determines the transaction price at the time of entering into the metal flow contract based on the amount payable in cash assuming that the customer will pay for the goods as soon as it obtains control over these goods, and the difference between this transaction price and the contract consideration is amortized over the term of the contract using the effective interest method. Where, at the date of commencement of the contract, the Group expects that the interval between the acquisition of control over the goods or services by the customer and the payment of the price by the customer will be less than one year, the existence of a significant financing component in the contract is not taken into account.

(3) Hotel services

The Group provides services to the customers through its self-operated hotels and accordingly obtains revenue which is recognized via an output method over the period when the customers obtain and consume the relevant services.

(4) Others

The Group provides auxiliary material businesses including sales of scrap to the customers and accordingly obtains revenue which is recognized at the time point when the control over the relevant goods is transferred to the customers.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Continued)

(1). Accounting policies adopted for revenue recognition and measurement (Continued)

(4) Others (Continued)

The Group recognizes revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. Transaction price refers to the consideration that the Group is expected to charge due to the transfer of goods or services to the customer, but it does not include payments received on behalf of third parties and amounts that the Group expects to return to the customer.

The Group evaluates a contract at the contract inception date, identifies each individual performance obligation contained in the contract, and determines whether the individual performance obligation is performed during a period of time or at a point in time. It is a performance obligation satisfied during a period of time and the Group recognizes revenue during a period of time according to the progress of performance if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, revenue is recognized at a point in time when the customer obtains control over the relevant goods or services.

Where a contract includes a variable consideration (e.g. metal flow transaction contracts, etc.), the Group determines the best estimate of the variable consideration based on the expected or most probable amount. The transaction price that includes variable consideration does not exceed the amount for which it is highly probable that there will be no material reversal of the revenue recognized in the aggregate when the relevant uncertainty is eliminated. At each balance sheet date, the Group re-estimates the amount of variable consideration to be included in the transaction price.

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognizes revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognizes revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. Revenue (Continued)

(1). Accounting policies adopted for revenue recognition and measurement (Continued)

(4) Others (Continued)

When the Group collects amounts of sold goods or services in advance from the customer, the Group will firstly recognize the amounts as a liability and then transfer to revenue until satisfying relevant performance obligations. When the receipts in advance are non-refundable and the customer may give up all or part of contract right, and the Group is expected to be entitled to obtain amounts associated with contract rights given up by the customer, the above amounts shall be proportionally recognized as revenue in accordance with the model of exercising contract rights by the customer; otherwise, the Group will transfer the relevant balance of the above liability to revenue only when the probability is extremely low for the customer to satisfy remaining performance obligations.

If the costs incurred in fulfilling a contract are not within the scope of any standards other than Revenue Standards, the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset mentioned above shall be amortized on a basis that is consistent with the revenue recognition of the goods or services to which the asset relates and recognized in profit or loss for the period.

28. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

28.1 Determination basis and accounting treatment of government grants related to assets

The government grants of the Group mainly include grant for demonstration base project, etc. Due to direct relationship with investment and construction of fixed assets, such government grants are defined as the government grants related to assets.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Government grants (Continued)

28.2 Determination basis and accounting treatment of government grants related to income

The government grants of the Group mainly include receipts of tax refunds, etc. Such government grants are defined as the government grants related to income.

For a government grant related to income, if the grant is a compensation for related cost expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs or losses are recognized. If the grant is a compensation for related cost expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities; a government grant not related to the Group's daily activities is recognized in non-operating income and expenses.

29. Deferred tax assets/Deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

29.1 Current income taxes

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

29.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. Deferred tax assets/Deferred tax liabilities (Continued)

29.2 Deferred tax assets and deferred tax liabilities (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

29.3 Income tax offsetting

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Stripping costs

During mining operations, the Group may find that mineral wastes and surface cover to be removed before mining, and the removal activities for such wastes is called stripping. The stripping costs are usually capitalized in the mining development phase (before production). The capital expenditure is divided into cash outflows of investment activities.

After mining development phase can be ended for getting into the production phase, the waste removal activity is referred to as production stripping.

If the stripping activity is related to the current mining, the associated stripping costs are included in the statement of profit or loss for the current period as operating costs. If the production stripping is associated with inventory production and improves the mining environment for subsequent years, the expenditure on the removal of wastes should be reasonably allocated between the two activities, and the portion that is beneficial to the mining environment for subsequent years shall be capitalized into stripping and development capital expenditures. In some cases, where a large amount of wastes is removed or only a small volume of inventory is produced, the costs incurred by the stripping of wastes will be fully capitalized.

On the basis of the proven reserves of ore, all capitalized waste stripping costs are depreciated in accordance with the output method.

The impact on the waste stripping costs or on the remaining ore reserves arising from changes in mine life expectancy or mining plans will be treated as changes in accounting estimates.

31. Exploration, assessment and development expenditures

The costs of exploration and assessment are directly recognized in costs when they are incurred. When a mine is determined to be of economic value, all subsequent assessment expenditures, including expenditures incurred in the pre-development phase, shall be capitalized into the cost of the underlying asset. The above capitalization terminates after the mine has reached the commercial production phase. The exploration assets generated from acquisitions are presented on the balance sheet at the assessed value.

32. Leases

(1). Methods of determining for and accounting treatment of leases under the new lease standards

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

The Group assesses whether a contract is, or contains, a lease at inception date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee

32.1.1 Separating components of a lease

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

32.1.2 Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognizes a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is measured at cost.

The cost of the right-of-use asset shall include:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group makes provision for the depreciation of right-of-use assets in accordance with Accounting Standards for Business Enterprises No. 4-Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with Accounting Standards for Business Enterprises No. 8 – Impairment of Assets.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee (Continued)

32.1.3 Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognizes the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group, including fixed payments and in-substance fixed payments, less any lease incentives receivable, if applicable.

After the commencement date, the Group recognizes interest expenses in each accounting periods during the lease, based on a constant periodic rate of interest on the remaining balance of the lease liabilities, and charges to profit or loss or the related costs of assets for the current period.

After the commencement date, the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments and the corresponding right-of-use asset is adjusted, if the carrying amount of right-of-use assets has been reduced to zero, but the lease liability still needs to be further reduced, the difference is recognized in the profit or loss for the current period.

32.1.4 Short-term leases and leases of low-value assets

The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases of transportation devices and machinery equipment and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset, is a lease that the single underlying asset, when it is new, is of low value. The Group shall recognize the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee (Continued)

32.1.5 Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

For the decrease in scope of lease or the lease term arising from lease modification, the Group should decrease the carrying amount of right-of-use assets and recognizes the gains or losses relating to the partly or full derecognition of the lease into the profit or loss in current period. For remeasurement arising from lease modification, the Group should adjust the corresponding carrying amount of right-of-use assets.

32.1.6 Deferred tax assets and deferred tax liabilities relating to leases

Where the Group recognizes right-of-use assets and lease liability relating to lease transaction, the deferred income tax is recognized in accordance with the relevant regulations of Accounting Standards for Business Enterprises No.18 – Income Tax regarding lease transaction in its entirety. The Group assesses the temporary difference on the basis of net amount of right-of-use assets and lease liability, and recognizes deferred tax assets and deferred tax liabilities.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.2 The Group as lessor

32.2.1 Separating components of a lease

For a contract that contains lease components and non-lease components, the Group allocates the contract consideration in accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue on apportionment of transaction prices, based on the respective stand-alone prices of the lease components and the non-lease components.

32.2.2 Classification of a lease

Leases are classified as finance leases whenever the terms of the leased assets transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

32.2.2.1 The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

Variable lease receipts acquired by the Group in connection with operating leases that are not included in the lease receipts are recognized in profit or loss when incurred.

33. Other significant accounting policies and accounting estimates

33.1 Safety production expenses

In accordance with the Notice on Issuing the Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds (Cai Qi [2012] No. 16), the safety expenses for domestic mining enterprises are provided as per RMB5/ton for raw ore of surface mine, RMB10/ton for raw ore of downhole mine and RMB1/ton for tailing pond; the safety expenses for domestic metallurgy enterprises are provided as per actual operating revenue in the prior year and are provided month by month based on the following standards with excessive and accumulative withdrawal method:

(I) Provided 3% if the operating revenue does not exceed RMB10 million;

(II) Provided 1.5% if the operating revenue is RMB10 million to RMB0.1 billion;

(III) Provided 0.5% if the operating revenue is RMB0.1 billion to RMB1 billion;

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Other significant accounting policies and accounting estimates (Continued)

33.1 Safety production expenses (Continued)

(IV) Provided 0.2% if the operating revenue is RMB1 billion to RMB5 billion;

(V) Provided 0.1% if the operating revenue is RMB5 billion to RMB10 billion;

(VI) Provided 0.05% if the operating revenue exceeds RMB10 billion.

In accordance with the Notice on Issuing the Administrative Measures for the Collection and Utilization of Enterprise Work Safety Funds (Cai Zi [2022] No. 136), from 1 December 2022, the safety expenses for domestic mining enterprises are provided as per RMB5/ton for raw ore of surface mine, RMB15/ton for raw ore of downhole mine and RMB4/ton for tailing pond;

When safety expenses of the enterprises are provided as per the standards, debit “manufacturing expenses” and credit “special reserve”.

When the safety protection equipment and facilities are purchased with safety production reserve within specified limit, it should debit “construction in progress” and credit “bank deposit” based on the amount included into assets cost. The safe projects will be deemed as fixed assets upon completion and reaching the reserved serviceable condition; the special reserves will be written down as per the cost of fixed assets and the cumulative depreciation in the same amount will be confirmed; debit “special reserve” and credit “accumulated depreciation”. The fixed asset will not withdraw depreciation later. But amount carried forward is within the limit of the balance of “special reserves” being offset to be zero.

When the safety production reserve is used to pay the expenses in safety production inspection, evaluating expenditure, safety skills training and emergency rescue drill, it should directly write down special reserves, debit “special reserve” and credit “bank deposits”. The amount carried forward should be within the scope that the balance of “special reserve” is written down to zero.

33.2 Hedge accounting

33.2.1 Basis of adopting hedge accounting and relevant accounting treatment

Some financial instruments are designated as hedging instruments by the Group for the purpose of managing risk exposure caused by specific risks such as foreign exchange risk, interest rate risk, price risk, etc. The Group applies hedging accounting for a hedge that satisfies the prescribed conditions. Hedging activities of the Group include fair value hedges and cash flow hedges.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Other significant accounting policies and accounting estimates (Continued)

33.2 Hedge accounting (Continued)

33.2.1 Basis of adopting hedge accounting and relevant accounting treatment (Continued)

At the inception of the hedge, the Group designates hedging instruments and hedged items formally, and prepares written documents of the nature of hedging instruments, hedged items and hedged risks as well as the effective assessment methods of hedge (including analysis on the causes for effective hedging and the method to determine the hedging ratio).

The Group will terminate the application of hedge accounting if one of the following conditions is met:

- the risk management objective is changed so that the hedging relationship no longer meets the risk management objective.
- the hedging instrument expires, or is sold, terminated or exercised.
- an economic relationship no longer exists between the hedged items and the hedging instruments, or the effect of credit risk starts to dominate in the changes in value arising from the economic relationship between the hedged items and the hedging instruments.
- the hedging relationship no longer meets other conditions for hedge accounting.

Fair value hedges

The Group recognizes gains or losses arising from hedging instruments in current profit or loss. Where a hedging instrument is a hedge of an investment in a non-trading equity instrument that has been elected to be measured at FVTOCI, the gain or loss arising on the hedging instrument is included in other comprehensive income.

The Group recognizes gains or losses on hedged items arising from hedged exposures in current profit or loss and adjusts the carrying amount of recognized hedged items not measured at fair value. If the hedged item is a financial asset classified as at FVTOCI, the gain or loss arising from the hedged exposure is included in profit or loss for the period.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Other significant accounting policies and accounting estimates (Continued)

33.2 Hedge accounting (Continued)

33.2.1 Basis of adopting hedge accounting and relevant accounting treatment (Continued)

Cash flow hedges

The Group recognizes the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge in the other comprehensive income as cash flow hedges, and recognizes the portion that is determined to be an ineffective hedge in current profit or loss. The cash flow hedging reserve shall be determined to be the lesser of (in absolute amounts) 1) the cumulative gain or loss on the hedging instrument from inception of the hedge; and 2) the cumulative change in present value of the expected future cash flows on the hedged item from inception of the hedge.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or the forecast transaction of a non-financial asset or a non-financial liability forms a firm commitment applicable to fair value hedge accounting, the Group will reclassify the cash flow hedging reserve originally recognized in the other comprehensive income into initial carrying amount of the asset or liability. For the cash flow hedges not under the above conditions, the Group will reclassify the cash flow hedging reserve originally recognized in the other comprehensive income into current profit or loss in the same period(s) during which the hedged expected cash flow affects profit or loss. If the cash flow hedging reserve recognized in the other comprehensive income is a loss all or a portion of which will not be recovered in future accounting periods, the Group shall reclassify into profit or loss the amount that is not expected to be recovered.

When the Group terminates the application of hedge accounting to cash flow hedge, if the hedged future cash flow is still expected to happen, the accumulated cash flow hedging reserve should be reserved and an accounting treatment should be made in the above manner; if the hedged future cash flow is expected not to happen, the accumulated cash flow hedging reserve will be reclassified from other comprehensive income into current profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. Other significant accounting policies and accounting estimates (Continued)

33.2 Hedge accounting (Continued)

33.2.2 Method for assessing effectiveness of hedging

The Group assesses whether the hedging relationship conforms to the hedge effectiveness requirements at the inception date of the hedge and the subsequent periods continuously. A hedge is regarded as conforming to the hedge effectiveness requirement if all of the following conditions are met:

- An economic relationship exists between the hedged items and the hedging instruments.
- The effect of credit risk is not dominant in the changes in value arising from the economic relationship between the hedged items and the hedging instruments.
- The hedge ratio of hedging relationship is equal to the ratio between the quantity of actual hedged items of the Group and the actual quantity of hedging instruments to hedge them.

Where the hedging relationship no longer conforms to the hedging effectiveness requirement due to hedge ratio, but the risk management objective for such set of hedging relationship designated by the Group stays unchanged, the Group will rebalance the hedging relationship and adjust the quantity of the hedged items or hedging instruments having existed in the hedging relationship to make the hedge ratio conform to the hedge effectiveness requirement again.

34. Key assumptions and uncertainties in the accounting estimates

In the application of the Group's accounting policies, which are described in Note (V), the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Key assumptions and uncertainties in the accounting estimates (Continued)

The following are the key assumptions and uncertainties in accounting estimates at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:

Estimate of mineral reserve

The estimate of mineral reserve is determined based on the materials formulated by the industrial experts or other judicial authorities. Use the method to determine the mineral reserve and other mineral resources and calculate depreciation and amortization expenses, evaluate impairment indicators and useful life of mine, calculate metal flow transaction and forecast the payment time of rehabilitation cost for forecasting to be closed or rehabilitate mine.

When evaluating the useful life of mine for the purpose of accounting, calculate the mineral resources with mining value. The estimate of mineral reserve will involve multiple uncertainties. The currently effective assumptions made during the estimate may change significantly from the actual data. The changes in market prices, exchange rate, production cost or recovery may change the current economic situation of reserve and cause revaluation of the reserve in the end.

Useful life of fixed assets

The management should judge the estimated useful life of fixed assets and their depreciation. The estimate should base on the experience in actual useful life of fixed assets and assume the government will update upon expiration of mining rights. The scientific innovation and fierce industrial competition faced by competitors have material impact on the estimate of useful life. Where the actual useful life is different from the estimated useful life, the management should adjust the depreciation amount.

Impairment of non-current assets other than financial assets

The Group assesses whether there are any indicators of impairment of all non-current assets other than financial assets at the balance sheet date. Non-current assets other than financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the intangible assets may be impaired. Impairment exists if the carrying amount of an asset or asset group is higher than recoverable amount, i.e., the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group. For the net amount of fair value less costs of disposal, it is determined by referring to the observable market prices less incremental costs for disposing of the asset. In estimating the present value of future cash flows, management must estimate the estimated future cash flows from the asset or asset group and select an appropriate discount rate to determine the present value of the future cash flows.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Key assumptions and uncertainties in the accounting estimates (Continued)

Impairment of goodwill

The Group tests at least annually whether the goodwill is impaired. This requires an estimate of the present value of future cash flows of an asset group or portfolio of asset groups for which the goodwill is allocated. For the forecast of the present value of future cash flows, the Group needs to forecast the cash flows generated by future asset groups or portfolio of asset groups and select the appropriate discount rate to determine the present value of future cash flows. When considering the future cash flows and discount rate, the changes in assumptions adopted by the Group regarding the mineral reserves, selling price, growth rate, inflation rate, etc. may have material impact on the present value of future cash flows used in the impairment test.

Revenue recognition – metal flow transaction

The Group's metal cash flow transaction contract contains variable considerations and significant financing components. Therefore, the Group's unrecognized financing expenses are amortized in each reporting period, with the balance of contract liabilities and other non-current liabilities (metal flow transaction contract liabilities) adjusted accordingly. In application of Revenue Standards to account for the metal flow transactions, the key assumptions adopted by the Group in accounting estimates are of uncertainties, including the discount rate, mineral reserves, expected time and quantity of delivery of significant financing components, as well as the forecasted market price of the goods, etc. The changes in the above estimates may have impact on the adjustment of variable considerations and the measurement of contract liabilities and other non-current liabilities (metal flow transaction contract liabilities).

Provision for closure, restoration, rehabilitation costs

Provision for rehabilitation costs has been determined by the management based on their best estimates. The management estimated this liability for final reclamation and mine closure based upon detailed calculations of the amount and timing of future cash flows spending for a supplier to perform the required work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the future. The provision is reviewed regularly to verify that it properly reflects the present value of the obligation arising from the current and past mining activities.

Deferred tax assets

Deferred tax assets arise from the actual profits and temporary differences based on the actual tax rates utilized in the upcoming years. In cases where the actual future profits are less than the expected profits or the actual tax rates are lower than the expected tax rates, deferred tax assets recognized will be reversed and recognized in the consolidated income statement for the period during which such reversals take place.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Key assumptions and uncertainties in the accounting estimates (Continued)

Income tax

Since the operating environment for subsidiaries of the Group situated in the Brazil and Congo (DRC) is special, and the final tax decisions on certain transactions made by local tax authorities have uncertainties, relevant subsidiaries use significant accounting estimates in the provision for the income tax during the reporting period, and make provision for liabilities on estimated income tax matters based on the management's best estimate of the future income taxes expected to be paid. As a result of the uncertainties in the calculation of the final income tax expense imposed by certain transactions, the income tax expense accrued by the relevant subsidiaries during the reporting period is an objective estimate based on existing tax laws and other relevant tax policies

In 2018, the government of Congo (DRC) approved a new mining law ("New Mining Law of Congo (DRC)"), which introduces extensive reform, including adoption of higher royalty, new excess profit tax system and further regulatory control. The implementation of this mining law is to a certain degree uncertain, especially the extent of application and explanation. The explanation and challenges raised by tax authority of Congo (DRC) in respect of the new mining law may have material impact on the deferred tax recognized by the Group.

Contingent liabilities

The Group will face a wide range of legal disputes in the course of continuing operations, and the results of the relevant disputes are highly uncertain. When the economic benefits related to a particular administrative and legal dispute are considered to be extremely likely to flow out and measurable, the management of the Group will make corresponding provisions according to the professional legal advice. Except those contingent liabilities which are considered to be of extremely low possibility to result in outflow of economic benefits, the contingent liabilities of the Group are disclosed in Note (VII), 38 and Note (XIV). The management uses judgment to determine whether a provision shall be made for the relevant administrative and legal dispute or whether the dispute shall be disclosed as a contingent liability.

Fair value measurement and valuation procedure

The Group's held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and trading inventories at fair value that are related with IXM business are measured at fair value. In determining the fair value of the underlying assets and liabilities, the management of the Group will adopt the appropriate valuation method and the input value of the fair value measurement according to the nature of the underlying assets and liabilities. For the selection of input values, the Group will use observable market data wherever possible. The Group will set up an internal valuation team or employs eligible appraisers from a third party to assess the part of financial instruments in respect of which the Level 1 inputs are not available. The financial department of the Group will cooperate with the valuation team or eligible external appraisers closely to determine suitable valuation technology and inputs of relevant model. For the relevant information relating to the valuation technology and input adopted in determining the fair value of assets and liabilities, refer to Note (XI).

VI. TAXATION

1. Major categories of taxes and tax rates

Information of major categories of taxes and tax rates

Category of tax	Basis of tax assessment	Tax rate
VAT	The Company is a general taxpayer in China. Value-added Tax ("VAT") on sales is paid after deducting input VAT on purchases.	13%, 9%, 6%
Urban maintenance and construction tax	Actual turnover tax in China	For city urban area, tax rate is 7%; For county and 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.	*Note 1*
Chinese resource tax	Sales volume of concentrate	6.5%, 8% collection on ad valorem basis *(Note 2)*
Chinese educational surtax and surcharge	Actual turnover tax	3%
Chinese regional educational surtax and surcharge	Actual turnover tax	2%
Australia goods and services tax ("GST")	Amount of the income from rendering of goods and services in Australia less the deductible purchase cost. It is not required to pay goods and services tax for export goods and the refund policy of goods and services tax is also applicable.	10% of the sales price of goods or services
Australia mining royalty	Royalty of mineral resources can be levied by volume or by price. If levied by volume, the royalty will be levied per the unit of exploited minerals. If levied by price, it will be levied per 4% of the total value or the sales price of exploited minerals.	4% of 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% -25% 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 CMOC Kisanfu Mining S.A.R.L ("KFM") and 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	*Note 3*
Congo (DRC) exchange tax	The amount of foreign currency paid to or received from countries other than Congo (DRC)	0.2%

VI. TAXATION (CONTINUED)

1. Major categories of taxes and tax rates (Continued)

Information of major categories of taxes and tax rates (Continued)

Note 1: Applicable tax rates

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

According to the two-tier profits tax regime, the qualified HK companies apply profits tax rate of 8.25% to the first HKD2,000,000 taxable profit, and apply 16.5% to the portion of taxable profit exceeding HKD2,000,000. For related companies within a single Group, only one enterprise can be nominated for the benefit. China Molybdenum (Hong Kong) Company Limited and CMOC Holding Limited are incorporated in Hong Kong. The applicable enterprise income tax rate for China Molybdenum (Hong Kong) Company Limited is 16.5%; the applicable enterprise income tax rates for CMOC Holding Limited are 8.25% and 16.5%.

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

CMOC UK Limited (“CMOC UK”) is incorporated in the United Kingdom, thus is subject to the applicable income tax rate of 19%.

CMOC Brazil Mineração, Indústria e Participações Ltda. (“CMOC Brazil”) is incorporated in Brazil, thus is 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 Virgin Islands (“BVI”).

TFM and KFM are incorporated in Congo (DRC) and are subject to the enterprise income tax rate of 30%. In addition, when the prices of materials or commodities abnormally increase by 25% as compared to the prices disclosed in the feasibility study report of the Company, the mining enterprises are required to pay excess profit tax at 50% of the profit.

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

Note 2: According to the Law of People’s Republic of China on Resources Tax, the resources tax is price-based or quantity-based. The taxes on Tungsten and Molybdenum resources are price-based and are calculated at 6.5% and 8% respectively.

Note 3: In accordance with the new mining act of Congo (DRC), the mining tax base is linked to a deemed value based on international market prices adjusted by rates relating to metal content and moisture. Royalties of mining rights are calculated and paid at 3.5% and 10% for copper and cobalt business, respectively.

VI. TAXATION (CONTINUED)

2. Tax incentive

According to the Law of the People's Republic of China on Enterprise Income Tax and the Implementation Provisions, the revenue from products satisfying the state industrial policy produced by comprehensive utilization of resources may be partially deducted when calculating the taxable income. Such deduction represents that the enterprise's revenue from using the resources included in the Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources as the main raw material to produce the products that are neither restricted not forbidden by the state and satisfy the national and industrial standards is included in taxable income at 90%. The proportion of the aforesaid raw material to the total materials used to produce the product shall not be lower than the standards specified in the Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources. However, the Company's associated powdered Tungsten (scheelite concentrates) is still within the scope of Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources. Therefore, the Company still recognized 90% of sales of associated powdered Tungsten (scheelite concentrates) to taxable income for the period from January to June 2023.

In accordance with the Resource Tax Law of the People's Republic of China ("New Resource Tax Law"), the resource tax rate for molybdenum minerals is 8%, and the exemption or reduction of resource tax for associated mines is decided by the provincial people's congresses; in accordance with the decision of the Nineteenth Meeting of the Standing Committee of the Thirteenth People's Congress of Henan Province on 31 July 2020, associated mines are exempt from resource tax. Since 1 September 2020, the Company's associated tungsten, associated iron and other associated mines continue to be exempt from resource tax, and the symbiotic tungsten, symbiotic iron and other symbiotic minerals are levied for resource tax at the applicable preferential tax rate.

On 9 September 2020, the Company received a "high-tech enterprise certificate", No. GR202041000074, which was jointly issued by the Henan Science and Technology Department, the Henan Finance Department, and the Henan Provincial Tax Service, State Taxation Administration. The issuance of the high-tech enterprise certificate is a re-recognition after the expiration of the previous certificate, which is valid for 3 years. The Company had submitted an application for re-recognition of high-tech enterprises in July 2023 to the science and technology department of Henan Province. Pursuant to Article 4 of the Guidelines for the Administration of the Certification of High-Tech Enterprises: within the year of the expiry of the qualification period, high-tech enterprises shall prepay the enterprise income tax at a tax rate of 15% temporarily before passing the re-recognition. During the period, the Company made prepayment of enterprise income tax at the rate of 15%.

VI. TAXATION (CONTINUED)

2. Tax incentive (Continued)

In accordance with the Measures for the Implementation of the Enterprise Income Tax Policies of the Tibet Autonomous Region (Provisional) (Zang Zheng Fa (2022) No. 11) and the Notice on Several Provisions of the Preferential Policies for Investment Promotion of the Tibet Autonomous Region issued by the People's Government of the Tibet Autonomous Region, Article 5 and Article 6 of the above documents stipulate that enterprises meeting certain conditions shall be exempted from local share of enterprise income tax from 1 January 2021 to 31 December 2025. The subsidiary of the Group, Tibet Schmoke Investment Co., Ltd. ("Tibet Schmoke"), meets the condition for enjoying a preferential tax and the condition for exemption from local share of enterprise income tax stipulated in the above documents. Therefore, the applicable enterprise income rate of Tibet Schmoke is 9% during the above period.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	**Closing balance**	Opening balance
Cash on hand	**2,772,750.01**	1,503,981.98
Bank deposits	**30,079,497,160.08**	29,044,044,668.95
Other cash and bank balances	**5,193,925,814.81**	3,602,016,617.35
Total	**35,276,195,724.90**	32,647,565,268.28
Including: Total amount deposited abroad	**15,588,032,008.34**	19,377,543,546.96

Other explanations:

At the end of the current period, other cash and bank balances which are restricted for use mainly include deposits for mines, deposits for loan interest, and certificates of deposit pledged for obtaining short-term borrowings, deposits for derivative financial instruments, deposit for bills and other deposits, amounting to RMB47,967,795.85, RMB879,225,204.17, RMB803,000,000.00, RMB73.82, RMB3,427,136,428.24 and RMB36,596,312.73 (at the end of the prior year: RMB53,906,031.56, RMB1,197,708,898.92, RMB737,000,000.00, RMB73.65, RMB1,299,988,003.89 and RMB313,413,609.33).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

Unit: RMB

Item	Closing balance	Opening balance
Financial assets at FVTPL		
Including:		
Receivables *(Note 1)*	**5,997,248,044.20**	4,105,796,953.55
Structured deposits *(Note 2)*	**1,203,242,265.61**	100,000,000.00
Wealth management products	**134,182,623.56**	10,231,506.89
Fund products of financial institutions	**20,962,836.12**	20,764,481.75
Total	**7,355,635,769.49**	4,236,792,942.19

Other explanations:

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 2023, receivables with a carrying amount of USD265,762,286.42, equivalent to RMB1,920,345,129.25 (at the end of 2022: USD367,659,035.48, equivalent to RMB2,560,598,118.50), were pledged to obtain short-term borrowings.

Note 2: It refers to the RMB structured deposits purchased by the Group from domestic financial institutions in the current period, of which the yield is linked to exchange rate, etc. The Group classifies such deposits as financial assets at FVTPL.

3. Derivative financial assets

Unit: RMB

Item	Closing balance	Opening balance
Derivative financial instruments of which hedging relationship is not designated *(Note 1)*		
Forward commodity contracts	**647,745,535.64**	804,889,379.70
Forward foreign exchange contracts	**60,721,202.42**	71,907,037.93
Commodity futures contracts	**1,997,404,864.44**	535,447,878.84
Commodity option contracts	**42,167,984.03**	37,497,782.49
Derivative financial instruments of which hedging relationship is designated		
Commodity futures contracts *(Note 2)*	**541,238,582.82**	495,111,488.36
Total	**3,289,278,169.35**	1,944,853,567.32

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Derivative financial assets (Continued)

Other explanations:

Note 1: 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 for risk management to avoid the Group's exchange rate and interest rate risk.

The above forward commodity contracts, forward foreign exchange contracts, commodity futures contracts and commodity option 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 (VII) 57.

Note 2: It refers to the commodity futures contracts purchased by the Group, which are used to hedge fair value risks caused by price fluctuations in some copper products of the Group or cash flow risks caused by expected sales. The Group accounts for the above hedging instruments and corresponding hedged items in accordance with hedge accounting. See Note (VII), 68 for details.

4. Accounts receivable

(1). Disclosure by aging

Unit: RMB

Aging	Closing balance
Within 1 year	717,518,168.89
1 – 2 years	8,758,191.15
2 – 3 years	188,887.00
Over 3 years	20,656,460.62
Total	747,121,707.66

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(2). Disclosure by category under bad debt provision methods

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, acid business and quicklime business in Congo (DRC), and metal trading business in Switzerland, the management believes that the credit risk is low. The Group classifies the customers into different groups on the basis of aging at the balance sheet date and historical repayments in respect of the tungsten and molybdenum business in China and phosphorus business in Brazil, and determines expected loss rate of accounts receivable for each group. At the balance sheet date, the Group recognizes the expected credit loss allowance for accounts receivable based on impairment matrix.

Unit: RMB

	30 June 2023				31 December 2022			
Internal credit rating	**Expected average loss rate**	**Book balance**	**Loss allowance**	**Carrying amount**	Expected average loss rate	Book balance	Loss allowance	Carrying amount
Low risk	**0.08%**	**333,832,070.84**	**277,577.13**	**333,554,493.71**	0.09%	417,676,924.84	390,328.82	417,286,596.02
Normal	**5.35%**	**327,981,866.56**	**17,531,083.33**	**310,450,783.23**	2.59%	158,382,584.69	4,103,048.24	154,279,536.45
Attention	**9.36%**	**22,258,092.29**	**2,082,255.18**	**20,175,837.11**	6.86%	228,194,762.60	15,664,851.04	212,529,911.56
Doubtful (impaired)	**55.13%**	**42,391,633.36**	**23,371,840.02**	**19,019,793.34**	52.50%	34,018,444.02	17,858,198.22	16,160,245.80
Loss (impaired)	**100.00%**	**20,658,044.61**	**20,658,044.61**	**-**	100.00%	20,636,571.90	20,636,571.90	–
Total		**747,121,707.66**	**63,920,800.27**	**683,200,907.39**		858,909,288.05	58,652,998.22	800,256,289.83

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 assessment approach and significant assumption for the period from January to June 2023 and in 2022.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(3). Changes in expected credit loss allowance for accounts receivable

Unit: RMB

	Lifetime ECL
1 January 2023	
Book balance of accounts receivable at 1 January 2023 transferred in the current period	58,652,998.22
— Transfer to credit-impaired	–
— Transfer from credit-impaired	–
Provision of ECL for the period	83,220,546.30
Reversal of ECL for the period	-82,397,560.59
Changes in exchange rate	4,444,816.34
30 June 2023	63,920,800.27

(4). Top five accounts receivable at the end of the period by debtors

Unit: RMB

Name of entity	Closing balance	Proportion to total accounts receivable at the end of the period (%)	Closing balance of bad debt provision
Company BC	**62,728,421.87**	**8.40**	**665,304.21**
Company B	**51,623,567.83**	**6.91**	**59,470.35**
Company BA	**42,406,025.69**	**5.68**	**1,074,738.32**
Company BL	**34,199,555.11**	**4.58**	**39,397.89**
Company BM	**22,467,006.80**	**3.01**	**569,403.82**
Total	**213,424,577.30**	**28.58**	**2,408,314.59**

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing with receivables

Unit: RMB

Item	Closing balance	Opening balance
Notes receivable	302,721,868.87	388,389,728.54
Including: Bank acceptances	302,721,868.87	388,389,728.54
Total	302,721,868.87	388,389,728.54

Part of notes receivable are endorsed or discounted by the Group in accordance with the daily fund requirement, and classified as financial assets at FVTOCI.

At 30 June 2023, the Group measures bad debt provision at lifetime ECL. The Group believes that there is minor possibility of significant loss arising from the default of banks, therefore it has no significant credit risk on bank acceptances.

Other explanations:

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Financing with receivables (Continued)

(1) At the end of the current period and the end of the prior period, the financing with receivables that have been endorsed or discounted by the Group but are not yet due at the balance sheet are as follows:

Unit: RMB

Category	**Amount derecognized as at 30 June 2023**	Amount derecognized as at 31 December 2022
Bank acceptances	**2,503,023,256.70**	2,134,119,780.31
Total	**2,503,023,256.70**	2,134,119,780.31

Note: As the major risks and rewards including the interest rate risks related to such bank acceptances have been substantially transferred to the bank or other parties, the Group derecognizes the discounted or endorsed bank acceptances.

(2) At 30 June 2023, the Group's financing with receivables of RMB216,046,363.52 (2022: RMB255,797,055.59) were pledged for issue of notes payable.

(3) At 30 June 2023 and the beginning of the year, the Group had no notes converted into accounts receivable due to the drawer's inability to perform obligations.

6. Prepayments

(1). Disclosure of prepayments by aging

Unit: RMB

	Closing balance		Opening balance	
Aging	**Amount**	**Proportion (%)**	Amount	Proportion (%)
Within 1 year	**1,493,565,316.50**	**99.80**	2,111,763,603.37	99.17
1 – 2 years	**759,140.70**	**0.05**	15,643,210.42	0.73
2 – 3 years	**1,955,729.92**	**0.13**	1,894,588.39	0.09
Over 3 years	**244,964.04**	**0.02**	243,604.04	0.01
Total	**1,496,525,151.16**	**100.00**	2,129,545,006.22	100.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Prepayments (Continued)

(2). Top five of prepayments at the end of the period by receivers

Unit: RMB

	30 June 2023	
Name of entity	**Closing balance**	**Proportion to total prepayments at the end of the period (%)**
Company BN	**289,032,000.00**	**19.31**
Company BO	**120,092,354.50**	**8.02**
Company BP	**104,652,930.13**	**6.99**
Company BQ	**75,000,000.00**	**5.01**
Company BR	**73,825,890.00**	**4.93**
Total	**662,603,174.63**	**44.26**

7. Other receivables

Presentation of items

Unit: RMB

Item	**Closing balance**	Opening balance
Interest receivable	**205,395,241.70**	618,379,463.56
Other receivables	**4,410,789,082.33**	4,398,705,020.63
Total	**4,616,184,324.03**	5,017,084,484.19

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Interest receivable

(1). Category of Interest receivable

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable on bank deposits	**60,600,914.07**	503,666,797.68
Interest receivable from related parties *(Note (XII), 6)*	**111,406,608.93**	95,540,087.29
Interest receivable from third parties	**33,387,718.70**	19,172,578.59
Total	**205,395,241.70**	618,379,463.56

Other receivables

(1). Disclosure of other receivables by nature

Unit: RMB

Nature of other receivables	Closing balance	Opening balance
Deductible Brazil social contribution tax *(Note 1)*	**346,214,409.39**	409,920,481.10
Congo (DRC) VAT refunds receivable and other taxes *(Note 2)*	**2,907,781,120.84**	2,149,432,124.83
Deposits	**36,909,554.76**	62,159,430.02
Gains in close position *(Note 3)*	**53,128,695.71**	107,227,531.80
Australia VAT refunds receivable	**8,635,838.94**	56,471,337.10
Others	**1,086,531,178.91**	1,641,905,832.00
Total	**4,439,200,798.55**	4,427,116,736.85

Note 1: Details are set out in note 3 of Note (VII), 22.

Note 2: It mainly refers to the VAT refundable amount generated from the export business of subsidiaries situated in Congo (DRC). The entity has applied for tax refunds from the government.

Note 3: It refers to the gains that will be received at the settlement after the period from the Group's forward commodity contracts that have been closed out.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Other receivables (Continued)

(2). Credit risk of other receivables

The Group has following other receivables, of which the loss allowance has been recognized based on ECL:

Unit: RMB

	30 June 2023			31 December 2022		
	Book balance	Loss allowance	Carrying amount	Book balance	Loss allowance	Carrying amount
Other receivables for which the loss allowance has been recognized based on ECL	4,439,200,798.55	28,411,716.22	4,410,789,082.33	4,427,116,736.85	28,411,716.22	4,398,705,020.63

At 30 June 2023, the management of the Group believes that there's no significant ECL on other receivables as their credit risk has not been increased significantly since the initial recognition, except for the receivables of RMB28,411,716.22 (31 December 2022: RMB28,411,716.22) that have become credit-impaired and for which impairment has been provided in full amount.

(3). Changes in expected credit loss allowance for other receivables

Unit: RMB

		Changes for the period				
Category	Opening balance	Provision	Recovery or reversal	Write-off or elimination	Other changes	Closing balance
Impairment provision	28,411,716.22	–	–	–	–	28,411,716.22
Total	28,411,716.22	–	–	–	–	28,411,716.22

Note: The expected credit loss allowance for other receivables has been made for those that have become credit impaired.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (Continued)

Other receivables (Continued)

(4). Top five other receivables at the end of period by debtors

Unit: RMB

Name of entity	Nature of other receivables	Closing balance	Aging	Proportion to total other receivables at the end of the period (%)	Closing balance of bad debt provision
Congo (DRC) government	Tax refunds receivable	2,907,781,120.84	Within 4 years	65.50	-
Federal government of Brazil	Deductible tax	346,214,409.39	Within 2 years	7.80	-
Company BK	Account current	259,677,290.83	Within 1 year	5.85	-
Company BS	Account current	100,037,600.00	Within 1 year	2.25	-
Company BT	Account current	26,660,900.00	Within 1 year	0.60	-
Total	/	3,640,371,321.06	/	82.00	-

8. Inventories

Unit: RMB

Item	30 June 2023 Carrying amount	31 December 2022 Carrying amount
Inventories:		
– Measured at cost	27,898,758,441.10	22,454,745,274.32
– Measured at fair value	12,224,906,442.03	16,801,712,647.60
Total	40,123,664,883.13	39,256,457,921.92

Note: As at 30 June 2023, the carrying amount of inventories measured at fair value, which were pledged by the Group to obtain short-term borrowings, was USD1,660,607,713.58, equivalent to RMB11,999,219,216.75 (2022: USD1,911,370,964.52, equivalent to RMB13,311,934,219.50).

As at 30 June 2023, the Group pledged warehouse receipts with a carrying amount of RMB60,896,800.00 (2022: RMB8,669,184.00), which is measured at cost, to acquire forward trading quotas.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Inventories measured at cost

(1). Category of inventories

Current:

Unit: RMB

Item	Closing balance Book balance	Closing balance Provision for decline in value	Closing balance Carrying amount	Opening balance Book balance	Opening balance Provision for decline in value	Opening balance Carrying amount
Raw materials	**5,144,529,989.05**	**29,401,537.81**	**5,115,128,451.24**	3,972,682,344.55	25,158,733.08	3,947,523,611.47
Work in progress	**4,148,463,739.10**	**1,639,217.53**	**4,146,824,521.57**	3,862,193,117.31	1,089,446.58	3,861,103,670.73
Finished goods	**9,285,005,234.57**	**1,783,359.89**	**9,283,221,874.68**	6,279,844,864.63	1,699,897.96	6,278,144,966.67
Trading inventories	**2,116,682,575.46**	**-**	**2,116,682,575.46**	1,458,624,346.26	-	1,458,624,346.26
Total	**20,694,681,538.18**	**32,824,115.23**	**20,661,857,422.95**	15,573,344,672.75	27,948,077.62	15,545,396,595.13

Non-current:

Unit: RMB

Item	Closing balance Book balance	Closing balance Provision for decline in value	Closing balance Carrying amount	Opening balance Book balance	Opening balance Provision for decline in value	Opening balance Carrying amount
Raw materials *(note)*	**7,278,395,804.52**	**41,494,786.37**	**7,236,901,018.15**	6,928,568,085.30	19,219,406.11	6,909,348,679.19
Total	**7,278,395,804.52**	**41,494,786.37**	**7,236,901,018.15**	6,928,568,085.30	19,219,406.11	6,909,348,679.19

Note: Non-current raw materials are minerals reserved by the Group for future production or sales, mainly including the sulfide ore exploited and reserved in Australian Northparkes Copper and gold business, and low-grade ores produced from Tenke Copper-Cobalt mine in Congo (DRC). As the ore recovery process is further demanded in the future, the management estimates that these ores will not be ready for sale within one year, so they are presented as non-current assets.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Inventories measured at cost (Continued)

(2). Provision for decline in value of inventories

Current:

Unit: RMB

Item	Opening balance	Increase: Provision	Increase: Others (Note)	Decrease: Reversal or write-off	Decrease: Others	Closing balance
Raw materials	25,158,733.08	52,420,969.26	1,003,182.93	49,181,347.46	–	**29,401,537.81**
Work-in-progress	1,089,446.58	3,632,456.77	–	3,082,685.82	–	**1,639,217.53**
Finished goods	1,699,897.96	83,461.93	–	–	–	**1,783,359.89**
Total	27,948,077.62	56,136,887.96	1,003,182.93	52,264,033.28	–	**32,824,115.23**

Non-current:

Unit: RMB

Item	Opening balance	Increase: Provision	Increase: Others (Note)	Decrease: Reversal or write-off	Decrease: Others	Closing balance
Raw materials	19,219,406.11	22,000,548.04	670,066.08	395,233.86	–	**41,494,786.37**
Total	19,219,406.11	22,000,548.04	670,066.08	395,233.86	–	**41,494,786.37**

Note: The "increase-others" represents the translation difference of financial statements denominated in foreign currencies.

Inventories measured at fair value

(1). Category of inventories

Unit: RMB

Item	30 June 2023 Carrying amount	31 December 2022 Carrying amount
Current: Trading inventories outside the PRC	**12,101,377,385.70**	16,709,325,831.51
Non-current: Consumable biological assets	**123,529,056.33**	92,386,816.09
Total	**12,224,906,442.03**	16,801,712,647.60

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (Continued)

Inventories measured at fair value (Continued)

(2). Changes in consumable biological assets are set out below:

Unit: RMB

Item	Quantity	31 December 2022	Increase: Transfer from construction in progress	Increase: Changes in fair value	Decrease: Utilization	Translation differences of financial statements denominated in foreign currencies	30 June 2023
Eucalyptus forest in Brazil	2092 hectares	92,386,816.09	2,948,367.50	25,173,622.16	944,864.02	3,965,114.60	**123,529,056.33**

9. Non-current assets due within one year

Unit: RMB

Item	Closing balance	Opening balance
Loans receivable from SNEL *(Note (VII), 22)*	**161,647,415.18**	83,843,527.02
Loans to suppliers *(Note (VII), 22)*	**22,542,636.51**	18,943,712.00
Certificate of deposit due within one year *(Note (VII), 22)*	**287,451,666.91**	1,655,000,000.00
Total	**471,641,718.60**	1,757,787,239.02

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Other current assets

Unit: RMB

Item	Closing balance	Opening balance
Derivative financial instruments deposits *(Note 1)*	**1,249,906,257.55**	3,676,924,347.48
Prepayment of VAT/input VAT to be deducted *(Note 2)*	**791,319,599.83**	635,235,903.95
Prepayment of enterprise income tax	**67,671,201.78**	101,943,837.59
Prepaid insurance expenses *(Note 3)*	**30,263,044.70**	66,739,930.10
Others	**45,680,991.36**	23,951,358.26
Total	**2,184,841,095.22**	4,504,795,377.38

Other explanations:

The Group accounts for the expected credit loss allowance for relevant financial assets in other current assets using ECL model. At 30 June 2023, the Group's management believes that the credit risk on relevant financial assets is low.

Note 1: This represents the deposits paid by the Group to acquire derivative financial instruments.

Note 2: This represents the VAT input to be deducted and prepaid VAT arising from the subsidiaries of the Group in China and the subsidiaries of IXM outside of the PRC.

Note 3: This represents the insurance expenses paid by the Group for the overseas business, which are amortized over the corresponding period of benefits.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments

Unit: RMB

Investee	Notes	Opening balance	Additional investments	Decreased investments	Changes for the period: Investment income (loss) recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared for distribution	Provision for impairment losses	Others	Closing balance	Impairment provision at the end of the period
I. Joint ventures												
Xuzhou Huanyu Molybdenum Co., Ltd. ("Huan Yu")	Note 1	498,11 4,521.25	–	–	–89,277,733.07	–	–	–	–	–	408,836,788.18	–
Sub-total		498,11 4,521.25	–	–	–89,277,733.07	–	–	–	–	–	408,836,788.18	–
II. Associates												
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining")	Note 2	68,919,332.33	–	–	37,043,615.19	–	–	-36,100,000.00	–	–	69,862,947.52	–
Caly Nanomoly Development, Inc. ("Nanomoly Development")	Note 3	–	–	–	–	–	–	–	–	–	–	–
Luoyang Shenyu Molybdenum Co., Ltd ("Luoyang Shenyu")	Note 4	3,657,842.51	–	–	173,531.37	–	–	–	–	–	3,831,373.88	–
Zhejiang Youqing Trade Co., Ltd ("You Qing")	Note 5	15,570,169.76	–	–	–29,775.94	–	–	–	–	–	15,540,393.82	–
Walvis Bay Cargo Terminal Pty. Ltd ("WalvisBay")	Note 6	15,986,766.75	–	–	8,871,706.52	–	–	–	–	–908,179.35	23,950,293.92	–
PT.Huayue Nickel Cobalt ("Huayue Nickel Cobalt")	Note 7	1,324,676,890.53	–	–	269,676,920.98	–	–	–	–	32,633,055.81	1,626,986,867.32	–
Beijing Youhong Yongsheng Science & Technology Co., Ltd. ("Beijing Youhong")	Note 8	1,629,784.44	–	–	-235,481.32	–	–	–	–	–	1,394,303.12	–
Tongxiang Huaang Trade Co., Ltd. ("Tongxiang Huaang")	Note 9	5,118,190.80	–	–	36,887.53	–	–	–	–	–	5,155,078.33	–
ENERLOGSA	Note 10	236,796.40	–	–	–	–	–	–	–	8,880.80	245,677.20	–
Hong Kong CBC Investment Limited ("CBC")	Note 11	–	–	–	–	–	–	–	–	–	–	–
Ningbo Bangya Trading Co., Ltd.	Note 12	–	6,800,000.00	–	-459,141.32	–	–	–	–	–	6,340,858.68	–
Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd.	Note 13	–	4,000,000.00	–	–	–	–	–	–	–	4,000,000.00	–
Sub-total		1,435,795,773.52	10,800,000.00	–	315,078,263.01	–	–	-36,100,000.00	–	31,733,757.26	1,757,307,793.79	–
Total		1,933,910,294.77	10,800,000.00	–	225,800,529.94	–	–	-36,100,000.00	–	31,733,757.26	2,166,144,581.97	–

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (Continued)

Other explanations:

Note 1: Huan Yu, a joint venture of the Group (holding 50% equity in the joint venture), holds 90% of equity in Luoyang Fuchuan Mining Co., Ltd. ("Fu Chuan Mining"). Meanwhile, the Group holds 10% of equity in Fu Chuan Mining directly. According to the agreement with local government, the local government has the right to 8% dividends of Fu Chuan Mining, therefore the Group is entitled to 47% profit or loss of Fu Chuan Mining 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 in Yulu Mining but recognizes investment income at 50% out of its net profit.

Note 3: The Group holds 40% equity in Nanomoly Development and accounts for the investment therein using equity method. In accordance with Articles of Association of Nanomoly Development, the Group does not assume any additional liabilities for excess loss. As at the end of the current period, 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 to establish Luoyang Shenyu, with capital contribution of RMB1.5 million by way of intangible assets from the Company and RMB8.5 million in cash from the counterparty respectively. Meanwhile, the Company assigned a director and a supervisor to Luoyang Shenyu. Therefore, the Company has significant influence over Luoyang Shenyu and accounts for it as an associate.

Note 5: On 11 October 2019, the Company signed an equity transfer agreement with a third party. According to the agreement, the Company purchases 30% equity of You Qing held by the third party at cash consideration of RMB1.5 million. In 2022, in accordance with the Articles of Association, the Company supplemented its capital by RMB1.5 million, and the shareholding ratio remained unchanged. At the same time, the Company assigned two directors and one supervisor. Therefore, it is accounted for as an associate due to the Company's significant influence.

Note 6: Walvis Bay is an associate of IXM Holding SA, which is a wholly-owned subsidiary of the Company.

Note 7: In November 2019, the Group's wholly-owned subsidiary CMOC Limited signed an equity transfer agreement with Newstride Limited. According to the agreement, CMOC Limited acquires 100% equity of W-Source Holding Limited ("W-Source Holding") at the consideration of USD1,125.87 so as to indirectly acquire 21% share of PT.Huayue Nickel Cobalt held by W-Source Holding. On 25 July 2020, CMOC Limited increased its equity in Huayue Nickel Cobalt to 30% through subscription of the additional registered capital of Huayue Nickel Cobalt via W-Source Holding. W-Source Holding assigned a director and a supervisor to Huayue Nickel Cobalt. Therefore, the Group has significant influence over Huayue Nickel Cobalt and accounts for it as an associate.

Note 8: Beijing Youhong was incorporated on 27 August 2020 and the Company, as a shareholder with 30% equity therein, contributed RMB900,000 in cash and assigned one director and one supervisor. Therefore, Beijing Youhong is accounted for as an associate due to the Company's significant influence.

Note 9: Tongxiang Huaang was incorporated on 31 August 2019 and the Company, as a shareholder with 30% equity therein, contributed RMB600,000 in cash. In 2022, in accordance with the Articles of Association, the Company supplemented its capital by RMB900,000, and the shareholding ratio remained unchanged. The Company assigned one director and one supervisor. Therefore, Tongxiang Huaang is accounted for as an associate due to the Company's significant influence.

Note 10: On 14 July 2021, the Company, as a shareholder with 34% equity therein, contributed USD34,000 in cash. Therefore, ENERLOG SA is accounted for as an associate due to the Company's significant influence.

Note 11: On 24 March 2022, the Company, as a shareholder with 34% equity therein, contributed USD3,400 in cash and assigned one director. Therefore, CBC is accounted for as an associate due to the Company's significant influence. The Group assumes no additional obligation for excess loss. As the end of the current period, the Group's investment in CBC has been reduced to Zero.

Note 12: On 10 April 2023, the Company contributed USD6.8 million in cash to Ningbo Bangya Trading Co., Ltd., entitling an equity of 34%. Therefore, Ningbo Bangya Trading Co., Ltd. is accounted for as an associate due to the Group's significant influence.

Note 13: In February 2023, the Group contributed RMB4 million in cash to Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd.,entitling an equity of 20% and assigned one director. Therefore, Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd. is accounted for as an associate due to the Group's significant influence.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Investments in other equity instruments

(1). Details of investments in other equity instruments

Unit: RMB

Item	Closing balance	Opening balance
Z company equity	9,022,570.00	9,022,570.00
AA company equity	5,795,576.24	5,795,576.24
AB company equity	9,765.24	9,412.24
Total	14,827,911.48	14,827,558.48

Changes in investments in other equity instruments in the current period:

Unit: RMB

Item	1 January 2023	Changes in fair value	Translation differences of financial statements denominated in foreign currencies	30 June 2023
Z company equity	9,022,570.00	–	–	9,022,570.00
AA company equity	5,795,576.24	–	–	5,795,576.24
AB company equity	9,412.24	–	353.00	9,765.24
Total	14,827,558.48	–	353.00	14,827,911.48

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

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Other non-current financial assets

Unit: RMB

Item	Closing balance	Opening balance
Entrusted wealth management products of banking financial institutions *(Note 1)*	**66,707,079.72**	90,956,196.16
Fund trust *(Note 2)*	**90,301,664.31**	350,656,539.92
AC Partnership shares *(Note 3)*	**564,255,305.13**	599,927,415.40
AD Partnership shares	**176,580,895.79**	176,580,895.79
AE Partnership shares	**87,358,739.58**	84,200,874.32
AF Fund shares	**286,786,104.01**	273,807,564.20
Target asset management plans *(Note 4)*	**1,114,589,765.15**	1,071,213,564.32
AI company equity	**514,254.19**	364,870.38
AJ company equity	**156,172,927.92**	150,527,550.42
AK Fund shares	**560,859,191.22**	550,490,700.41
AL Partnership	**202,971,418.35**	202,971,418.35
AM company equity	**4,866,242.47**	2,773,416.27
Others	**5,361.56**	5,345.89
Total	**3,311,968,949.40**	3,554,476,351.83

Other descriptions:

Note 1: This represents the non-principle preservation wealth management product with floating yield purchased by the Group from domestic banking financial institutions, with an expected yield of 5.00% over a period of 5 years. The investment capital recovered for the period is RMB20,000,000.00.

Note 2: This represents the fund trust product purchased by the Group from domestic non-banking financial institutions, with an expected yield of 6.2265% over a period of 3 years.

Note 3: This represents the Group's partnership share, from which the Group received dividends of RMB308,800.68 in the current period.

Note 4: This represents the Group's target asset management plans, which mainly include shares and fund investments.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Non-current derivative financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Non-current derivative financial liabilities – Interest rate swaps contracts *(Note 1)*	–	230,168,848.27
Total	–	230,168,848.27

Note 1: This represents the forward interest rate swaps contracts purchased by the Group, which are used to hedge the cash flow risk due to a part of loans with floating interest rate on the balance sheet of the Group. The Group accounted for the above hedging instrument and corresponding hedged items according to hedge accounting. Refer to Note (VII) 68 for details.

15. Fixed assets

Presentation of items

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	**29,473,297,553.83**	28,055,742,014.75
Total	**29,473,297,553.83**	28,055,742,014.75

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

Fixed assets

(1). Details of fixed assets

Unit: RMB

Item	Land, buildings and mining structures	Machinery and equipment	Transportation devices	Electronic equipment, fixture and furniture	Total
I. Original carrying amount:					
1. Opening balance	20,946,128,448.15	24,775,256,410.22	106,577,858.02	269,037,229.36	46,096,999,945.75
2. Increase in the current period	2,861,615,224.48	1,292,632,722.14	9,207,446.78	5,730,470.05	4,169,185,863.45
(1) Purchase	479,628,225.41	2,561,225.23	1,615,033.07	3,005,583.34	486,810,067.05
(2) Transfer from CIP	1,864,756,774.19	430,918,755.00	6,661,416.46	1,996,034.97	2,304,332,980.62
(3) Revaluation of rehabilitation and asset disposal cost *(Note 1)*	-9,625,426.25	–	–	–	-9,625,426.25
(4) Translation differences of financial statements denominated in foreign currencies	526,855,651.13	859,152,741.91	930,997.25	728,851.74	1,387,668,242.03
3. Decrease in the current period	1,067,759,998.61	184,879,791.60	741,793.01	3,954,536.23	1,257,336,119.45
(1) Disposal or scrap	102,402,796.16	184,879,791.60	741,793.01	3,954,536.23	291,978,917.00
(2) Transfer to CIP	965,357,202.45	–	–	–	965,357,202.45
4. Closing balance	22,739,983,674.02	25,883,009,340.76	115,043,511.79	270,813,163.18	49,008,849,689.75
II. Accumulated depreciation					
1. Opening balance	7,671,721,791.35	10,024,121,663.23	51,689,382.21	206,743,063.42	17,954,275,900.21
2. Increase in the current period	718,194,005.04	973,452,706.69	7,649,120.91	10,300,481.14	1,709,596,313.78
(1) Provision	549,027,136.05	636,652,640.18	7,319,630.50	9,973,777.34	1,202,973,184.07
(2) Translation differences of financial statements denominated in foreign currencies	169,166,868.99	336,800,066.51	329,490.41	326,703.80	506,623,129.71
3. Decrease in the current period	57,978,223.77	148,951,504.12	414,251.06	3,901,140.01	211,245,118.96
(1) Disposal or scrap	57,978,223.77	148,951,504.12	414,251.06	3,901,140.01	211,245,118.96
(2) Transfer to CIP	–	–	–	–	–
4. Closing balance	8,331,937,572.62	10,848,622,865.80	58,924,252.06	213,142,404.55	19,452,627,095.03
III. Impairment provision					
1. Opening balance	29,238,730.65	56,054,142.51	135,569.42	1,553,588.21	86,982,030.79
2. Increase in the current period	–	752,080.30	–	42,480.98	794,561.28
(1) Provision	–	–	–	16,003.08	16,003.08
(2) Translation differences of financial statements denominated in foreign currencies	–	752,080.30	–	26,477.90	778,558.20
3. Decrease in the current period	–	4,851,551.18	–	–	4,851,551.18
(1) Disposal or scrap	–	4,851,551.18	–	–	4,851,551.18
4. Closing balance	29,238,730.65	51,954,671.63	135,569.42	1,596,069.19	82,925,040.89
IV. Carrying amount					
1. Closing carrying amount	14,378,807,370.75	14,982,431,803.33	55,983,690.31	56,074,689.44	29,473,297,553.83
2. Opening carrying amount	13,245,167,926.15	14,695,080,604.48	54,752,906.39	60,740,577.73	28,055,742,014.75

Note 1: At the end of the period, the Group reviewed the future rehabilitation and asset disposal cost in the Congo (DRC), and adjusted the carrying amount of rehabilitation and asset disposal cost according to the updated rehabilitation plan.

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

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Fixed assets (Continued)

Fixed assets (Continued)

(2). Details of the fixed assets without certificate of titles

Unit: RMB

Item	Carrying amount	Reason why the certificates of titles are not obtained
High-pressure roller mill workshop	20,726,847.39	Completed and settled, asset right transaction is in progress
High-pressure roller mill slope retaining	6,740,927.05	Completed and settled, asset right transaction is in progress
Tungsten and molybdenum extraction and separation workshop	5,188,187.12	Completed and settled, asset right transaction is in progress;
Main decomposition workshop	5,109,089.22	Completed and settled, asset right transaction is in progress;
Main extraction workshop	5,018,845.99	Completed and settled, asset right transaction is in progress;
Office staff dining hall	4,664,457.25	Completed and settled, asset right transaction is in progress
Main crystallization workshop	4,210,701.16	Completed and settled, asset right transaction is in progress;
Sandaogou tailings pond pressure pump house	3,127,397.51	Completed and settled, asset right transaction is in progress
Others	14,021,182.80	Completed and settled, asset right transaction is in progress
Total	68,807,635.49	

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress

Presentation of items

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	**17,153,496,054.52**	13,659,085,249.76
Total	**17,153,496,054.52**	13,659,085,249.76

Construction in progress

(1). Details of construction in progress

Unit: RMB

Item	Closing balance Book balance	Closing balance Impairment provision	Closing balance Net carrying amount	Opening balance Book balance	Opening balance Impairment provision	Opening balance Net carrying amount
Northparkes E26 underground mine development project	**29,468,131.08**	**-**	**29,468,131.08**	9,103,413.56	–	9,103,413.56
Northparkes E48 mine northern extension project	**-**	**-**	**-**	439,485.83	–	439,485.83
KFM Phase I principal part	**4,048,059,677.74**	**-**	**4,048,059,677.74**	4,623,510,854.58	–	4,623,510,854.58
TFM Kwatebala KT2 tailings pond project Phase I	**-**	**-**	**-**	233,856.15	–	233,856.15
TFM mixed ore project	**9,674,968,144.05**	**-**	**9,674,968,144.05**	6,729,949,863.12	–	6,729,949,863.12
TFM dehydration equipment installation project	**11,626,332.43**	**-**	**11,626,332.43**	45,026,815.75	–	45,026,815.75

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

Construction in progress (Continued)

(1). Details of construction in progress (Continued)

Item	Closing balance Book balance	Closing balance Impairment provision	Closing balance Net carrying amount	Opening balance Book balance	Opening balance Impairment provision	Opening balance Net carrying amount
TFM mine transportation road repair and construction project	36,780,077.60	-	36,780,077.60	35,483,119.41	–	35,483,119.41
TFM mine power supply project	22,697,377.96	-	22,697,377.96	21,459,439.11	–	21,459,439.11
TFM production process optimization research	-	-	-	9,855,557.13	–	9,855,557.13
Copebras phosphorus production plant maintenance project	244,567,906.96	-	244,567,906.96	205,947,223.16	–	205,947,223.16
Copebras phosphorus production process improvement project	39,648,147.48	-	39,648,147.48	164,876,321.25	–	164,876,321.25
Niobras Niobium production plant maintenance project	84,773,285.25	-	84,773,285.25	68,925,660.89	–	68,925,660.89
Niobras tailings dam heightening project	32,397,630.77	-	32,397,630.77	60,574,358.68	–	60,574,358.68
KFM Phase I supporting project	846,205,860.01	-	846,205,860.01	839,479,959.31	–	839,479,959.31
Quicklime Plant	5,420,781.29	-	5,420,781.29	4,687,184.85	–	4,687,184.85
Building acquisition and decoration project	1,001,144,917.50	-	1,001,144,917.50	–	–	–
Molybdenum mine project in East Gobi of Hami of Xinjiang	91,941,193.97	31,615,388.19	60,325,805.78	95,099,450.68	31,615,388.19	63,484,062.49
Project replacing Xuansan Tailing	65,133,091.24	-	65,133,091.24	41,179,924.78	–	41,179,924.78
TFM potential tapping and efficiency increasing project	7,677,493.72	-	7,677,493.72	6,924,978.53	–	6,924,978.53
Others	942,601,393.66	-	942,601,393.66	727,943,171.18	–	727,943,171.18
Total	17,185,111,442.71	31,615,388.19	17,153,496,054.52	13,690,700,637.95	31,615,388.19	13,659,085,249.76

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

Construction in progress (Continued)

(2). Change in significant construction in progress in the current period

Unit: RMB

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Accumulated capitalization of interest	Including: interest capitalization for the current period	Capitalization rate for the current period (%)	Source of fund
Northparkes E26 underground mine development project	1,428,372,732.64	9,103,413.56	20,335,041.95	505,014.65	–	–534,690.22	29,468,131.08	64.93	–	–	–	Funds in hand
Northparkes E48 mine northern extension project	151,257,199.12	439,485.83	35,294.62	501,839.07	–	-27,058.62	-	99.00	–	–	–	Funds in hand
KFM Phase I principal part	12,407,893,530.55	4,623,510,854.58	1,167,311,258.15	1,765,912,904.27	172,372,470.86	-195,522,940.14	4,048,059,677.74	45.32	764,573,075. 52	123,927,554.22	5.00	Funds in hand/raised
TFM Kwatebala KT2 tailings pond project Phase I	854,089,560.00	233,856.15	–	238,241.42	–	-4,385.27	-	67.00	–	–	–	Funds in hand
TFM mixed ore project	18,136,758,000.00	6,729,949,863.12	2,560,703,267.94	–	–	–384,315,012.99	9,674,968,144.05	60.07	–	–	–	Funds in hand
TFM dehydration equipment installation project	123,385,593.06	45,026,815.75	10,613,749.63	45,068,710.40	–	–1,054,477.45	11,626,332.43	99.00	–	–	–	Funds in hand
TFM mine transportation road repair and construction project	170,547,197.40	35,483,119.41	–	33,188.01	–	–1,330,146.20	36,780,077.60	44.65	–	–	–	Funds in hand
TFM mine power supply project	103,011,004.80	21,459,439.11	425,296.79	–	–	–812,642.06	22,697,377.96	91.42	–	–	–	Funds in hand
TFM production process optimization research	2,221,210,920.00	9,855,557.13	–	10,040,368.28	–	–184,811.15	-	98.00	–	–	–	Funds in hand
Copebras phosphorus production plant maintenance project	1,402,097,171.67	205,947,223.16	126,540,764.43	96,195,805.11	–	–8,275,724.48	244,567,906.96	56.14	–	–	–	Funds in hand

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Construction in progress (Continued)

Construction in progress (Continued)

(2). Change in significant construction in progress in the current period (Continued)

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Other decreases	Closing balance	Proportion of project investment to budget amount (%)	Accumulated capitalization of interest	Including: interest capitalization for the current period	Capitalization rate for the current period (%)	Source of fund
Copebras phosphorus production process improvement project	331,982,987.90	164,876,321.25	19,032,046.20	148,062,817.93	–	–3,802,597.96	39,648,147.48	82.32	–	–	–	Funds in hand
Niobras Niobium production plant maintenance project	721,266,813.67	68,925,660.89	59,271,406.74	46,126,987.01	119,227.17	–2, 822,431.80	84,773,285.25	58.13	–	–	–	Funds in hand
Niobras tailings dam heightening project	154,015,408.23	60,574,358.68	29,968,268.55	59,717,675.59	148,768.46	–1,721,447.59	32,397,630.77	99.00	–	–	–	Funds in hand
KFM Phase I supporting project	935,722,457.44	839,479,959.31	5,116,221.50	29,426,656.46	–	–31,036,335.66	846,205,860.01	54.56	230,525,441.01	52,065,448.65	5.00	Funds in hand/raised
Quicklime Plant	289,032,000.00	4,687,184.85	547,726.59	–	–	–185,869.85	5,420,781.29	72.19		–	–	Funds in hand
Building acquisition and decoration project	1,060,000,000.00	–	1,001,144,917.50	–	–	–	1,001,144,917.50	94.45	–	–	–	Funds in hand
Molybdenum mine project in East Gobi	2,849,000,000.00	63,484,062.49	–	–	–	3,158,256.71	60,325,805.78	3.00	–	–	–	Funds in hand
Project replacing Xuansan Tailing	348,730,000.00	41,179,924.78	23,953,166.46	–	–	–	65,133,091.24	18.87	–	–	–	Funds in hand
TFM potential tapping and efficiency increasing project	482,625,633.60	6,924,978.53	483,894.20	–	–	–268,620.99	7,677,493.72	3.10	–	–	–	Funds in hand
Others	N/A	727,943,171.18	518,167,612.15	102,502,772.42	65,525,444.41	135,481,172.84	942,601,393.66		–	–	–	Funds in hand
Total	44,170,998,210.08	13,659,085,24 9.76	5,543,649,933.40	2,304,332,980.62	238,165,910.90	-493,259,762.88	17,153,496,054.52	/	995,098,516.53	175,993,002.87	/	/

At 30 June 2023, the balance of impairment provision for the Group's construction in progress was RMB31,615,388.19 (31 December 2022: RMB31,615,388.19).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Right-of-use assets

Unit: RMB

Item	Buildings	Machinery equipment	Transportation devices	Total
I. Original carrying amount				
1. Opening balance	403,431,245.62	81,674,404.39	1,401,358.74	486,507,008.75
2. Increase in the current period	21,273,920.10	124,719,507.87	52,556.48	146,045,984.45
(1) Leased in	14,983,379.31	120,144,472.06	–	135,127,851.37
(2) Translation differences of financial statements denominated in foreign currencies	6,290,540.79	4,575,035.81	52,556.48	10,918,133.08
3. Decrease in the current period	8,646,104.15	37,541,077.90	–	46,187,182.05
(1) Disposal	8,646,104.15	37,541,077.90	–	46,187,182.05
4. Closing balance	416,059,061.57	168,852,834.36	1,453,915.22	586,365,811.15
II. Accumulated depreciation				
1. Opening balance	163,012,991.55	57,779,297.80	1,401,358.74	222,193,648.09
2. Increase in the current period	32,838,743.99	23,376,388.92	52,556.48	56,267,689.39
(1) Provision	30,170,232.83	21,513,004.70	–	51,683,237.53
(2) Translation differences of financial statements denominated in foreign currencies	2,668,511.16	1,863,384.22	52,556.48	4,584,451.86
3. Decrease in the current period	4,636,604.22	37,541,077.90	–	42,177,682.12
(1) Disposal	4,636,604.22	37,541,077.90	–	42,177,682.12
4. Closing balance	191,215,131.32	43,614,608.82	1,453,915.22	236,283,655.36
III. Impairment provision				
1. Opening balance	–	–	–	–
2. Increase in the current period	–	–	–	–
(1) Provision	–	–	–	–
(2) Translation differences of financial statements denominated in foreign currencies	–	–	–	–
3. Decrease in the current period	–	–	–	–
(1) Disposal	–	–	–	–
4. Closing balance	–	–	–	–
IV. Carrying amount				
1. Closing carrying amount	224,843,930.25	125,238,225.54	–	350,082,155.79
2. Opening carrying amount	240,418,254.07	23,895,106.59	–	264,313,360.66

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets

(1). Details of Intangible assets

Unit: RMB

Item	Land use rights	Exploration and mining rights	Copper supply concessions *(Note 1)*	Supplier relationship *(Note 2)*	Others	Total
I. Original carrying amount						
1. Opening balance	574,485,754.27	28,674,459,687.64	133,578,386.81	285,548,600.00	312,918,312.68	29,980,990,741.40
2. Increase in the current period	–	6,976,048,038.33	5,009,716.95	10,709,200.00	89,272,325.59	7,081,039,280.87
(1) Purchase	–	5,676,160,000.00	–	–	14,270,341.00	5,690,430,341.00
(2) Transfer from construction in progress	–	172,372,470.86	–	–	65,793,440.04	238,165,910.90
(3) Translation differences of financial statements denominated in foreign currencies	–	1,127,515,567.47	5,009,716.95	10,709,200.00	9,208,544.55	1,152,443,028.97
3. Decrease in the current period	186,077,429.08	–	–	–	68,557,401.99	254,634,831.07
(1) Disposal	186,077,429.08	–	–	–	68,557,401.99	254,634,831.07
4. Closing balance	388,408,325.19	35,650,507,725.97	138,588,103.76	296,257,800.00	333,633,236.28	36,807,395,191.20
II. Accumulated amortization						
1. Opening balance	157,168,002.96	10,087,447,028.07	52,437,591.15	65,041,625.87	150,898,754.46	10,512,993,002.51
2. Increase in the current period	6,247,861.09	699,467,592.79	13,393,191.77	12,314,577.73	14,770,697.73	746,193,921.11
(1) Provision	6,247,861.09	330,685,877.77	11,220,049.72	9,696,773.29	10,952,687.24	368,803,249.11
(2) Translation differences of financial statements denominated in foreign currencies	–	368,781,715.02	2,173,142.05	2,617,804.44	3,818,010.49	377,390,672.00
3. Decrease in the current period	37,741,462.92	–	–	–	2,248,552.08	39,990,015.00
(1) Disposal	37,741,462.92	–	–	–	2,248,552.08	39,990,015.00
4. Closing balance	125,674,401.13	10,786,914,620.86	65,830,782.92	77,356,203.60	163,420,900.11	11,219,196,908.62

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Intangible assets (Continued)

(1). Details of Intangible assets (Continued)

Item	Land use rights	Exploration and mining rights	Copper supply concessions *(Note 1)*	Supplier relationship *(Note 2)*	Others	Total
III. Impairment provision						
1. Opening balance	–	20,484,319.60	–	–	–	20,484,319.60
2. Increase in the current period	–	–	–	–	–	–
(1) Provision	–	–	–	–	–	–
(2) Translation differences of financial statements denominated in foreign currencies	–	–	–	–	–	–
3. Decrease in the current period	–	–	–	–	–	–
(1) Disposal	–	–	–	–	–	–
4. Closing balance	–	20,484,319.60	–	–	–	20,484,319.60
IV. Carrying amount						
1. Closing carrying amount	262,733,924.06	24,843,108,785.51	72,757,320.84	218,901,596.40	170,212,336.17	25,567,713,962.98
2. Opening carrying amount	417,317,751.31	18,566,528,339.97	81,140,795.66	220,506,974.13	162,019,558.22	19,447,513,419.29

Note 1: Copper supply concessions are acquired through acquisition of IXM.

Note 2: Supplier relationship is acquired through acquisition of IXM.

As at the end of the period, exploration and mining rights are not pledged as collateral.

The Group's land use rights have a lease term of 50 years, and the land is located in the Chinese mainland.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill

(1). Original carrying amount of goodwill

Unit: RMB

		Increase in the period		Decrease in the period	
Name of investee or events generating goodwill	Opening balance	**Business combination**	**Translation differences of financial statements denominated in foreign currencies**	**Disposal**	**Closing balance**
Brazil phosphorus business	658,371,482.79	–	24,691,530.21	–	**683,063,013.00**
Total	658,371,482.79	–	24,691,530.21	–	**683,063,013.00**

(2). Provision for impairment of goodwill

Unit: RMB

		Increase in the period		Decrease in the period	
Name of investee or events generating goodwill	Opening balance	**Provision**	**Translation differences of financial statements denominated in foreign currencies**	**Disposal**	**Closing balance**
Brazil phosphorus business	235,402,701.29	–	8,828,530.80	–	**244,231,232.09**
Total	235,402,701.29	–	8,828,530.80	–	**244,231,232.09**

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill (Continued)

(3). Information about the asset group or the portfolio of asset groups to which goodwill belongs

For the purpose of impairment test, the Group allocates the goodwill to asset group. At 30 June 2023, the carrying amount of goodwill allocated to asset group is as follows:

Unit: RMB

	Cost	Translation differences of financial statements denominated in foreign currencies	Impairment provision	30 June 2023
Asset group – Brazil phosphorus business	850,671,685.12	-183,672,068.99	228,167,835.22	**438,831,780.91**

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 the production life of available reserves and future mining plans, and discount rate of 10.56% 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 3.00% (based on the USD environment).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Goodwill (Continued)

(3). Information about the asset group or the portfolio of asset groups to which goodwill belongs (Continued)

The key assumptions for calculating the present value of future cash flows for the above asset group as at 30 June 2023 are as follows:

Key assumptions	Consideration of the management
Budget gross margin	On the basis of the realized average gross margin in the year before the budget year, the gross margin budget appropriately modified according to the changes in the expected efficiency and the fluctuation of metal market price has a direct impact on the final net profit and future cash flows.
Discount rate	The pre-tax discount rate that reflects the specific risk of a related asset group has a direct impact on the present value of the expected future cash flows of the asset group.
Inflation of raw material price	The expected price index for the operating environment in the budget year has a direct impact on the forecast of costs.

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.

Based on the above impairment test and the phosphorus price and market performance, the management considers that there is no further impairment indication in the current period.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Long-term prepaid expenses

Unit: RMB

Item	Opening balance	Increase in the current period	Amortization for the current period	Closing balance
Relocation compensation *(note 1)*	51,902,257.72	–	4,238,439.57	**47,663,818.15**
Geological Museum project *(note 2)*	24,000,000.00	–	300,000.00	**23,700,000.00**
Tailings pond maintenance fees *(Note 3)*	–	67,971,701.31	4,248,231.33	**63,723,469.98**
Others	141,764,349.37	5,699,452.55	18,804,804.43	**128,658,997.49**
Total	217,666,607.09	73,671,153.86	27,591,475.33	**263,746,285.62**

Other descriptions:

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 entered into between and by the Company and Luanchuan Finance Bureau 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: This represents the construction fees for seepage-proofing Phase II Secaohu tailings pond paid by the Company.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities

(1). Deferred tax assets before offsetting

Unit: RMB

Item	**Closing balance** Deductible temporary differences	**Closing balance** Deferred tax assets	Opening balance Deductible temporary differences	Opening balance Deferred tax assets
Provision for asset impairment	**472,937,601.26**	**137,818,290.77**	475,152,868.03	137,167,266.73
Deductible losses *(Note 1)*	**591,210,433.27**	**142,488,456.43**	532,913,250.63	137,817,596.30
Inventory cost variance	**335,630,051.62**	**100,689,015.50**	292,374,924.83	87,712,477.45
Unrealized gross margin	**4,065,099,001.61**	**1,051,867,417.56**	5,425,551,350.11	767,423,698.46
Deferred income from government grants	**40,788,011.28**	**8,453,158.24**	44,483,239.13	9,357,685.91
Profit or loss from changes in fair value	**130,509,875.45**	**32,627,468.86**	261,531,958.87	43,550,529.19
Outstanding expenses – net	**2,786,673,990.03**	**684,321,087.27**	2,593,955,675.86	654,634,327.39
Retirement of fixed assets without filing	**24,650,562.59**	**4,001,503.12**	21,611,375.27	3,241,706.29
Equity incentives not yet unlocked	**45,603,227.97**	**11,400,807.00**	79,675,908.82	19,918,977.20
Differences in depreciation of fixed assets	**16,265,164.72**	**4,691,687.97**	29,406,953.47	5,391,099.21
Lease-related items	**99,102,267.48**	**24,775,566.87**	94,703,755.95	23,675,938.99
Others	**60,474,540.72**	**12,549,329.72**	63,631,587.48	12,558,706.76
Total	**8,668,944,728.00**	**2,215,683,789.31**	9,914,992,848.45	1,902,450,009.88

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

(2). Deferred tax liabilities before offsetting

Unit: RMB

Item	Closing balance Taxable temporary differences	Closing balance Deferred tax liabilities	Opening balance Taxable temporary differences	Opening balance Deferred tax liabilities
Adjustments on fair values of assets in business combination not involving enterprises under common control *(Note 3)*	**10,611,318,637.84**	**3,159,340,474.37**	10,602,549,111.50	3,158,968,672.94
Accrued interest income	**569,509,624.55**	**99,807,273.97**	738,772,989.32	126,423,047.64
Effect of exchange rate of non-monetary items *(Note 1)*	**1,090,384,514.67**	**370,199,524.34**	1,490,152,821.68	506,054,198.16
Differences in depreciation of fixed assets	**8,711,990,687.64**	**2,616,080,671.64**	8,422,501,055.62	2,526,680,139.15
Profit or loss from changes in fair value	**385,842,513.24**	**59,283,017.94**	794,645,829.00	151,605,716.10
Lease-related items	**93,628,056.92**	**23,407,014.23**	94,703,755.95	23,675,938.99
Additional provision under Switzerland tax laws *(Note 2)*	**2,784,915,280.95**	**389,888,139.33**	2,684,245,476.72	375,794,366.74
Others	**41,377,203.57**	**11,772,241.56**	45,799,699.13	14,292,899.94
Total	**24,288,966,519.38**	**6,729,778,357.38**	24,873,370,738.92	6,883,494,979.66

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

(2). Deferred tax liabilities before offsetting (Continued)

Note 1: The amount of losses that the Group can finally deduct before income tax calculation for the period from January to June 2023 is subject to the amount determined by the local tax authority. 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 asset 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 in temporary differences between their tax bases and carrying amounts upon tax accounting. Accordingly, the Company recognizes the relevant temporary difference as deferred tax asset/liability, and takes it as a tax reconciliation item.

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: It mainly represents the deferred tax liabilities arising from the adjustments on fair values of assets in the acquisitions of Congo (DRC) business in 2016, Brazil business in 2016 and Switzerland metal trading platform business in 2019.

In the course of Brazil business combination not involving enterprises under common control in 2016, identifiable net assets of the acquiree were 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. The change in the current year is mainly due to the structural reorganization by the Group in 2020 to consolidate the three legal entities of the niobium phosphorus business in Brazil, the redetermination of the tax basis of their carrying assets and liabilities and the adjustment of the deferred income tax liabilities mentioned above.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

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

Unit: 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	**732,543,647.35**	**1,483,140,141.96**	790,962,428.02	1,111,487,581.86
Deferred tax liabilities	**732,543,647.35**	**5,997,234,710.03**	790,962,428.02	6,092,532,551.64

(4). Details of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	**59,803,691.43**	65,528,667.71
Deductible losses	**196,504,772.02**	215,258,960.76
Total	**256,308,463.45**	280,787,628.47

Note: As it is not certain whether sufficient taxable income will be available in the future, no deferred tax asset is recognized.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Deferred tax assets/deferred tax liabilities (Continued)

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

Unit: RMB

Year	Closing balance	Opening balance
2023	–	17,664,151.79
2024	16,618,443.33	39,602,210.83
2025	38,458,409.71	61,388,666.96
2026	61,389,809.29	49,202,064.55
2027	41,234,148.07	47,401,866.63
2028	38,803,961.62	–
Total	196,504,772.02	215,258,960.76

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets

Unit: RMB

	Closing balance			Opening balance		
Item	Book balance	Impairment provision	Carrying amount	Book balance	Impairment provision	Carrying amount
Loans receivable from SNEL *(note 1)*	1,730,735,996.40	–	1,730,735,996.40	1,325,169,661.53	–	1,325,169,661.53
Amount due from TFM minority shareholders *(note 2)*	479,519,016.00	–	479,519,016.00	437,173,313.17	–	437,173,313.17
Deductible Brazil social contribution tax *(note 3)*	129,098,433.52	–	129,098,433.52	109,317,920.49	–	109,317,920.49
Prepayments for water charges *(note 4)*	–	–	–	63,000,000.00	–	63,000,000.00
Compensatory assets *(Note 5)*	139,436,999.13	–	139,436,999.13	126,963,338.90	–	126,963,338.90
Litigation guarantee *(Note 6)*	54,269,886.53	–	54,269,886.53	37,993,936.27	–	37,993,936.27
Loans to suppliers *(Note 7)*	50,434,218.88	–	50,434,218.88	50,702,281.04	–	50,702,281.04
Related party borrowings *(Note 8)*	412,839,571.54	–	412,839,571.54	397,916,144.92	–	397,916,144.92
Certificates of deposit due after one year *(Note 9)*	1,448,929,837.30	–	1,448,929,837.30	2,155,000,000.00	–	2,155,000,000.00
Prepayments for construction and equipment	244,867,713.77	–	244,867,713.77	674,652,540.75	–	674,652,540.75
Others	279,073,491.49	–	279,073,491.49	33,598,595.84	–	33,598,595.84
Less: Non-current assets due within one year	-471,641,718.60	–	-471,641,718.60	-1,757,787,239.02	–	-1,757,787,239.02
Total	4,497,563,445.96	–	4,497,563,445.96	3,653,700,493.89	–	3,653,700,493.89

Other descriptions:

The Group recognizes ECL provision of relevant financial assets in the other non-current assets on the basis of ECL.

At 30 June 2023, the management of the Group believes that the credit risk of the relevant financial assets has not increased significantly since initial recognition, and has no significant ECL.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Other non-current assets (Continued)

Note 1: The represents The Congo (DRC) subsidiary's loans receivable from SNEL. The applicable interest rate for the loan is determined at 6-months Libor interest rate plus 3%, which will be charged against electricity charges payable in the future. The details of the portion expected to be deductible within one year are set out in Note (VII).9.

Note 2: It represents Congo (DRC) subsidiary's loan due from La Généraledes Carrièresetdes Mines ("Gécamines"). As at 30 June 2023, the principal due to Congo (DRC) subsidiary is USD30,000,000.00 (equivalent to RMB216,774,000.00); the interest receivable is USD36,362,065.93 (equivalent to RMB262,745,016.00) 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 Brazil, 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, not tax credit is formed at the end of the Period. The social contribution tax is levied by the Federal government of Brazil, so the tax credit can be used to deduct the enterprise income tax levied by the federal government without expiry date. The portion expected to be deducted within one year is accounted for as other receivables by the Group. See Note (VII) 7 for details.

Note 4: It represents prepayments for water charges of Xinjiang Luomu Mining Co., Ltd. ("Xinjiang Luo Mu").

Note 5: Based on the agreement between the Group and Anglo American in the course of the acquisition of the Brazilian Niobium Phosphorus business, if CMOC Brazil subsidiary has 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 provision for CMOC Brazil subsidiary related contingencies at fair value (Note (VII) 38), and accordingly recognizes the right of relevant tax related compensation as non-current assets.

Note 6: CMOC Brazil 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 deposit 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. At the end of the litigation, the Company may call back the deposit or settle the litigation by the deposit according to the results of the litigation.

Note 7: It represents loans that IXM provided to its suppliers. As at 30 June 2023, balance of loans to suppliers amounted to USD6,979,741.88, equivalent to RMB50,434,218.88, representing the loan provided to third party suppliers B and C by the Group, with interest rate of 6.24% per annum. Therein, the details of the portion due within 1 year are set out in Note (VII) 9.

Note 8: It represents the shareholder loan provided by the Group to Huayue Nickel Cobalt.

Note 9: At 30 June 2023, the Group pledged the certificates of deposit due after one year with carrying amount of RMB675,000,000.00 to obtain long-term borrowings. Details for the certificates of deposit due within one year are set out in Note (VII) 9.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Short-term borrowings

(1). Categories of short-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Secured borrowings *(Note)*	**17,601,001,171.21**	15,016,317,002.22
Credit borrowings	**6,397,216,082.01**	5,091,192,711.82
Total	**23,998,217,253.22**	20,107,509,714.04

Note: Details of the secured borrowings are set out in Note (VII).1, Note (VII).2 and Note (VII).8.

At the end of the period, the Group had no outstanding overdue short-term borrowings.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Held-for-trading financing liabilities

Unit: RMB

Item	Closing balance	Opening balance
Held-for-trading financing liabilities		
Including:		
1. Liabilities from forward commodity contracts and gold lease measured at fair value *(note 1)*	**416,449,983.81**	676,512,725.59
2. Payables at fair value through profit or loss *(note 2)*	**2,414,107,769.87**	2,975,298,635.88
Total	**2,830,557,753.68**	3,651,811,361.47

Other descriptions:

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 weight to the bank upon expiry of the lease term. 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 due to 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., purchasing 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 payables from relevant business as financial liabilities designated at FVTPL.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Derivative financial liabilities

Unit: RMB

Item	Closing balance	Opening balance
Derivative financial instrument of which hedge relationship is not designated *(note 1)*		
Commodity futures contracts	**920,514,578.86**	1,588,876,522.42
Forward foreign exchange contracts and exchange rate option contracts	**213,396,429.20**	50,483,773.27
Forward commodity contracts	**686,635,735.32**	642,398,639.69
Derivative financial instrument of which hedge relationship is designated		
Commodity futures contracts *(note 2)*	**16,883,628.69**	69,088,136.38
Total	**1,837,430,372.07**	2,350,847,071.76

Other descriptions:

Note 1: For details, please refer to Note (VII).3 (1).

Note 2: This represents the commodity futures contracts purchased by the Group, which are used to hedge the fair value risk arising from price fluctuation of a part of the Group's cooper products or the cash flow risk arising from expected sales. The Group accounted for the above hedging instrument and corresponding hedged items according to hedge accounting. Refer to Note (VII).68 for details.

26. Notes payable

Unit: RMB

Categories	Closing balance	Opening balance
Commercial acceptances	**120,142,198.91**	718,126,071.13
Bank acceptances	**1,542,256,865.29**	1,691,293,255.29
Total	**1,662,399,064.20**	2,409,419,326.42

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Accounts payable

(1). Details of accounts payable

Unit: RMB

Item	Closing balance	Opening balance
Payables for purchase of goods	**1,088,152,880.74**	1,017,848,408.19
Others	**1,201,433,573.46**	529,456,634.84
Total	**2,289,586,454.20**	1,547,305,043.03

(2). The aging analysis of accounts payable is as follows

Unit: RMB

Item	Closing balance	Opening balance
Within 1 year	**2,265,631,135.21**	1,533,137,566.72
1 – 2 years	**15,147,703.37**	5,395,397.35
Over 2 years	**8,807,615.62**	8,772,078.96
Total	**2,289,586,454.20**	1,547,305,043.03

28. Contract liabilities

(1). Details of contract liabilities

Unit: RMB

Item	Closing balance	Opening balance
Receipts in advance for sales of goods *(note 1)*	**1,630,328,050.62**	1,595,864,677.29
Metal streaming transaction contract liabilities *(note 2)*	**214,686,844.87**	93,927,497.79
Total	**1,845,014,895.49**	1,689,792,175.08

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Contract liabilities (Continued)

(1). Details of contract liabilities (Continued)

Other descriptions:

Note 1: The Group accounts for the receipts in advance collected on a basis of commodity sales contract as contract liabilities which are recognized as sales income when the control over the goods are transferred to the customers.

The receipts in advance for goods at the beginning of year have been recognized as income in the current period. At the end of period, the contract liabilities with carrying amount of RMB1,623,323,630.09 are expected to be recognized as income within one year, and the contract liabilities with carrying amount of RMB7,004,420.53 are expected to be recognized as income over one year.

Note 2: On 10 July 2020, the Group entered into the metal purchase and sales agreement ("metal flow agreement") with Triple Flag Mining Finance Bermuda Ltd. (collectively called "Triple Flag"), a wholly-owned subsidiary of Triple Flag Precious Metals Corp., by which Triple Flag prepaid the Group USD550,000,000.00 in cash and another payments for goods as per 10% of the price of spot gold/silver per ounce of the gold/silver delivered according to the metal flow agreement upon the actual delivery.

According to the metal flow contract, the Group has committed to Triple Flag to deliver 54% of the gold production from the Northparkes copper-gold mine until cumulative deliveries reach 630,000 ounces, when deliveries will commence to be made at 27%, and 80% of the silver production from the Northparkes copper-gold mine until cumulative deliveries reach 9 million ounces, when deliveries will commence to be made at 40%. There is no minimum delivery volume agreed in this metal flow contract.

Receipts in advance are firstly recognized as liabilities when received by the Group and will be transferred to revenue when relevant performance obligations are satisfied, i.e. the control over goods is transferred to the customers. The amount of contract liabilities is estimated by the Group based on the volume expected to be delivered in the next 12 months, and the remaining amount is classified as other non-current liabilities (Note (VII). 40).

These contracts of metal streaming transactions contain significant financing components. Thus, when signing a metal streaming contract, the Group determines the transaction price based on the assumption that the amount payable is paid in cash by the customers when obtaining control over the goods. The difference between the transaction price and the contract consideration will be amortized over the contract term, using the effective interest method.

Meanwhile, there is variable consideration in the contracts of metal streaming transactions. When the mineral reserves or the expected delivery time and quantity of goods change, the Group will adjust revenue during the reporting period in which the changes occur.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Employee benefits payable

(1). Details of Employee benefits payable

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I. Short-term benefits	964,916,548.02	2,020,791,105.38	1,890,904,346.63	1,094,803,306.77
II. Post-employment benefits – defined contribution plan	1,968,145.54	53,235,154.99	53,075,746.44	2,127,554.09
III. Others *(Note)*	51,108,896.86	14,232,723.26	13,760,760.99	51,580,859.13
Total	1,017,993,590.42	2,088,258,983.63	1,957,740,854.06	1,148,511,719.99

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 paid leave which is provided by Group's subsidiary in Congo (DRC) to its employees, which are expected to be paid within 12 months.

(2). Details of short-term benefits

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	906,254,375.65	1,799,722,695.49	1, 740,602,018.80	965,375,052.34
II. Staff welfare	129,202.31	14,110,768.54	14,105,922.94	134,047.91
III. Social security contributions	46,083,820.77	157,211,429.90	91,281,237.48	112,014,013.19
Including: Medical insurance	39,400,164.74	99,624,733.07	39,605,217.85	99,419,679.96
Work injury insurance	6,683,656.03	57,586,696.83	51,676,019.63	12,594,333.23
IV. Housing funds	675,811.65	31,128,879.53	31,107,506.83	697,184.35
V. Union running costs and employee education costs	11,773,337.64	18,617,331.92	13,807,660.58	16,583,008.98
Total	964,916,548.02	2,020,791,105.38	1,890,904,346.63	1,094,803,306.77

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

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Employee benefits payable (Continued)

(3). Defined contribution plan

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
1. Basis pension insurance	1,913,952.79	51,562,021.43	51,402,552.76	**2,073,421.46**
2. Unemployment insurance	54,192.75	1,673,133.56	1,673,193.68	**54,132.63**
Total	1,968,145.54	53,235,154.99	53,075,746.44	**2,127,554.09**

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.

For the period from January to June 2023, the Group should contribute RMB51,562,021.43 and RMB1,673,133.56 (Jan to Jun 2022: RMB65,069,007.02 and RMB2,447,657.92) to pension insurance and unemployment insurance plans, respectively. As at 30 June 2023, the Group has contributions payable of RMB2,073,421.46 and RMB54,132.63 (31 December 2022: RMB1,913,952.79 and RMB54,192.75) which are due in this reporting period but not yet paid to pension insurance and unemployment plans respectively. The relevant contributions have been paid after the reporting period.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance
VAT	113,692,286.57	187,307,610.61
Domestic enterprise income tax	226,427,849.91	195,288,763.93
Individual income tax	35,526,153.61	36,839,940.08
Urban maintenance and construction tax	2,914,791.00	2,477,948.55
Australia enterprise income tax	–	15,946,427.37
Brazil enterprise income tax	207,087,245.27	190,253,786.21
Congo (DRC) enterprise income tax	149,491,599.10	–
UK enterprise income tax	5,354,668.83	2,361,974.44
Enterprise income tax of IXM and its subsidiaries	198,991,915.67	78,471,729.80
Resource tax and royalties of mineral rights	116,836,270.16	42,081,380.39
Education surcharges	2,823,964.15	2,433,318.05
Congo (DRC) exchange tax	3,954,978.26	120,508.40
Others	79,335,461.62	51,166,370.95
Total	1,142,437,184.15	804,749,758.78

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Other payables

Presentation of items

Unit: RMB

Item	Closing balance	Opening balance
Interest payable	–	234,561,190.61
Dividends payable	**1,848,113,706.45**	27,885,796.67
Other payables	**8,113,062,115.81**	6,598,818,119.32
Total	**9,961,175,822.26**	6,861,265,106.60

Interest payable

Unit: RMB

Item	Closing balance	Opening balance
Interest payable on bank borrowings	–	173,556,670.01
Interest payable medium-term note with interest repaid on periodic basis and principal repaid on maturity *(Note (VII) 35)*	–	61,004,520.60
Total	–	234,561,190.61

Dividends payable

Unit: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	**1,820,227,909.78**	–
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	**1,848,113,706.45**	27,885,796.67

Note: The minority shareholders of the subsidiaries of the Group.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Other payables (Continued)

Other payables

(1). Other payables presented by nature

Unit: RMB

Item	Closing balance	Opening balance
Project and equipment funds	**4,647,344,179.46**	3,559,787,516.21
Loyalties due to Gécamines	**135,255,092.52**	41,699,358.66
Service and transportation expenses	**68,470,760.85**	99,943,254.04
Deposits and advances	**1,713,948,329.16**	1,331,093,114.30
Service fees payable	**211,876,892.24**	174,826,980.98
Resource expenses payable	**19,993,107.78**	24,857,953.71
Production progress fees due to Gécamines *(Note 1)*	**36,129,000.00**	34,823,000.00
Obligations to repurchase restricted stock	**39,210,628.85**	68,643,782.18
Amounts due to related parties *(Note 2)*	**993,547,500.00**	957,632,500.00
Others	**247,286,624.95**	305,510,659.24
Total	**8,113,062,115.81**	6,598,818,119.32

Note 1: In accordance with the mining agreement entered into between the Group and Gécamines, Gécamines needs to charge TFM production progress fees of USD5 million. According to the TFM's production plan, it is expected to be paid within one year.

Note 2: On 21 July 2022, KFM Holding Limited and Hongkong Brunp and CATL Co., Limited ("Brunp and CATL") signed an agreement on amounts due to related parties. According to the agreement, Brunp and CATL should pay USD137,500,000.00 (equivalent to RMB957,632,500.00) to the Group as a related party payment.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Non-current liabilities due within one year

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	**1,826,188,631.53**	6,818,773,757.29
Bonds payable due within one year	**23,576,712.39**	–
Lease liabilities due within one year	**131,649,755.33**	86,263,062.10
Equity fees payable to Gécamines	**2,529,030,000.00**	–
Total	**4,510,445,099.25**	6,905,036,819.39

Note: Please refer to Note (VII).34, 35, 36 and 40.

33. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Other accrued expenses	**1,248,937,012.27**	622,176,261.93
Convertible financial instruments *(Note 1)*	**2,171,352,900.00**	2,093,210,530.00
Total	**3,420,289,912.27**	2,715,386,791.93

Note: The Group's subsidiary CMOC Limited signed a series of agreements with an independent third party on 30 December 2021, specifying that the Group should make relevant repayments within one year after the withdrawal date. Meanwhile, the agreements also specify that if the criteria of subscription are satisfied within the term of the agreements, the independent third party may convert its obligatory rights to the preferred shares or perpetual bonds issued by the subsidiary of the Group. Therefore, the Group's receipts under these agreements may be converted to financial instruments for accounting. As of 30 June 2023, the Group has accumulated withdrawals of USD300,000,000.00 (equivalent to RMB2,167,740,000.00).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Long-term borrowings

(1). Categories of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Secured borrowings *(Note)*	**8,910,470,044.19**	9,260,316,730.23
Credit borrowings	**16,401,054,170.52**	16,533,629,225.94
Less: Long-term borrowings due within one year *(Note VII.32)*	**-1,826,188,631.53**	-6,818,773,757.29
Total	**23,485,335,583.18**	18,975,172,198.88

Description of categories of long-term borrowings:

Note: Secured borrowings are bank borrowings obtained by the Group by pledging certificates of deposit and interests of subsidiaries The details of pledged assets are set out in Note (VII).22. The Group pledged the 100% equity interest in CMOC Congo (DRC) to the bank and provide a joint guarantee.

(2). The maturity analysis of long-term borrowings due over one year is as follows:

Unit: RMB

Maturity	30 June 2023	31 December 2022
1 – 2 years	**7,654,990,613.89**	10,989,079,078.88
2 – 5 years	**15,830,344,969.29**	7,986,093,120.00
Total	**23,485,335,583.18**	18,975,172,198.88

As at 30 June 2023, the annual interest rate for the above borrowings range from 2.7000% to 7.5451% (31 December 2022: 2.7000% to 7.4073%).

As at 30 June 2023, the Group has no long-term borrowing that has been due but not yet repaid.

According to the borrowing agreement entered into between the Group and some banks, the Group is required to satisfy a series of specified financial indicators and requirements. Where the Group violates relevant terms, the banks may request for early repayment from the Company. As of 30 June 2023, the Group has no breach of relevant terms.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Bonds payable

(1). Bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Medium-term note	**2,173,576,712.39**	2,150,000,000.00
Less: Bonds payable due within one year *(Note (VII).32)*	**-23,576,712.39**	–
Total	**2,150,000,000.00**	2,150,000,000.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Bonds payable (Continued)

(2). Changes in bonds payable (exclusive of other financial instruments such as preferred shares and perpetual bonds classified as financial Liabilities)

Unit: RMB

Name	Par value (Note 2)	Issue date	Term	Issue amount	Opening balance	Issued amount for the period	Interest accrued based on par value	Amortisation of premium or discount	Repayment for the period	Closing balance
20 Luanchuan Molybdenum MTN001 *(note 1)*	100.00	28 May 2020	5 years	1,000,000,000.00	1,000,000,000.00	–	3,912,328.76	–	–	1,000,000,000.00
21 Luanchuan Molybdenum MTN001 (Green) *(note 1)*	100.00	16 July 2021	3 years	150,000,000.00	150,000,000.00	–	5,609,589.12	–	–	150,000,000.00
22 Luanchuan Molybdenum MTN001 (sustainably linked) *(note 1)*	100.00	16 February 2022	3 years	1,000,000,000.00	1,000,000,000.00	–	14,054,794.51	–	–	1,000,000,000.00
Total	/	/	/	2,150,000,000.00	2,150,000,000.00	–	23,576,712.39	–	–	2,150,000,000.00

Note 1:

On 28 May 2020, the Company issued medium-term notes with a total par value of RMB1,000,000,000.00 (herein after referred to as 20 Luanchuan Molybdenum MTN001), which are traded and circulated in the National Inter-bank Bond Market. The proceeds from the issue of the medium-term financing bonds were used to fund the Company's and its subsidiaries' working capital and repayment of bank borrowings. The interest of the medium-term notes is accrued at a fixed rate of 4.20%, with a term of 5 years, and paid once a year over the lifetime.

On 16 July 2021, the Company issued green medium-term notes with a total par value of RMB150,000,000.00 ("21 Luanchuan Molybdenum MTN001 (Green)"), which are traded and circulated in the National Inter-bank Bond Market. The proceeds from issuing the green medium-term green financing bill are used in construction of low-carbon industrial transformation project. The interest on the issued medium-term notes is accrued at the fixed rate of 3.90%, with a term of 3 years, and paid once a year over the lifetime.

On 16 February 2022, the Company issued sustainably linked medium-term notes with a total par value of RMB1,000,000,000.00 ("22 Luanchuan Molybdenum MTN001 (sustainably linked)"), which are traded and circulated in the National Inter-bank Bond Market. The bonds take the energy efficiency improvement of the product of mining process unit of Sandaozhuang Mine as the key performance indicator, with annual interest rate of 3.80%. The term of the medium-term notes is 3 years, with interest paid once a year over the lifetime. The details of interest payable on the medium-term notes are set out in Note (VII).31.

Note 2: Par value refers to the amount of single bond.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Lease liabilities

Unit: RMB

Item	Closing balance	Opening balance
Operating lease payables	**391,017,365.08**	295,612,127.39
Less: Lease liabilities due within one year *(Note VII.32)*	**131,649,755.33**	86,263,062.10
Total	**259,367,609.75**	209,349,065.29

Other descriptions:

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

(1) The maturity analysis of lease liabilities due over one year is as follows:

Unit: RMB

Maturity	Closing balance	Opening balance
1 – 2 years	**63,240,210.55**	66,160,314.00
2 – 5 years	**153,344,490.71**	97,296,099.87
Over 5 years	**42,782,908.49**	45,892,651.42
Total	**259,367,609.75**	209,349,065.29

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term employee benefits payable

(1) Long-term employee benefits payable

Unit: RMB

Item	Closing balance	Opening balance
I. Post-employment benefits – net liability from defined benefit plan	**374,759,711.11**	340,701,027.05
II. Other long-term benefits		
– Long service leave *(note)*	**14,958,760.40**	13,645,143.15
– Others	**2,275,707.91**	2,193,445.05
Total	**391,994,179.42**	356,539,615.25

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

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Provisions

Unit: RMB

Item	Closing balance	Opening balance	Reasons
Pending litigation	**285,380,381.27**	255,094,416.78	*Note 1*
Rehabilitation and asset abandonment cost	**3,073,687,560.99**	2,912,266,738.54	*Note 2*
Total	**3,359,067,942.26**	3,167,361,155.32	/

Other descriptions, including the description of key assumptions and estimates of significant provisions:

Note 1: 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 estimates the amount of potential outflow of economic benefits and makes corresponding provisions.

Note 2: 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 recognizes provisions by discounting its best estimate of future economic benefits outflow from the above obligations. The above estimate is determined based on the industry practices and the prevailing local laws and regulations. Significant changes in related laws and regulations may have a significant impact on the Group's estimates.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Deferred income

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Refunds of land-transferring fees *(Note 1)*	13,431,238.70	–	192,792.90	**13,238,445.80**
Demonstration base project subsidies *(Note 2)*	26,852,000.40	–	3,502,434.90	**23,349,565.50**
Others	5,430,000.00	210,000.00	–	**5,640,000.00**
Total	45,713,239.10	210,000.00	3,695,227.80	**42,228,011.30**

Note 1: It represents the refunds of land-transferring fees received by the Group, which is included in deferred income, and amortized using straight-line method over the useful life of the land.

Note 2: It represents the special funds for major science and technology of Henan Province, the special funds for mineral resources conservation and comprehensive utilization and the subsidies for the central mineral resources comprehensive utilization demonstration base received by the Group, which are planned to be used for the study of key technologies for molybdenum-tungsten dressing and deep processing and included in deferred income, and will be recognized as other income in the future when related technology research costs are incurred.

Projects related to government grants:

Unit: RMB

Item of liabilities	Opening balance	Increase	Included in non-operating income	Included in other income	Other changes	Closing balance	Related to assets/income
Deferred income-subsidies for low-grade scheelite demonstration project	26,852,000.40	–	–	3,502,434.90	–	**23,349,565.50**	Related to assets
Subsidies of the return of Nannihu land premium	13,431,238.70	–	–	192,792.90	–	**13,238,445.80**	Related to assets
Others	5,430,000.00	210,000.00	–	–	–	**5,640,000.00**	Related to assets
Total	45,713,239.10	210,000.00	–	3,695,227.80	–	**42,228,011.30**	/

Note: For the government grants to be received by the Company, it will be classified into asset-related government grants and income-related government grants according to the definition and requirements by the government. If it is not clearly specified in the government documents, the Company classifies the government grants on the basis of whether they can form assets.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Contract liabilities	**21,050,643,036.13**	13,689,283,467.92
Share-based payments *(note 1)*	**5,089,420.73**	82,570,114.18
Metal streaming transaction contract liabilities *(note 2)*	**2,838,782,900.69**	7,921,995,824.86
Equity fees payable to Gécamines *(Note 3)*	**2,890,320,000.00**	–
Total	**26,784,835,357.55**	21,693,849,406.96

Other descriptions:

Note 1: Since 2018, 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 continuing employment with IXM; Vesting conditions of PEPP are mainly related to requirement of continuing employment with IXM. Both PERP and PEPP calculate the amounts payable on the basis of the value of equity of IXM. For the period from January to June 2023, the Group recognized other non-current liabilities relating to PERP and PEPP amounting to RMB365,043.96 and RMB4,724,376.77, respectively.

Note 2: On 10 July 2020, the Group and Triple Flag signed a metal flow agreement. In accordance with the contract, Triple Flag should pay a prepayment of USD550 million in cash to the Group, and for each ounce of gold and silver delivered under the metal flow agreement, Triple Flag shall pay an additional payment of 10% of the spot gold and silver price to the Group upon actual delivery. Refer to Note (VII) 28 for details.

On 9 December 2022, the Group and a third party signed a metal purchase and sale agreement. In accordance with relevant agreements, the third party is required to pay a prepayment of USD830 million in cash to the Group, and for mineral products delivered under the metal purchase and sale agreement, the third party shall pay an additional payment to the Group at a certain proportion of the spot price of the mineral products upon actual delivery. In accordance with the metal purchase and sale agreement, the Group is required to deliver a certain proportion of its own mineral products sold in its own mining area to a third party based on the metal purchase and sale agreement. The metal purchase and sale agreement does not stipulate a minimum delivery quantity. As at the end of the period, the Group has received the prepayment of USD830 million, which is recognized as a liability, and then will be transferred to revenue when the Group has fulfilled relevant performance obligations, i.e., when the control of the goods has been transferred to the customer.

Note 3: This represents the equity fees made by TFM to Gécamines in instalments pursuant to the agreement signed between the Group and Gécamines.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Share capital

Unit: RMB

	Opening balance	Changes for the period (+, -) Issuing new shares	Bonus	Capitalization of surplus reserve	Others	Sub-total	Closing balance
Total shares	4,319,848,116.60	–	–	–	–	–	**4,319,848,116.60**

42. Other equity instruments

(1) General information of outstanding preferred shares, perpetual bonds and other financial instruments

Unit: RMB

Item	**30 June 2023**	31 December 2022
Renewable corporate bonds – phase I *(Note)*	**1,000,000,000.00**	1,000,000,000.00

Note: In December 2022, the Company publicly offered renewable corporate bonds – phase I to professional investors on the Shanghai Stock Exchange, with a total principal of RMB1 billion. According to the issuing terms of the bond, the Group has no contractual obligation to deliver cash or other financial assets. The Company believes that the bond fails to meet the definition of financial liabilities and includes it in other equity instruments instead.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital reserve

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (share capital premium)	27,602,242,178.42	26,237,059.16	–	**27,628,479,237.58**
Other capital reserve	79,675,908.83	27,596,634.40	55,281,226.92	**51,991,316.31**
Total	27,681,918,087.25	53,833,693.56	55,281,226.92	**27,680,470,553.89**

Note: Increase in other capital reserve represents the cost of incentives allocated from the restricted stock incentive plan.

On 9 June 2023, the Company held the eleventh extraordinary meeting of the sixth session of board of directors and approved the Proposal on Performance Appraisal Indicators for the 2022 Equity Allocation Period of the 2021 Phase I Employee Stock Ownership Plan, pursuant to which, the Company recognized that the unlocking conditions of the 2022 unlocking period of the 2021 Phase I Employee Stock Ownership Plan had been met, and agreed that the shares unlocked in the corresponding equity allocation period and the attached rights and interests were attributable to incentive target individuals. The total number of shares unlocked this time is 14,533,986 shares for five target individuals, and RMB55,281,226.92, which has been included in other capital reserve, has been transferred to share capital premium.

44. Treasury shares

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period *(note)*	Closing balance
Repurchase of treasury shares	1,325,021,131.22	–	58,477,321.07	**1,266,543,810.15**
Total	1,325,021,131.22	–	58,477,321.07	**1,266,543,810.15**

Note: Decrease in the period mainly represents the unlocking conditions of the 2022 unlocking period of the 2021 Phase I Employee Stock Ownership Plan have been met, and 14,533,986 shares are unlocked, with treasury shares of RMB58,477,321.07 reversed.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Other comprehensive income

Unit: RMB

Item	Opening balance	Amount incurred in the current period: Pre-tax amount incurred in the current period	Less: Amount included in other comprehensive income in prior period and transferred to profit or loss in the current period	Less: Amount included in other comprehensive income in prior period and transferred to retained earnings in the current period	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	Closing balance
I. Other comprehensive income that will not be reclassified to profit or loss	-63,920,844.96	–	–	–	–	–	–	**-63,920,844.96**
Including: Changes in defined benefit plan that result from re-measurements	12,799,514.61	–	–	–	–	–	–	**12,799,514.61**
Changes in fair value of other investments in equity instruments	-76,720,359.57	–	–	–	–	–	–	**-76,720,359.57**
II. Other comprehensive income that may be reclassified subsequently to profit or loss	358,800,553.70	2,576,479,396.27	121,924,886.20	–	6,204,787.66	2,076,787,715.97	371,562,006.44	**2,435,588,269.67**
Cash flow hedge reserve	-377,015,009.73	340,545,580.78	121,924,886.20	–	6,204,787.66	212,415,906.92	–	**-164,599,102.81**
Translation differences of financial statements denominated in foreign currencies	735,815,563.43	2,235,933,815.49	–	–	–	1,864,371,809.05	371,562,006.44	**2,600,187,372.48**
Total other comprehensive income	294,879,708.74	2,576,479,396.27	121,924,886.20	–	6,204,787.66	2,076,787,715.97	371,562,006.44	**2,371,667,424.71**

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Special reserve

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Safety production expense	22,655,587.06	99,506,098.40	34,591,136.42	**87,570,549.04**
Total	22,655,587.06	99,506,098.40	34,591,136.42	**87,570,549.04**

47. Surplus reserve

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	1,684,388,527.69	–	–	**1,684,388,527.69**
Total	1,684,388,527.69	–	–	**1,684,388,527.69**

48. Retained profits

Unit: RMB

Item	Current period	Prior year
Retained profits at the end of prior period (before adjustment)	**18,019,893,163.56**	13,698,308,770.45
Adjustment of total retained profits at the beginning of the current period (Add +, Less -)	**–**	–
Retained profits at the beginning of the current period (after adjustment)	**18,019,893,163.56**	13,698,308,770.45
Add: Net profit attributable to owners of the parent company for the period	**703,144,213.69**	6,066,946,564.19
Less: Appropriation to statutory surplus reserve		221,017,571.04
Dividends of ordinary shares payable	**1,820,227,909.78**	1,524,344,600.04
Retained profits at the end of current period	**16,902,809,467.47**	18,019,893,163.56

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Operating revenue and operating costs

(1). Details of operating revenue and operating costs

Unit: RMB

	Jan. – Jun. 2023		Jan. – Jun. 2022	
Item	revenue	Cost	revenue	Cost
Principal operating activities	86,533,186,802.50	82,820,372,824.79	91,606,370,830.50	80,158,061,516.78
Other operating activities	193,068,851.69	183,659,253.47	160,437,918.45	143,201,980.90
Total	86,726,255,654.19	83,004,032,078.26	91,766,808,748.95	80,301,263,497.68

(2). Principal operating activities (by products)

Unit: RMB

	Jan. – Jun. 2023		Jan. – Jun. 2022	
Name of product	Operating revenue	Operating costs	Operating revenue	Operating costs
Molybdenum, tungsten and related products	4,430,591,850.01	2,897,274,312.13	3,503,009,757.08	1,871,512,023.30
Niobium, phosphorus and related products	2,959,329,406.24	2,301,094,195.94	3,583,578,140.38	1,779,168,396.96
Copper, cobalt and related products	3,969,943,120.68	3,069,605,835.00	9,567,204,934.90	4,189,234,918.75
Copper, gold and related products	849,834,436.59	665,805,791.09	640,161,963.36	509,313,605.48
Concentrates metal trading	21,042,165,231.40	20,688,563,615.47	20,144,186,055.46	19,533,402,572.87
Refined metal trading	53,281,223,847.43	53,197,937,088.72	54,168,143,817.88	52,275,348,388.65
Others	98,910.15	91,986.44	86,161.44	81,610.77
Total	86,533,186,802.50	82,820,372,824.79	91,606,370,830.50	80,158,061,516.78

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Operating revenue and operating costs (Continued)

(3). Performance obligations

Sales of goods and metal trading:

The Group sells mineral products including molybdenum, tungsten, niobium, phosphorus, copper, cobalt and gold, and copper, lead and zinc concentrates, refined metals, aluminum 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.

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

Revenue 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 sells auxiliary materials and scraps 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. Revenue is recognized at the point in time when the control is transferred to the customer.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Taxes and levies

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Urban maintenance and construction tax	**22,029,532.06**	14,304,077.45
Education surcharge	**21,982,380.19**	13,772,727.77
Resource tax and royalties of mineral rights	**667,245,209.21**	777,284,761.39
Others	**147,968,468.19**	78,152,616.45
Total	**859,225,589.65**	883,514,183.06

51. Selling expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages or salaries, bonus and allowances	**23,294,933.51**	8,786,332.20
Entertainment expenditures	**1,058,414.84**	629,094.39
Traveling expenses	**1,304,508.07**	602,881.21
Market consulting fees	**22,875,518.17**	41,419,263.55
Others	**9,473,420.04**	9,135,547.01
Total	**58,006,794.63**	60,573,118.36

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Administrative expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Wages or salaries, bonus and allowances	698,564,094.18	457,480,438.12
Depreciation and amortization	106,931,569.85	92,266,460.93
Consulting and agency fees	87,695,399.38	89,896,023.18
Insurance costs	49,253,395.97	52,908,914.00
Others	267,848,294.32	134,874,251.37
Total	1,210,292,744.70	827,426,087.60

53. Research and development expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Technical R&D expenses	107,688,998.44	248,344,859.00
Total	107,688,998.44	248,344,859.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Financial expenses

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
Interest expenses on bonds	**44,930,224.58**	78,621,648.71
Interest expenses on bank borrowings and others	**1,968,531,917.74**	897,613,350.29
Metal streaming financing costs	**60,463,960.50**	55,032,553.61
Interest expenses on lease liabilities	**15,856,455.06**	5,670,609.83
Less: Interest income	**-788,230,430.05**	-464,986,568.32
Exchange differences	**6,799,761.85**	93,352,602.72
Gold lease charges	**2,924,450.50**	6,061,177.07
Others	**58,812,714.31**	58,156,213.64
Total	**1,370,089,054.49**	729,521,587.55

55. 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**	3,513,228.08
R&D rewards	**2,100,000.00**	1,456,000.00
Tax refunds	**46,483,591.95**	15,522,777.00
Special rewards and subsidies	**1,596,028.92**	1,871,000.00
Special manufacturing development fund	**–**	6,450,000.00
Policy cash incentives	**8,950,000.00**	–
Others	**6,369,868.99**	1,487,916.02
Total	**69,194,717.66**	30,493,714.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Gains on long-term equity investment under equity method	**225,800,529.94**	251,555,691.22
Investment income from holding held-for-trading financial assets	**–**	57,727,685.28
Investment income from holding other non-current financial assets	**13,439,075.63**	52,755,231.00
Investment income from disposal of subsidiaries	**–**	451,007.15
Interest on discounting of notes derecognized	**-18,212,844.11**	-17,449,274.45
Total	**221,026,761.46**	345,040,340.20

Other descriptions:

There are no significant restrictions on remittance of investment income.

The amounts of investment income for the current period and for the prior period are both from unlisted investments.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Gains from changes in fair value

Unit: RMB

Sources resulting in gains on changes in fair value:	**Amount for the current period**	Amount for the prior period
Losses from changes in fair value of derivative financial instruments	**1,049,586,506.81**	-901,742,181.64
Gains from changes in fair value of held-for-trading financial liabilities	**148,688,069.45**	–
Losses from changes in fair values of gold lease and forward contract measured at fair value	**-2,030,080.10**	-3,091,325.27
Gains from changes in fair value of consumable biological assets	**–**	6,264,332.01
Gains(Losses) from the changes in fair value of other non-current financial assets at FVTPL	**25,173,622.16**	-213,624,192.12
Gains from changes in fair value of structured deposits	**6,202,736.98**	–
Gains (Losses) from changes in fair value of other held-for-trading financial assets	**36,108,824.14**	-16,334,301.81
Total	**1,263,729,679.44**	-1,128,527,668.83

58. Losses from credit impairment

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
Gains from credit impairment of notes receivable	**–**	487.12
Losses from credit impairment of accounts receivable	**-822,985.71**	-7,304,223.61
Losses from credit impairment of other receivables	**–**	-314.50
Total	**-822,985.71**	-7,304,050.99

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Losses from assets impairment

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Losses on decline in value of inventories and impairment losses on cost to fulfil a contract	**-28,956,088.47**	-4,827,387.34
Impairment losses on fixed assets	**-16,003.08**	-14,897,539.99
Total	**-28,972,091.55**	-19,724,927.33

60. Income from disposal of assets

Item	Amount for the current period	Amount for the prior period
Income from disposal of fixed assets	**8,146,048.15**	13,307,215.88
Total	**8,146,048.15**	13,307,215.88

61. Non-operating income

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Included in non-recurring profit or loss for the period
Government grants	**180,000.00**	–	180,000.00
Others	**1,148,289.94**	5,427,667.30	1,148,289.94
Total	**1,328,289.94**	5,427,667.30	1,328,289.94

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Non-operating income (Continued)

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/income
Fiscal subsidy for the closure of Liushuigou tailings pond	**180,000.00**	–	Related to income

62. Non-operating expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period	Included in non-recurring profit or loss for the period
Donations	**9,057,420.31**	7,389,233.77	9,057,420.31
Losses on retirement of fixed assets	**3,986,939.61**	29,289,246.38	3,986,939.61
Others	**10,708,545.59**	6,478,207.99	10,708,545.59
Total	**23,752,905.51**	43,156,688.14	23,752,905.51

63. Income tax expenses

(1) Statement of Income tax expenses

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Current tax expenses	**1,744,386,853.43**	3,341,990,560.99
Deferred tax expenses	**-671,021,742.86**	-278,263,447.99
Differences arising on settlement of income tax for the prior year	**-61,763,760.45**	29,925,106.99
Total	**1,011,601,350.12**	3,093,652,219.99

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Income tax expenses (Continued)

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

Unit: RMB

Item	**Amount for the current period**	Amount for the prior period
Accounting profit	**1,626,797,907.90**	7,911,721,017.79
Income tax expenses calculated at statutory/applicable tax rate	**244,019,686.19**	1,186,758,152.93
Impact of different tax rate in subsidiaries in other jurisdictions	**160,836,054.80**	2,087,105,066.42
Impact of adjustment of income tax for previous periods	**-61,763,760.45**	29,925,106.99
Impact of tax-free income	**-114,759,369.64**	-368,075,401.06
Impact of non-deductible cost, expenses and losses	**783,841,436.94**	157,982,924.81
Impact of utilizing deductible losses for which deferred tax assets were not recognized in prior period	**-18,053,130.68**	273,125.25
Impact of deductible losses and deductible temporary differences for which deferred tax assets are not recognized for the current period	**1,147,616.45**	25,410,565.91
Impact of non-currency monetary items	**-10,903,243.15**	-57,901,189.00
Deductible losses generated from tax reports	**29,192,135.80**	60,529,705.16
Tax for registered capital *(note)*	**–**	6,179,170.13
Changes in deferred income tax due to changes in tax rate	**-1,381,487.20**	-34,998,518.41
Others	**-574,588.94**	463,510.86
Income tax expenses	**1,011,601,350.12**	3,093,652,219.99

Note: It is the income tax paid by IXM, a subsidiary of the Group, according to the established proportion of the registered capital under the Swiss tax law.

64. Other comprehensive income

Details are set out in Notes (VII). 45.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Items in the cash flow statements

(1). Other cash receipts relating to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Receipts of compensation and penalty	**207,996.72**	13,567.00
Receipts of interest income	**891,367,709.21**	222,295,022.15
Receipts of subsidy income	**32,546,537.75**	8,857,742.10
Cash receipts from metal streaming transactions	**1,631,896,000.00**	–
Others	**685,992,132.26**	200,870,257.73
Total	**3,242,010,375.94**	432,036,588.98

(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.	**264,668,692.85**	204,068,053.26
Payments of donations and penalty, etc.	**1,000,372.38**	114,784,209.04
Payments of bank charges, etc.	**18,898,345.35**	7,385,354.04
IXM's payments of deposit for derivative financial instruments	**–**	17,380,016.87
Others	**206,048,866.10**	110,186,721.78
Total	**490,616,276.68**	453,804,354.99

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Items in the cash flow statements (Continued)

(3). Cash receipts from disposals and recovery of investments

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from recovery of bank structured deposits and investments in financial products of other financial institutions	**5,869,948,800.08**	5,828,881,655.44
Cash receipts from recovery of non-current financial assets	**331,340,462.11**	1,273,088.42
Total	**6,201,289,262.19**	5,830,154,743.86

(4). 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 and related parties	**198,498,016.84**	147,307,666.38
Others	**46,923,122.66**	15,118,537.45
Total	**245,421,139.50**	162,426,203.83

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Items in the cash flow statements (Continued)

(5). Cash payments to acquire investments

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash payments to acquire bank structured deposits and financial products of other financial institutions	**8,153,376,832.96**	5,602,946,774.17
Cash payments to acquire non-current financial assets	**2,660,700.00**	102,935,746.45
Settlement of derivative financial instruments	**286,269,155.60**	103,300,242.71
Investments in joint venture or associates	**10,800,000.00**	22,181.20
Others	**–**	10,000.00
Total	**8,453,106,688.56**	5,809,214,944.53

(6). 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	**349,557,037.55**	–
Payments for guarantee deposits	**12,492,947.76**	465,771,910.96
Others	**49,394,601.12**	3,650,423.32
Total	**411,444,586.43**	469,422,334.28

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Items in the cash flow statements (Continued)

(7). Other cash receipts relating to financing activities

Unit: RMB

	Amount for the current period	Amount for the prior period
Cash receipts from gold lease business	**415,518,801.15**	671,682,966.50
Receipts in advance for goods	**–**	3,271,775,000.00
Total	**415,518,801.15**	3,943,457,966.50

(8). Other cash payments relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Cash repayments for gold lease business	**677,611,623.00**	785,261,400.00
Commission charge related to gold lease business	**2,226,035.73**	8,980,008.82
Borrowing guarantee deposits and arrangement fee	**552,898,110.98**	50,663,016.72
Cash payments for repurchase of shares	**–**	499,999,996.32
Cash repayments to third parties	**–**	296,405,350.53
Others	**64,302,350.05**	93,263,782.98
Total	**1,297,038,119.76**	1,734,573,555.37

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. 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	615,196,557.78	4,818,068,797.80
Add: Provision for impairment on assets	28,972,091.55	19,724,927.33
Credit impairment loss	822,985.71	7,304,050.99
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	1,202,973,184.07	1,355,603,798.84
Amortization of right-of-use assets	51,683,237.53	108,971,323.14
Amortization of intangible assets	368,803,249.11	701,902,035.46
Amortization of long-term prepaid expenses	27,591,475.33	18,580,398.72
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	-8,146,048.15	-13,307,215.88
Losses on retirement of fixed assets (gains are indicated by "-")	3,986,939.61	29,289,246.38
Losses on changes in fair values (gains are indicated by "-")	-1,263,729,679.44	1,128,527,668.83
Financial expenses (income is indicated by "-")	2,242,071,200.89	1,077,335,144.82
Investment loss (income is indicated by "-")	-221,026,761.46	-345,040,340.20
Decrease in deferred tax assets (increase is indicated by "-")	-371,652,560.10	-81,823,100.49
Increase in deferred tax liabilities (decrease is indicated by "-")	-95,297,841.61	94,207,479.33
Decrease in inventories (increase is indicated by "-")	-894,358,378.86	-575,121,989.69
Decrease in operating receivables (increase is indicated by "-")	6,481,054,069.83	-3,056,110,056.10
Increase in operating payables (decrease is indicated by "-")	511,537,044.40	2,413,013,958.99
Others	81,456,373.55	800,379,089.88
Net cash flows from operating activities	8,761,937,139.74	8,501,505,218.15
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 held under finance lease	–	–
3. Net changes in cash and cash equivalents:		
Closing balance of cash	30,082,269,910.09	26,917,019,059.24
Less: Opening balance of cash	29,045,548,650.93	20,392,690,843.69
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net increase in cash and cash equivalents	1,036,721,259.16	6,524,328,215.55

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

66. Supplementary information to the cash flow statement (Continued)

(2) Constitution of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	**30,082,269,910.09**	29,045,548,650.93
Including: Cash on hand	**2,772,750.01**	1,503,981.98
Bank deposits that are readily available for payments	**30,079,497,160.08**	29,044,044,668.95
II. Cash equivalents		
Including: Debt investments due within three months	**–**	–
III. Closing balance of cash and cash equivalents	**30,082,269,910.09**	29,045,548,650.93
Including: Restricted cash and cash equivalents of the Company or subsidiaries within the Group	**–**	–

Other descriptions:

Cash and cash equivalents exclude restricted cash and cash equivalents of the Company and subsidiaries as well as cash and bank balances due over 3 months.

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. 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
Cash and bank balances			
Including: USD	268,641,663.43	7.2258	1,941,150,931.81
EUR	8,644,960.75	7.8547	67,903,625.25
HKD	3,264,020.31	0.9223	3,010,563.60
RMB	614,594,433.88	1.0000	614,594,433.88
AUD	15,721,452.28	4.7907	75,316,846.15
BRL	446,742,636.90	1.4994	669,835,853.64
GBP	94,164.41	9.1743	863,888.83
CDF	1,321,725,118.38	0.0031	4,043,182.95
ZAR	19,978,679.57	0.3846	7,684,724.21
SGD	139,168.78	5.3248	741,050.66
AED	2,583.99	1.9673	5,083.42
CHF	138,328.49	8.0753	1,117,047.41
CLP	80,682,566.00	0.0090	726,311.91
MXN	4,603,881.51	0.4221	1,943,297.55
NAD	118,006.85	0.3834	45,239.36
PEN	329,431.51	1.9889	655,217.62
TRY	3,976.10	0.2796	1,111.62
IDR	292,046,545.00	0.0005	140,684.66
Short-term borrowings			
Including: CHF	25,000,000.00	8.0753	201,883,102.36
MXN	428,236,374.41	0.4221	180,758,491.81
PEN	117,511,826.41	1.9889	233,723,748.38
Non-current liabilities due within one year			
Including: PEN	409,961.44	1.9889	814,994.95
Long-term borrowings			
Including: RMB	720,000,000.00	1.0000	720,000,000.00

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

67. Foreign currency monetary items (Continued)

(2). Description of overseas operations (for significant overseas operations, the main place of operation, functional currency and basis for determining the functional currency, and the reason for change of functional currency (if applicable) should be disclosed)

Name of subsidiary	Main place of operation	Functional currency	Basis for determining the functional currency
COMC Brazil	Brazil	USD	Determined based on the primary economic environment in which it operates
CMOC Mining	Australia	USD	Determined based on the primary economic environment in which it operates
CMOC Mining Services	Australia	AUD	Determined based on the primary economic environment in which it operates
TFM and KFM	Congo (DRC)	USD	Determined based on the primary economic environment in which it operates
Purveyors South Africa Mine Services CMOC ("CMOC South Africa")	Republic of South Africa	USD	Determined based on the primary economic environment in which it operates
IXM Holding SA	Switzerland	USD	Determined based on the primary economic environment in which it operates

68. Hedges

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

Cash flow hedges

Interest rate swap contracts

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. 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, and believes that it is highly effective.

As at the balance sheet date, the gain or loss arising from the changes in fair value of cash flow hedging instruments recognized in other comprehensive income is RMB-7,733,538.73 (January to June 2022: RMB91,850,802.72).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Hedges (Continued)

Cash flow hedges (Continued)

Interest rate swap contracts (Continued)

During the current period, the amount reclassified from other comprehensive income to profit or loss by the Group is RMB49,902,849.36 (January to June 2022: RMB-39,331,731.52).

Forward exchange contracts and exchange rate option contracts

The Group adopts forward foreign exchange contracts and exchange rate option contracts to reduce the cash flow risk of exchange rate fluctuations on the capital expenditure of its subsidiaries in Brazil. The Group designates a portion of the BRL forward foreign exchange contracts and option contracts purchased in 2021 as hedging instruments. The Group adopts ratio analysis to evaluate the effectiveness of the hedges and considers them to be highly effective. The amount of ineffective portion of hedge recognized during the period was not material.

As at the balance sheet date, the gain or loss arising from the changes in fair value of cash flow hedging instruments recognized in other comprehensive income amounted to RMB0.00 (January to June 2022: RMB21,310,221.25).

During the current period, the Group transferred out the cash flow hedge reserve previously recognized in other comprehensive income and included such amount in profit or loss and the cost of fixed assets, amounting to RMB0.00 (January to June 2022: RMB11,900,620.49) and RMB0.00 (January to June 2022: RMB0.00) respectively.

Commodity futures contract

The Group is engaged in mining and sales business of copper products and expects that the copper products sold will be exposed to cash flow risks arising from changes in copper prices. Therefore, the Group adopts the futures contract of copper to reduce cash flow risks arising from changes in prices of commodities expected to be sold. The refined copper produced and sold by the Group is the same as the corresponding refined copper in the futures contract of copper, the Group determines that the proportion of hedging instruments and hedged items is 1:1 through qualitative analysis and believes that it is highly effective.

As at the balance sheet date, the gain or loss arising from the changes in fair value of cash flow hedging instruments recognized in other comprehensive income amounted to RMB348,279,119.51 (January to June 2022: RMB1,886,672,538.31).

During the current period, the amount reclassified from other comprehensive income to profit or loss is RMB72,022,036.84 (January to June 2022: RMB-742,657,166.99).

VII. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

68. Hedges (Continued)

Fair value hedges

Refined copper futures contracts

The Group adopts refined copper futures contracts to hedge its exposure to price fluctuations in refined copper inventories. Through qualitative analysis, the Group determines that the quantitative ratio between hedging instrument and the hedged items is 1:1, and considers the hedge to be highly effective. As at the balance sheet date, inventories include fair value changes of RMB25,543,472.09 (31 December 2022: RMB9,686,491.04) accounted for as hedged items.

Key information on the Group's hedging instruments is as follows:

	30 June 2023 Carrying amount of hedging instrument Liabilities	**Line items of balance sheet containing hedging instruments**
Cash flow hedges		
Interest rate risk – Interest rate swaps contracts	–	Non-current derivative financial liabilities
Exchange risk – forward foreign exchange contracts and exchange rate option	–	Derivative financial liabilities
Commodity price risk – commodity futures contracts	541,238,582.82	Derivative financial assets
Commodity price risk – commodity futures contracts	16,883,628.69	Derivative financial liabilities
Fair value hedges		
Commodity price risk – commodity futures contracts	25,543,472.09	Derivative financial liabilities

VIII. CHANGES IN SCOPE OF CONSOLIDATION

1. Changes in scope of consolidation due to other reasons

On 14 February 2023, the Group established a second-tier subsidiary, Hongde Kuangxin, in Shanghai, which principally engages in technical services and software development.

Note: See Note (IX) 1 for details.

IX. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1). Constitution of the Group

Name of the subsidiary	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
China Molybdenum Metal Material Company Limited ("Metal Material")	China	Luoyang, Henan	Processing and sales of mineral products	100	–	Investment establishment
China Molybdenum Tungsten Co., Ltd. ("Wu Ye")	China	Luanchuan, Henan	Refining and sales of mineral products	100	–	Investment establishment
Luanchuan Fu Kai Trading Co., Ltd. ("Fu Kai")	China	Luanchuan, Henan	Trading of molybdenum and tungstenic products	100	–	Investment establishment
China Molybdenum Refining Co., Ltd. ("Ye Lian")	China	Luanchuan, Henan	Refining and sales of mineral products	100	–	Investment establishment
China Molybdenum (Hong Kong) Company Limited ("CMOC HK")	Hong Kong, China	Hong Kong, China	Sales of mineral products	100	–	Investment establishment
Luoyang Mudu International Hotel Co., Ltd. ("International Hotel")	China	Luoyang, Henan	Hotel	100	–	Investment establishment
Xinjiang Luomu Mining Co., Ltd ("Xin Jiang Luo Mu")	China	Xinjiang	Selection and sales of mineral products	65.1	–	Investment establishment

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1). Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
Luanchuan County Jiuyang Mining Co., Ltd. ("Jiu Yang")	China	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
Luanchuan County Sanqiang Molybdenum Tungsten Co., Ltd. ("San Qiang")	China	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
Luanchuan County Dadongpo Tungsten Molybdenum Co., Ltd. ("Da Dong Po")	China	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
China Molybdenum Sales Co., Ltd. ("Sales Company")	China	Luanchuan, Henan	Sales of mineral products	100	–	Investment establishment
CMOC Limited ("CMOC Limited")	Hong Kong, China	Hong Kong, China	Investment holding Metal trading	100	–	Investment establishment
Schmoke (Shanghai) International Trading Co., Ltd. ("Schmocke")	China	Shanghai	Import and export of goods and technology	100	–	Investment establishment
Beijing Yongbo Resources Investment Holding Co., Ltd. ("Beijing Yongbo")	China	Beijing	Consulting, asset management and sales	100	–	Investment establishment
Upnorth Investment Limited ("Upnorth")	China	BVI	Investment holding	–	100	Investment establishment
CMOC Mining Pty Limited ("CMOC Mining")	Australia	Australia	Mining, processing and sales of metal products	–	100	Investment establishment
CMOC Mining USA LTD ("CMOC USA")	USA	USA	Consulting	–	100	Investment establishment
CMOC DRC Limited ("CMOC DRC")	Hong Kong, China	Hong Kong, China	Mining services	–	100	Investment establishment
CMOC UK Limited ("CMOC UK")	UK	UK	Mining services and sales	–	100	Investment establishment
CMOC Luxembourg S.A.R.L ("CMOC Luxembourg")	Luxembourg	Luxembourg	Investment holding	–	100	Investment establishment
CMOC Capital Limited ("CMOC Capital")	BVI	BVI	Investment holding	–	100	Investment establishment
CMOC Congo	Congo (DRC)	Congo (DRC)	Consulting service	–	100	Investment establishment
CMOC BHR Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1). Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
Shanghai Ruichao Investment Co., Ltd. ("Rui Chao")	China	Shanghai	Consulting, enterprise operating and management	–	100	Investment establishment
Tibet Schmocke Investment Co., Ltd. ("Tibet Schmocke")	China	Tibet	Consulting, asset management and sales	–	100	Investment establishment
Shanghai Donghe Trading Co., Ltd. ("Dong He")	China	Shanghai	Sales of metal materials, and mineral products	–	100	Investment establishment
Shanghai Hongmu Technology Services Co., Ltd.	China	Shanghai	Technology services	–	100	Investment establishment
CMOC Metals Holding Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
Natural Resource Elite Investment Limited ("NREIL")	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
W-Source Holding Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Business combination not involving enterprises under common control
Ridgeway Commodities S.A.	Switzerland	Switzerland	Metal trading	–	100	Investment establishment
IXM Holding SA	Switzerland	Switzerland	Investment holding	–	100	Business combination not involving enterprises under common control
IXM B.V. and its subsidiaries	Switzerland	Netherland	Metal trading	–	100	Business combination not involving enterprises under common control
Luoyang Dinghong Trading Co., Ltd. ("Dinghong")	China	Luoyang, Henan	Sales of metal materials, and mineral products etc.	–	100	Investment establishment
CMOC Singapore Pte. Ltd.	Singapore	Singapore	Metal trading	–	100	Investment establishment
KFM Holding Limited.	Hong Kong, China	Hong Kong, China	Investment holding	–	75	Investment establishment
CMOC Mining Services Pty. Limited ("CMOC Mining Services")	Australia	Australia	Mining services	–	100	Investment establishment
Long March No.1 Investment Limited ("Long March")	China	BVI	Investment holding	–	100	Investment establishment
Bandra Investment Limited ("Bandra")	China	BVI	Investment holding	–	100	Investment establishment

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1). Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
CMOC Brasil Mineração, Indústria e Participações Ltda. ("CMOC Brazil")	Brazil	Brazil	Mining, processing and sales of mineral products	–	100	Investment establishment
Ningbo Baiya Investment Co., Ltd. ("Ningbo Baiya")	China	Ningbo, Zhejiang	Investment management	–	100	Investment establishment
Hainan Muxing Trading Co., Ltd.	China	Haikou, Hainan	Import and export trading	–	100	Investment establishment
Purveyors South Africa Mine Services CMOC ("CMOC South Africa")	The Republic of South Africa	The Republic of South Africa	Logistics transportation	–	100	Business combination not involving enterprises under common control
CMOC International DRC Holdings Limited ("CIDHL")	Bermuda	Bermuda	Investment holding	–	100	Business combination not involving enterprises under common control
BHR Newwood Investment Management Limited ("BHR")	BVI	BVI	Investment holding	–	100	Business combination not involving enterprises under common control
CMOC overseas recruitment Entity ("CMOCORE")	USA	USA	Consulting	–	100	Investment establishment
Kisanfu Africa Holding (Pty) Limited	The Republic of South Africa	The Republic of South Africa	Investment holding	–	100	Investment establishment
Congo Construction Company SARL	Congo (DRC)	Congo (DRC)	Refining and sales of mineral products	–	100	Business combination not involving enterprises under common control
TF Holdings Limited ("TFHL")	Bermuda	Bermuda	Investment holding	–	100	Business combination not involving enterprises under common control
Shanghai Aoyide Trading Co., Ltd. ("Shanghai Aoyide")	China	Shanghai	Domestic non-ferrous metal trading	–	100	Investment establishment
Shanghai Moju Engineering Consulting Co., Ltd.	China	Shanghai	Consulting	–	100	Investment establishment
Shanghai Fuyi Engineering Consulting Co., Ltd.	China	Shanghai	Consulting	–	100	Investment establishment
Jenny East Holding Ltd.	Bermuda	Bermuda	Investment holding	–	75	Asset acquisition
Kisanfu Holding Ltd.	Bermuda	Bermuda	Investment holding	–	75	Asset acquisition

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1). Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
Tenke Fungurume Mining S.A.	Congo (DRC)	Congo (DRC)	Mining and processing	–	80	Business combination not involving enterprises under common control
CMOC Kisanfu Mining SARL.	Congo (DRC)	Congo (DRC)	Mining and processing	–	71.25	Asset acquisition
CMOC Commodity	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
Shanghai Muchao Enterprise Management Co., Ltd.	China	Shanghai	Consulting	–	100	Investment establishment
CMOC Alpha Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC Delta Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
Artemida Limited	Hong Kong, China	Hong Kong, China	Metal trading	–	100	Investment establishment
CMOC New Resources Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC Beta Limited	Hong Kong, China	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC ZIMBABWE (PRIVATE) LIMITED	Zimbabwe	Harare	Mining development and sales	–	100	Investment establishment
Shanghai Hongde Kuangxin Technology Co., Ltd. *(Note 1)*	China	Shanghai	Technical services and software development	–	100	Investment establishment

Other descriptions:

Note 1: On 14 February 2023, the Group established a second-tier subsidiary, Hongde Kuangxin, in Shanghai, which principally engages in technical services and software development.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(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	97,450,007.89	–	7,248,541,864.59

(3). Key financial information of significant non-wholly owned subsidiaries

Unit: RMB

Name of the subsidiary	Closing balance						Opening balance					
	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	20,886,514,834.43	51,440,185,665.27	72,326,700,499.70	14,769,717,958.76	21,314,273,217.97	36,083,991,176.73	14,595,086,607.05	39,969,642,272.01	54,564,728,879.06	8,031,0 34,825.23	12,079,376,443.96	20,110,411,269.19

Name of the subsidiary	Amount for the current period				Amount for the prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
TFM	4,560,698,004.33	487,250,039.47	487,250,039.47	-1,813,137,085.66	9,915,840,422.15	3,202,019,268.41	3,202,019,268.41	3,504,810,707.89

2. Interests in joint ventures and associates

(1). Significant joint ventures and associates

Unit: RMB

Name of joint ventures and associates	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Accounting treatments for investments in joint ventures or associates
Huan Yu	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Investment	50		Equity method
Yulu Mining	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

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(2). Key financial information of significant joint ventures

Unit: RMB

	Closing balance/ Amount for the current period Huan Yu *(Note 1)*	Opening balance/ Amount for the prior period Huan Yu *(Note 1)*
Current assets	**430,396,207.60**	426,635,906.90
Including: Cash and cash equivalents	**83,104,663.28**	19,768,940.39
Non-current assets	**1,625,961,674.96**	1,975,383,423.54
Total assets	**2,056,357,882.56**	2,402,019,330.44
Current liabilities	**750,809,158.51**	816,749,078.61
Non-current liabilities	**475,874,591.29**	574,970,732.21
Total liabilities	**1,226,683,749.80**	1,391,719,810.82
Minority interests	**-6,584,977.53**	-20,015,218.41
Equity attributable to equity holders of the Company	**836,259,110.29**	1,030,314,738.03
Share of net assets calculated based on shareholding ratio	**418,129,555.14**	515,157,369.02
Adjusting events	**-9,292,766.96**	-17,042,847.77
– Others *(Note 2)*	**-9,292,766.96**	-17,042,847.77
Carrying amount of equity investments in joint ventures	**408,836,788.18**	498,114,521.25
Fair value of equity investments in joint ventures where there is quoted price	**N/A**	N/A
Operating revenue	**438,252,047.53**	381,146,549.51
Financial expenses	**20,219,697.63**	25,582,565.16
Income tax expenses	**48,956,522.75**	37,558,747.20
Net profit	**-18,214,176.78**	-68,235,285.18
Net profit from discontinued operations	**–**	–
Other comprehensive income	**–**	–
Total comprehensive income	**-18,214,176.78**	-68,235,285.18
Dividends received from joint ventures in the current year	**–**	–

Other descriptions:

Note 1: The joint venture of the Group, Huan Yu, has 90% equity interest in Fu Chuan; meanwhile, the Company directly holds the remaining 10% interest in 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 profit or loss of Fu Chuan under equity method.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(3). Major financial information of significant associates

Unit: RMB

	Closing balance/Amount for the current period		Opening balance/Amount for the prior period	
	Yulu Mining	**Huayue Nickel Cobalt**	Yulu Mining	Huayue Nickel Cobalt
Current assets	**160,811,901.23**	**4,229,137,269.58**	156,244,957.44	3,633,626,160.83
Non-current assets	**52,338,618.28**	**9,674,195,654.36**	52,959,692.21	8,972,281,515.59
Total assets	**213,150,519.51**	**13,903,332,923.94**	209,204,649.65	12,605,907,676.42
Current liabilities	**46,154,131.25**	**1,465,192,567.95**	45,041,962.45	1,410,493,814.67
Non-current liabilities	**–**	**7,136,133,299.52**	–	6,779,824,226.65
Total liabilities	**46,154,131.25**	**8,601,325,867.47**	45,041,962.45	8,190,318,041.32
Minority interests	**–**	**–**	–	–
Equity attributable to equity holders of the Company	**166,996,388.26**	**5,302,007,056.47**	164,162,687.20	4,415,589,635.10
Share of net assets calculated based on shareholding ratio	**66,798,555.30**	**1,590,602,116.94**	65,665,074.88	1,324,676,890.53
Adjusting events	**3,064,392.22**	**36,384,750.38**	3,254,257.45	–
–Others	**3,064,392.22**	**36,384,750.38**	3,254,257.45	–
Carrying amount of equity investments in associates	**69,862,947.52**	**1,626,986,867.32**	68,919,332.33	1,324,676,890.53
Fair value of equity investments in associates where there is quoted price	**Not applicable**	**Not applicable**	Not applicable	Not applicable
Operating revenue	**170,061,559.74**	**3,668,061,927.35**	163,473,808.87	2,530,632,478.94
Financial expenses	**-3,726.61**	**214,246,509.14**	-13,410.08	65,503,791.83
Income tax expenses	**23,254,573.57**	**–**	18,991,434.96	–
Net profit	**74,087,230.36**	**763,362,028.79**	74,199,475.85	1,053,283,907.94
Net profit from discontinued operations	**–**	**–**	–	–
Other comprehensive income	**–**	**–**	–	–
Total comprehensive income	**74,087,230.36**	**763,362,028.79**	74,199,475.85	1,053,283,907.94
Dividends received from associates in the current year	**36,100,000.00**	**–**	41,750,000.00	–

Other descriptions:

Note: Although the Group holds 40% equity interest in Yulu Mining, but shares 50% dividend rights. For details, refer to Note (VII) 11.

IX. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Significant joint operation

Name of joint operation	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio/shares (%) Direct	Indirect
Northparkes Joint Venture ("NJV") *(Note)*	Australia	Australia	Copper gold mining	–	80

Other descriptions:

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 Northparkes held by North Mining Limited. Afterwards, the unincorporated joint venture NJV became a joint operation of the Company.

Northparkes mines held by NJV is a quality Copper and gold mining operation with advanced mining method of block caving in Goonumbla, 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 of the Northparkes mine, is responsible for the daily operations of Northparkes. The parties to the joint arrangement, as the joint controllers, share the rights to the assets and assume liabilities of the joint arrangement regarding Northparkes mine in proportion to their respective shareholding. The parties reached an agreement, specifying that to ensure the interests of all parties (including their respective share of production volume), the benefit of the counterparties of the joint arrangement shall be protected in the case that any party to the joint arrangement breaches the contract.

X. 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 with receivables, other receivables, non-current assets due within one year, other current assets, investments in other equity instruments, other non-current financial assets, other non-current assets, held-for-trading financing 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, 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. The management manages and monitors these exposures to ensure the risks are monitored within a certain range.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

Unit: RMB'000

	30 June 2023	31 December 2022
Financial assets		
At fair value through profit or loss		
Held-for-trading financial assets	**7,355,636**	4,236,793
Derivative financial assets	**3,289,278**	1,944,854
Other non-current financial assets	**3,311,969**	3,554,476
At fair value through other comprehensive income		
Financing with receivables	**302,722**	388,390
Investments in other equity instruments	**14,828**	14,828
At amortized cost		
Cash and bank balances	**35,276,196**	32,647,565
Accounts receivable	**683,201**	800,256
Other receivables	**1,353,553**	2,401,261
Other current assets	**1,249,906**	3,676,924
Non-current assets due within one year	**309,994**	1,673,944
Other non-current assets	**2,275,435**	1,531,805
Financial liabilities		
At fair value through profit or loss		
Held-for-trading financing liabilities	**2,830,558**	3,651,811
Derivative financial liabilities	**1,837,430**	2,350,847
Non-current derivative financial liabilities	**–**	230,169
At amortized cost		
Short-term borrowings	**23,998,217**	20,107,510
Notes payable	**1,662,399**	2,409,419
Accounts payable	**2,289,586**	1,547,305
Other payables	**9,961,176**	6,861,265
Non-current liabilities due within one year	**4,483,154**	6,818,774
Other current liabilities	**2,171,353**	2,093,211
Long-term borrowings	**23,485,336**	18,975,172
Bonds payable	**2,150,000**	2,150,000
Other non-current liabilities	**2,890,320**	–

The Group adopts sensitivity analysis technique to analyze how the profit or 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.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and benefits, 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 monitor 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 exposed to foreign exchange risk mainly related to USD, RMB and BRL. The principal business activities of the subsidiaries in the PRC are denominated and settled in RMB. The principal business activities of the subsidiaries in Australia are mainly denominated and settled in AUD or USD. The Group's Niobium and Phosphorus businesses in Brazil are principally denominated and settled in USD and BRL and the Group's Copper-Cobalt business in Congo (DRC) is principally denominated and settled in USD and CDF. Foreign currency transactions are mainly financing activities of domestic 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 changes on the foreign exchange risk, and manages foreign exchange risk by purchasing forward exchange contracts and exchange rate option contracts. For details, refer to Note (VII). 3 and 25.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.1. Foreign exchange risk (Continued)

As at 30 June 2023, the Group's financial assets and financial liabilities denominated in foreign currencies are presented as follows. 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.

Unit: RMB'000

Item	**30 June 2023**	31 December 2022
USD		
Cash and bank balances	**1,941,151**	466,016
Short-term borrowings	**–**	(102,360)
Sub-total	**1,941,151**	363,656
RMB		
Cash and bank balances	**614,594**	3,177
Non-current liabilities due within one year	**–**	(700,000)
Long-term borrowings	**(720,000)**	–
Sub-total	**(105,406)**	(696,823)
BRL		
Cash and bank balances	**669,836**	1,570,460
Sub-total	**669,836**	1,570,460

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.1. Foreign exchange risk (Continued)

The following table is a sensitivity analysis on exchange rate risk, which reflects that, where all other variables are held constant, the reasonably possible changes in the foreign exchange rate of foreign currencies (USD, RMB, BRL, etc.) may have the following pre-tax effect on the profit or loss for the period and shareholders' equity. The Group does not consider the effect of current forward foreign exchange contracts and foreign exchange option contracts in the sensitivity analysis as below.

Unit: RMB'000

Item	Changes in exchange rates	Jan. – Jun.2023 Effect on profit	Jan. – Jun.2023 Effect on shareholders' equity	Jan. – Jun.2022 Effect on profit	Jan. – Jun.2022 Effect on shareholders' equity
Entities choosing RMB as functional currency					
Pre-tax profit and equity	Depreciation by 10% of USD against RMB	-194,115	-194,115	-43,822	-43,822
Entities choosing USD as functional currency					
Pre-tax profit and equity	Depreciation by 10% of RMB against USD	10,541	10,541	-168	-168
	Depreciation by 10% of BRL against USD	-66,984	-66,984	-142,029	-142,029

The management of the Group believes that the period-end foreign currency risk cannot reflect the foreign currency risk of the year, and the sensitivity analysis cannot reflect the inherent foreign currency risk.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.2. The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings. The Group's bank borrowings see Note (VII). 23 and 24 for details. The Group pays close attention to the effect 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 (VII) 68 for details).

Assumptions of the sensitivity analysis on interest rate risk:

- Changes in market interest rates affect the interest income or expenses of floating-rate financial instruments.

On the basis of the above assumption, 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

		Jan. – Jun.2023		Jan. – Jun.2022	
Item	**Changes in interest rates**	**Effect on profit**	**Effect on shareholders' equity**	Effect on profit	Effect on shareholders' equity
Floating interest rate	Increase 50 base points of interest rate	**-168,892**	**-168,892**	-61,210	-61,210
Floating interest rate	Decrease 50 base points of interest rate	**168,892**	**168,892**	61,210	61,210

1.1.3. Commodity price risk

International Copper prices and Cobalt prices have a significant impact on the operating results of the Group's subsidiaries in Australia and Congo (DRC). Copper and Cobalt prices fluctuated in the past and the factors causing the fluctuation were beyond the control of the Group. The Group does not hedge against the fluctuation risk of Copper and Cobalt prices. 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 (VII). 3 and 25.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.3. Commodity price risk (Continued)

The table below shows the sensitivity analysis of the price of Copper and Cobalt on the balance sheet date, which reflects the pre-tax effect of unpricing accounts receivable of 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

		Jan. – Jun.2023		Jan. – Jun.2022	
Item	**Increase/(decrease) percentage**	**Effect on profit**	**Effect on shareholders' equity**	Effect on profit	Effect on shareholders' equity
Market price of copper	5%	**19,724**	**19,724**	10,764	10,764
Market price of copper	(5%)	**-19,724**	**-19,724**	-10,764	-10,764

Unit: RMB'000

		Jan. – Jun.2023		Jan. – Jun.2022	
Item	**Increase/(decrease) percentage**	**Effect on profit**	**Effect on shareholders' equity**	Effect on profit	Effect on shareholders' equity
Market price of cobalt	5%	**194**	**194**	34,098	34,098
Market price of cobalt	(5%)	**-194**	**-194**	-34,098	-34,098

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.4. Other price risk

The investments in equity instruments held by the Group, including other non-current financial assets measured at fair value, are measured at fair value at each balance sheet date. As at the end of the reporting period, the investments in equity instruments held by the Group mainly comprise listed securities and asset management plans, therefore, the Group is directly or indirectly exposed to the risk of fluctuation of securities market price. If the equity price of the investments in equity instruments held by the Group increases or decreases by 5% while other variables remain unchanged, the shareholders' equity and profit or loss of the Group will increase or decrease by RMB84,211,000 at the end of the period (excluding the impact of income tax) (as at the same period of last year: RMB61,241,000).

1.2. Credit risk

As at 30 June 2023, the Group's maximum exposure to credit risk which will cause a financial loss to the Group is due to the failure of counterparties to fulfill an obligation, including the carrying amount of the financial assets 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 (V). 10.2.1, Note (V), 10.2.2, Note (V). 10.2.3, and Note (V). 10.2.4.

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, of which most bank acceptances are issued by banks with higher credit rating, therefore, the management of the Group believes relevant credit risk on bank acceptances is low. Details are set out in Note (VII) 5.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.2. Credit risk (Continued)

The Group only trades with recognized, creditworthy third parties. Total amount of top five entities with the largest balances of accounts receivable as at the end of the period accounts for 28.58% of the amount of total accounts receivable (as at the end of last year: 33.20%). 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 used. Details of analysis on related credit risk are set out in Note (VII) 4.

For credit risk arising from 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 on related credit risk are set out in Note (VII) 7, 10 and 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.

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.3. Liquidity risk (Continued)

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 2023	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Short-term borrowings	23,998,217	–	–	–	23,998,217
Long-term borrowings	1,826,189	8,324,226	16,640,370	–	26,790,785
Held-for-trading financing liabilities	2,830,558	–	–	–	2,830,558
Notes payable	1,662,399	–	–	–	1,662,399
Accounts payable	2,289,586	–	–	–	2,289,586
Other payables	9,961,176	–	–	–	9,961,176
Other current liabilities	2,171,353	–	–	–	2,171,353
Bonds payable	23,577	2,150,000	144,369	–	2,317,946
Lease liabilities	131,650	68,914	168,527	55,632	424,723
Other non-current liabilities	2,529,030	722,580	2,167,740	–	5,419,350
Derivative financial instruments					
Derivative financial liabilities	1,837,430	–	–	–	1,837,430
Non-current derivative financial liabilities	–	–	–	–	–
Total	49,261,165	11,265,720	19,121,006	55,632	79,703,523

X. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.3. Liquidity risk (Continued)

Unit: RMB'000

2022	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
Non-derivative financial liabilities					
Short-term borrowings	20,710,735	–	–	–	20,710,735
Long-term borrowings	7,023,337	11,658,314	8,796,118	–	27,477,769
Held-for-trading financing liabilities	3,651,811	–	–	–	3,651,811
Notes payable	2,409,419	–	–	–	2,409,419
Accounts payable	1,547,305	–	–	–	1,547,305
Other payables	6,861,265	–	–	–	6,861,265
Other current liabilities	2,093,211	–	–	–	2,093,211
Bonds payable	–	159,149	2,184,672	–	2,343,821
Lease liabilities	89,886	71,834	112,478	58,742	332,940
Derivative financial instruments					
Derivative financial liabilities	2,350,847	–	–	–	2,350,847
Non-current derivative financial liabilities	–	230,169	–	–	230,169
Total	46,737,816	12,119,466	11,093,268	58,742	70,009,292

XI. DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

Unit: RMB'000

	Fair value at 30 June 2023			
Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at FVTPL				
(1) Accounts receivable	–	5,997,248	–	5,997,248
(2) Structured deposits	–	–	1,203,242	1,203,242
(3) Wealth management products	–	–	134,183	134,183
(4) Others	–	20,963	–	20,963
(II) Investments in other equity instruments	–	–	14,828	14,828
(III) Inventories				
(1) Trading inventories	–	12,101,378	–	12,101,378
(2) Consumable biological assets	–	–	123,529	123,529
(IV) Financing with receivables	–	–	302,722	302,722
(V) Other non-current financial assets				
(1) Entrusted wealth management products of banking financial institutions	–	–	66,707	66,707
(2) Fund trust	–	–	90,302	90,302
(3) Share of partnership	–	–	1,031,166	1,031,166
(4) Share of funds	–	–	847,645	847,645
(5) Targeted asset management plan	–	–	1,114,590	1,114,590
(6) Equity of non-listed company	–	–	156,173	156,173
(7) Equity of listed company	5,380	–	–	5,380
(VI) Derivative financial assets				
(1) Commodity futures contract	2,538,643	–	–	2,538,643
(2) Forward exchange contract	–	60,721	–	60,721
(3) Forward commodity contract	–	647,746	–	647,746
(4) Commodity option contract	42,168	–	–	42,168
				–

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing fair value of assets and liabilities measured at fair value (Continued)

Unit: RMB'000

	Fair value at 30 June 2023			
Item	**Level 1 fair value measurement**	**Level 2 fair value measurement**	**Level 3 fair value measurement**	**Total**
Total assets measured continuously at fair value	2,586,191	18,828,056	5,085,087	26,499,334
(VII) Held-for-trading financial liabilities				
1. Financial liabilities designated as at FVTPL				
Accounts payable	–	2,414,108	–	2,414,108
Liabilities arising from forward commodity contract and gold lease measured at fair value	–	416,450	–	416,450
(VIII) Derivative financial liabilities:				
1. Commodity futures contract	937,398	–	–	937,398
2. Forward exchange contract	–	213,396	–	213,396
3. Forward commodity contract	–	686,636	–	686,636
Total liabilities measured continuously at fair value	937,398	3,730,590	–	4,667,988

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

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 level 2 fair value include accounts receivable, trading inventories, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities at FVTPL, and the related fair value is determined with reference to the quoted price of similar assets or liabilities in active market or other inputs other than the quoted price, the premium/discount prices in the place of origin or nearby regions in the industry research report, long-term offer 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 Level 3 fair value include held-for-trading financial assets, financing with receivables, consumable biological assets, derivative financial assets, investments in other equity instruments, 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 the same kind of wood, the growth period of tree and the discounting of the subsequent input and maintenance fee. The fair value of financing with 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 companies included in investment in other equity instruments 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.

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

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 (Continued)

Unit: RMB'000

Assets/liabilities measured at fair value	Fair value at 30 June 2023	Valuation techniques	Inputs	Significant input data that cannot be observed	Relationship between the input data that cannot be observed and the fair value
Held-for-trading financial assets/ other non-current financial assets	**1,494,434**	Discounted cash flow method	Expected cash flows of the products, yield of similar financial products in private market	Yield of similar financial products in private market	Higher yield of similar financial products in private market, lower fair value
Investments in other equity instruments/ other non-current financial assets	**3,164,402**	Comparable companies analysis/Negotiating transfer price/Net asset adjustment method	Price-to-sales, recent transaction price, DLOM-discount of lack of marketability, lock-up period discount	DLOM-discount of lack of marketability, lock-up period discount	Higher discount rate, lower fair value
Consumable biological assets	**123,529**	Discounted cash flow method	Wood price, growth cycle, and follow-up estimated investment	Follow-up estimated investment	Higher follow-up estimated investment, lower fair value
Financing with receivables	**302,722**	Discounted cash flow method	Expected cash flow of notes, note discount rate in private market	Note discount rate in private market	Higher note discount rate in private market, lower fair value

XI. DISCLOSURE OF FAIR VALUE (CONTINUED)

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, non-current liabilities due within one year, other current liabilities, etc. As the remaining term is not long, their fair values approximate the carrying amounts.

The Group's financial assets and financial liabilities which are subsequently not measured at fair value include other non-current assets, and long-term borrowings and bonds payable respectively. The floating interest rate of the Group's long-term borrowings is linked to the market interest rate.

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit: RMB'0000

Name of the parent	Place of incorporation	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 Company's parent company

As at 30 June 2023, CFC actually held 5,333,220,000 shares of the Company, accounting for 24.69% of the total share capital of the Company.

CFC is the ultimate controller of the Company.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note (IX), 1.

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint ventures and associates of the Company

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

Other joint ventures and associates which have transactions with the Company in the current period or in previous periods with balances are as follows:

Joint ventures or associates	Relationship with the Company
Fu Chuan Mining	Subsidiary of the joint venture
Fu Xing Mining	Subsidiary of the joint venture
Yulu Mining	Associate
Luoyang Shenyu	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
Shanghai Shangju Industrial Co., Ltd. ("Shang Ju")	Subsidiary of the shareholder
Shanghai Yunsheng International Trade Co., Ltd. ("Yun Sheng")	Subsidiary of the shareholder
Contemporary Amperex Technology Co., Limited ("CATL") *(Note)*	Shareholder of the Company
Hu'nan Brunp Encycling Technology Co. Ltd. ("HBET")	Subsidiary of the shareholder
HK Brunp Resource Recycling Technology Co. Limited ("HKBRRT")	Subsidiary of the shareholder
Yichun Times New Energy Technology Co., LTD. ("Yichun Times")	Subsidiary of the shareholder
Brunp and CATL	Subsidiary of the shareholder

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

4. Other related parties (Continued)

Note: On 31 October 2022, Luoyang Guohong Investment Holding Group Co., Ltd. ("Luoyang Guohong"), shareholder of the Company, and Sichuan Times New Energy Technology Co., Ltd. ("Sichuan Times") signed an investment agreement with CATL, pursuant to which Luoyang Guohong increased its capital to Sichuan Times with its 100% equity of LMG. The above transaction was completed on 6 March 2023. Luoyang Guohong no longer held any shares of the Company directly or indirectly through the entities it controls. Sichuan Times, subsidiary of CATL, would indirectly hold 24.68% equity of the Company through LMG and become the second largest indirect shareholder of CMOC. The Company's management believes that CATL and its subsidiaries become related parties of the Company from the effective date of the investment agreement, i.e., from 31 October 2022.

5. Related party transactions

(1). Sale and purchase of goods, rendering and receipt of services

Purchase of goods/receipt of services

Unit: RMB

Related party	**Details of transaction**	**Amount for the current period**	Amount for the prior period
Luoyang Shenyu	Purchase of goods	**6,180,204.47**	–
Yulu Mining	Purchase of goods	**65,047,623.28**	62,073,766.15
Fu Chuan Mining	Purchase of goods	**286,711,894.97**	262,962,498.15
Fu Chuan Mining	Purchase of services	**1,332,792.62**	7,406,026.81
Huayue Nickel Cobalt	Purchase of goods	**1,269,218,805.19**	–
Brunp and CATL	Purchase of goods	**399,431.38**	–

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(1). Sale and purchase of goods, rendering and receipt of services (Continued)

Sale of goods/rendering of services

Unit: RMB

Related party	**Details of transaction**	**Amount for the current period**	Amount for the prior period
Luoyang Shenyu	Sale of goods	**33,705,616.91**	21,822,506.94
Luoyang Shenyu	Rendering of services	**–**	476,190.47
Yulu Mining	Rendering of services	**6,995,428.43**	5,879,159.44
Fu Chuan Mining	Sale of goods	**17,919,511.44**	18,484,248.72
Fu Chuan Mining	Rendering of services	**4,921,895.27**	5,866,110.72
Fu Xing Mining	Sale of goods	**–**	47,561.98
Fu Xing Mining	Rendering of services	**447,829.04**	61,090.00
HBET	Sale of goods	**7,881,057.26**	–

(2). Related party leases

The Company as the lessee

Unit: RMB

Lessor	**Category of leased assets**	**Current depreciation of right-of-use assets**	**Current interest expense on lease liabilities**
Shang Ju	Buildings	8,048,540.74	936,178.32
Yun Sheng	Buildings	4,353,629.94	509,009.96

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(3). Borrowings/loans with related parties

Unit: RMB'000

Related party	Cumulative reimbursement for the period	Interest on borrowings/ for the period	Inception date	Maturity date	Closing balance	Description
Lent to:						
Huayue Nickel Cobalt	–	12,061	From March 2020 to September 2021	From November 2021 to July 2023	524,246	–
CBC	–	–	From May 2022 to August 2022	From May 2024 to August 2024	7,370	–

Note: Financial expenses of RMB191 million arising from the significant financing component contained in the receipt in advance from Brunp and CATL.

(4). Compensation for key management personnel

Unit: RMB'000

Item	Amount for the current period	Amount for the prior period
Compensation for key management personnel	31,304	33,486

XII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due to/from related parties

(1). Receivables

Unit: RMB

Item	Related party	Closing balance Book balance	Closing balance Bad debt provision	Opening balance Book balance	Opening balance Bad debt provision
Accounts receivable	Yulu Mining	**17,696,684.11**	**1,304,741.13**	14,040,363.71	1,082,996.84
Other receivables	Luoyang Shenyu	**583,333.30**	**–**	583,333.33	–
Contract liabilities	Luoyang Shenyu	**678,904.85**	**–**	4,531,916.20	–
Other receivables	Fu Chuan Mining	**640,645.80**	**–**	2,514,333.21	–
Other receivables	Shang Ju	**4,716,599.37**	**–**	4,716,599.37	–
Other receivables	Yun Sheng	**2,564,464.47**	**–**	2,564,464.47	–
Accounts receivable	Fu Chuan Mining	**8,341,515.73**	**105,141.86**	27,516,142.49	699,580.19
Accounts receivable	Fu Xing Mining	**56,617.64**	**65.22**	64,755.40	4,994.11
Interest receivable	Huayue Nickel Cobalt	**111,406,608.93**	**–**	95,540,087.29	–
Other non-current assets	Huayue Nickel Cobalt	**412,839,571.54**	**–**	397,916,144.92	–
Contract liabilities	HKBRRT	**145,195,027.29**	**–**	841,497,690.87	–

(2). Payables

Unit: RMB

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Prepayments	Huayue Nickel Cobalt	**–**	41,063,174.21
Accounts payable	Huayue Nickel Cobalt	**150,375,578.90**	–
Accounts payable	Fu Chuan Mining	**289,596,157.36**	131,262,273.71
Accounts payable	Yulu Mining	**15,393,031.46**	11,421,620.43
Accounts payable	Fu Xing Mining	**–**	26,636,947.19
Other payables	Fu Chuan Mining	**288,318.38**	90,000.00
Lease liabilities	Shang Ju	**38,377,844.70**	30,159,534.30
Lease liabilities	Yun Sheng	**20,866,435.43**	16,398,054.63
Non-current liabilities due within one year	Shang Ju	**16,610,722.51**	20,758,130.27
Non-current liabilities due within one year	Yun Sheng	**9,031,423.78**	11,286,412.31
Other current liabilities	HKBRRT	**971,238,298.81**	–
Other non-current liabilities	Brunp and CATL	**13,957,264,501.19**	13,689,283,467.91
Other payables	Brunp and CATL	**993,547,500.00**	957,632,500.00

XIII. SHARE-BASED PAYMENTS

2021 Phase I Employee Stock Ownership Plan

As approved by the General Meeting of Shareholders of CMOC held on 21 May 2021, CMOC intends to grant the Employee Stock Ownership Plan to five incentive recipients ("Holders"). The grant date of the Employee Stock Ownership Plan is 21 May 2021, and the source of the shares is the A-share ordinary shares of CMOC repurchased by the Company's dedicated repurchase account. The total number of shares granted to the incentive recipients is 48,513,287 shares, and the grant price is RMB2 per share.

According to the Employee Stock Ownership Plan, the term of the Plan shall not exceed 48 months and the lock-up period of the underlying shares acquired shall be 12 months, which is calculated from the date when the Employee Stock Ownership Plan is approved by the General Meeting of Shareholders of the Company and the Company announces the last transfer of the underlying shares into the dedicated repurchase account (17 June 2021). After the expiration of the lock-up period of the underlying shares, the interests of the Employee Stock Ownership Plan shall be allocated to the holders in three installments based on the results of the performance assessment, with the allocation ratio of 30%, 30% and 40% respectively. If the performance assessment criteria are not met in any of the assessment periods, the interests corresponding to the allocation period shall not be allocated, and the relevant interests shall be mandatorily withdrawn by the Management Committee at the grant price and transferred to other eligible employees of the Employee Stock Ownership Plan at the price decided by the Management Committee.

On 10 June 2022, the second holders' meeting of the 2021 Phase I Employee Stock Ownership Plan, the fifth extraordinary meeting of the sixth session of board of directors and the ninth meeting of the sixth session of board of supervisors reviewed and approved the Proposal on Adjusting the 2021 Phase I Employee Stock Ownership Plan of CMOC Group Limited, the Proposal on Amending the 2021 Phase I Employee Stock Ownership Plan of CMOC Group Limited and the Proposal on Amending the Management Measures for the 2021 Phase I Employee Stock Ownership Plan of CMOC Group Limited. Since an employee who participated in the Company's Employee Stock Ownership Plan resigned, the Company recovered the unvested shares of the Employee Stock Ownership Plan held by the resigned employee and awarded them to a new employee determined by the Company, who meets the requirement of the Company's Employee Stock Ownership Plan. The new employee received the relevant shares held by the resigned employee, totaling 7,500,000 shares.

The equity-settled share-based payments of the Group are subsequently measured.

XIII. SHARE-BASED PAYMENTS (CONTINUED)

2021 Phase I Employee Stock Ownership Plan (Continued)

1. *Summary of share-based payments*

Currency: RMB

Total number of the Company's equity instruments granted during the period	–
Total number of the Company's equity instruments vested during the period	55,281,226.92
Total number of the Company's equity instruments lapsed during the period	–
Range of exercise prices and remaining contractual life of the Company's share options outstanding at the end of the period	RMB2/about one year remaining
Range of exercise prices and remaining contractual life of the Company's other equity instruments outstanding at the end of the period	N/A

2. *Equity-settled share-based payments*

Unit: RMB

The method of determining the fair value of equity instruments at the grant date	Based on the closing price of A shares of the Company at the grant date
The basis of determining the number of equity instruments expected to be vested	If the holders meet the requirements stipulated in the "Disposal of the holders' interests" of the stock ownership plan and satisfy the assessment criteria for the Company's performance and personal performance, the corresponding equity instruments are exercisable.
Reasons for the significant difference between the estimate in the current period and that in the prior period	N/A
Amounts of equity-settled share-based payments accumulated in capital reserve	51,991,316.31
Total expenses recognized arising from equity-settled share-based payments	27,596,634.40

XIV. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Significant commitments and their nature and amount at the balance sheet date

Unit: RMB'000

	Closing balance	Opening balance
Contracted but not recognized in the financial statements:		
– Commitment for acquisition and construction of long-term assets	**5,313,965**	2,329,158
– Commitment for external investment *(Note)*	**250,734**	257,440
Total	**5,564,699**	2,586,598

Note: The above commitment for external investment included the Group's investment in an other non-current financial asset.

As at 30 June 2023, the Group had no other commitments that need to be disclosed.

2. Contingencies

(1). Significant contingencies at the balance sheet date

(1) Pending litigations

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 operation. The management believes that the results of such contingencies will not have a material adverse effect on the financial position, operating results or cash flows of the business based on the information currently available.

Niobium-Phosphorus business of the Group in Brazil

The Group's Niobium-Phosphorus business in Brazil may involve various litigations in its daily operation. The management determines the possibility of losing the litigations 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 is low, the management would determine them as contingencies. The results of such contingencies will not have a material adverse effect on the financial position, operating results or cash flows of the business based on the information currently available.

XIV. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies (Continued)

(1). Significant contingencies at the balance sheet date (Continued)

(2) Guarantees

As at 30 June 2023, the Group provides guarantees for the Australian Northparkes copper and gold mine business to Southwest Welsh government agencies of Australia, with guaranteed amount of AUD47,780,000 (equivalent to RMB229,950,000). The relevant joint venture parties agree that any liability of the business could be executed compulsorily from this guarantee. As at 30 June 2023, no material guarantee responsibility was undertaken.

(2). Explanations on contingencies should be presented even if no significant contingency needs to be disclosed in the Company:

Apart from the above, the Company has no other significant contingencies to disclose.

XV. OTHER SIGNIFICANT MATTERS

1. Segment information

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

The management divided the Group's business into six (as at 30 June 2022: 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 on segment reporting is disclosed according to accounting policies and measurement standards adopted by segments when reporting to the management, which should be consistent with those adopted in the preparation of the financial statements.

XV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2). Reporting segment's financial information

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 item	Intersegment eliminations	Total
Operating revenue									
External revenue	4,430,592	849,834	2,959,329	3,969,943	74,323,389	193,169	-	-	86,726,256
Inter-segment revenue	-	-	-	-	-	-	-	-	-
Total segment operating revenue	4,430,592	849,834	2,959,329	3,969,943	74,323,389	193,169	-	-	86,726,256
Total operating revenue in the financial statements	4,430,592	849,834	2,959,329	3,969,943	74,323,389	193,169	-	-	86,726,256
Operating cost	2,897,274	665,806	2,301,094	3,069,606	73,886,501	183,751	-	-	83,004,032
Taxes and levies	-	-	-	-	-	-	859,226	-	859,226
Selling expenses	-	-	-	-	-	-	58,007	-	58,007
Administrative expenses	-	-	-	-	-	-	1,210,293	-	1,210,293
Research and development expenses	-	-	-	-	-	-	107,689	-	107,689
Financial expenses	-	-	-	-	-	-	1,370,089	-	1,370,089
Add: Profit or loss on changes in fair value	-	-	-	-	-	-	1,263,730	-	1,263,730
Investment income	-	-	-	-	-	-	221,027	-	221,027
Gains (losses) from disposal of assets	-	-	-	-	-	-	8,146	-	8,146
Other income	-	-	-	-	-	-	69,195	-	69,195
Impairment gains (losses) of assets	-	-	-	-	-	-	-28,972	-	-28,972
Impairment gains (losses) of credits	-	-	-	-	-	-	-823	-	-823
Segment operating profit	-	-	-	-	-	-	1,649,223	-	1,649,223
Operating profit in the financial statements	-	-	-	-	-	-	1,649,223	-	1,649,223
Add: Non-operating income	-	-	-	-	-	-	1,328	-	1,328
Less: Non-operating expenses	-	-	-	-	-	-	23,753	-	23,753
Total profit	-	-	-	-	-	-	1,626,798	-	1,626,798
Less: Income tax expenses	-	-	-	-	-	-	1,011,601	-	1,011,601
Net profit	-	-	-	-	-	-	615,197	-	615,197

XV. OTHER SIGNIFICANT MATTERS (CONTINUED)

1. Segment information (Continued)

(2). Reporting segment's financial information (Continued)

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 item	Intersegment eliminations	Total
Operating revenue									
External revenue	3,503,010	640,162	3,583,578	9,567,205	74,312,330	160,524	–	–	91,766,809
Inter-segment revenue	–	–	–	–	–	–	–	–	–
Total segment operating revenue	3,503,010	640,162	3,583,578	9,567,205	74,312,330	160,524	–	–	91,766,809
Total operating revenue in the financial statements	3,503,010	640,162	3,583,578	9,567,205	74,312,330	160,524	–	–	91,766,809
Operating cost	1,871,512	509,314	1,779,168	4,189,235	71,808,751	143,283	–	–	80,301,263
Taxes and levies	–	–	–	–	–	–	883,514	–	883,514
Selling expenses	–	–	–	–	–	–	60,573	–	60,573
Administrative expenses	–	–	–	–	–	–	827,426	–	827,426
Research and development expenses	–	–	–	–	–	–	248,345	–	248,345
Financial expenses	–	–	–	–	–	–	729,522	–	729,522
Add: Gains (losses) from changes in fair value	–	–	–	–	–	–	-1,128,528	–	-1,128,528
Investment income	–	–	–	–	–	–	345,040	–	345,040
Income (losses) from disposal of assets	–	–	–	–	–	–	13,307	–	13,307
Other income	–	–	–	–	–	–	30,494	–	30,494
Gains (losses) from assets impairment	–	–	–	–	–	–	-19,725	–	-19,725
Gains (losses) from credit impairment	–	–	–	–	–	–	-7,304	–	-7,304
Segment operating profit	–	–	–	–	–	–	7,949,450	–	7,949,450
Operating profit in the financial statements	–	–	–	–	–	–	7,949,450	–	7,949,450
Add: Non-operating income	–	–	–	–	–	–	5,428	–	5,428
Less: Non-operating expenses	–	–	–	–	–	–	43,157	–	43,157
Total profit	–	–	–	–	–	–	7,911,721	–	7,911,721
Less: Income tax expenses	–	–	–	–	–	–	3,093,652	–	3,093,652
Net profit	–	–	–	–	–	–	4,818,069	–	4,818,069

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

1. Accounts receivable

Unit: RMB

Category	30 June 2023	31 December 2022
Accounts receivable	1,170,660,665.85	846,728,976.47
Total	1,170,660,665.85	846,728,976.47

Credit risk of accounts receivable:

The Company's accounts receivable for which loss allowance is recognized based on expected credit losses are as follows:

Unit: RMB

	30 June 2023			31 December 2022		
	Book balance	Loss allowance	Carrying amount	Book balance	Loss allowance	Carrying amount
Accounts receivable for which loss allowance is recognized based on expected credit losses	1,186,538,968.02	15,878,302.17	1,170,660,665.85	862,978,081.85	16,249,105.38	846,728,976.47

XVI. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables

Presentation of items

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	**356,242,937.55**	582,664,067.06
Dividends receivable	**244,006,084.08**	244,006,084.08
Other receivables	**4,343,799,741.43**	5,696,764,081.35
Total	**4,944,048,763.06**	6,523,434,232.49

Credit risk on other receivables:

The Group has following other receivables, for which the loss allowance has been recognized based on ECL:

Unit: RMB

	30 June 2023			31 December 2022		
	Book balance	Loss allowance	Carrying amount	Book balance	Loss allowance	Carrying amount
Other receivables for which the loss allowance has been recognized based on ECL	**4,371,505,578.79**	**27,705,837.36**	**4,343,799,741.43**	5,724,469,918.71	27,705,837.36	5,696,764,081.35

At 30 June 2023, the management of the Group believes that there's no significant ECL on other receivables, except for the receivables of RMB27,705,837.36 (31 December 2022: RMB27,705,837.36) that have become credit-impaired and for which impairment has been provided in full amount.

3. Long-term equity investments

Unit: RMB

Item	Closing balance Book balance	Impairment provision	Carrying amount	Opening balance Book balance	Impairment provision	Carrying amount
Investments in subsidiaries	**31,122,146,219.11**	**53,451,524.66**	**31,068,694,694.45**	31,094,549,584.71	53,451,524.66	31,041,098,060.05
Investments in associates and joint ventures	**258,176,607.69**	**–**	**258,176,607.69**	342,337,194.20	–	342,337,194.20
Total	**31,380,322,826.80**	**53,451,524.66**	**31,326,871,302.14**	31,436,886,778.91	53,451,524.66	31,383,435,254.25

XVI. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(1) Investments in subsidiaries

Unit: RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Impairment provision	Impairment provision at the end of the period
International Hotel	290,000,000.00	–	–	**290,000,000.00**	–	–
Ye Lian	305,638,250.27	–	–	**305,638,250.27**	–	–
Metal Material	170,000,000.00	–	–	**170,000,000.00**	–	–
Sales Company *(Note 1)*	50,700,000.00	–	–	**50,700,000.00**	–	–
Wu Ye	100,000,000.00	–	–	**100,000,000.00**	–	–
Beijing Yongbo *(Note 2)*	277,191,666.69	7,359,995.02	–	**284,551,661.71**	–	–
Da Dong Po	33,483,749.86	–	–	**33,483,749.86**	–	19,926,488.19
San Qiang	33,397,038.41	–	–	**33,397,038.41**	–	16,496,136.47
Jiu Yang	17,028,900.00	–	–	**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**	–	–
CMOC HK	1,869,455,300.96	–	–	**1,869,455,300.96**	–	–
Schmocke	660,000,000.00	–	–	**660,000,000.00**	–	–
CMOC Limited *(Note 1)*	25,889,849,209.48	–	–	**25,889,849,209.48**	–	–
CMOC Mining Pty *(Note 1)*	39,000,000.00	–	–	**39,000,000.00**	–	–
Shanghai Muchao *(Note 2)*	117,285,469.04	20,236,639.38	–	**137,522,108.42**	–	–
Total	31,094,549,584.71	27,596,634.40	–	**31,122,146,219.11**	–	53,451,524.66

Note 1: The Company provides guarantee for the subsidiaries' USD borrowings and recognizes relevant investment cost on the basis of the fair value of the guarantee.

Note 2: Investment cost is recognized by the Company for settlement of employee stock ownership plan of subsidiaries.

XVI. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (Continued)

(2) Investments in associates and joint ventures

Unit: RMB

		Changes for the period									
Investee	Opening balance	Additional investments	Decreased investments	Investment income (loss) recognized under equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared for distribution	Provision for impairment losses	Others	Closing balance	Impairment provision at the end of the period
I. Joint venture											
Huan Yu	245,281,662.35	–	–	–104,297,543.89	–	–	–	–	–	140,984,118.46	–
Fu Chuan Mining	24,478,357.01	–	–	15,019,810.82	–	–	–	–	–	39,498,167.83	–
Sub-total	269,760,019.36	–	–	–89,277,733.07	–	–	–	–	–	180,482,286.29	–
II. Associates											
Yulu Mining	68,919,332.33	–	–	37,043,615.19	–	–	36,100,000.00	–	–	69,862,947.52	–
Nanomoly Development	–	–	–	–	–	–	–	–	–		–
Luoyang Shenyu	3,657,842.51	–	–	173,531.37	–	–	–	–	–	3,831,373.88	–
Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd.	–	4,000,000.00	–	–	–	–	–	–	–	4,000,000.00	–
Sub-total	72,577,174.84	4,000,000.00	–	37,217,146.56	–	–	36,100,000.00	–	–	77,694,321.40	–
Total	342,337,194.20	4,000,000.00	–	–52,060,586.51	–	–	36,100,000.00	–	–	258,176,607.69	–

XVI. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4. Operating revenue and operating cost

(1). Operating revenue and operating cost

Unit: RMB

Item	Amount for the current period revenue	Cost	Amount for the prior period revenue	Cost
Principal operating activities	**3,836,892,008.67**	**1,847,537,237.82**	2,542,426,250.86	1,238,665,095.88
Other operating activities	**120,593,949.64**	**110,460,271.64**	153,876,131.72	149,739,805.64
Total	**3,957,485,958.31**	**1,957,997,509.46**	2,696,302,382.58	1,388,404,901.52

5. Investment income

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investment under equity method	**-52,060,586.51**	-33,698,442.67
Investment income from holding held-for-trading financial assets	–	18,062,916.31
Investment income from holding other non-current financial assets	–	19,207,158.18
Dividend income from subsidiaries	–	1,610,736,000.00
Investment income from disposal of subsidiaries	–	-94,270.15
Interest on discounting of notes derecognized	–	-1,242,118.06
Total	**-52,060,586.51**	1,612,971,243.61

XVII. SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

Unit: RMB

Item	Amount	Description
Profit or loss on disposal of non-current assets	8,074,329.94	–
Tax refunds, reductions or exemption with ultra vires approval or without official approval documents	–	–
Government grants recognized through profit or loss (excluding those having close relationship with the Group's operation and enjoying fixed amount or quantity according to uniform national standard)	69,374,717.66	–
Capital occupation fees received from non-financial entities which recognized in profit or loss	12,061,379.59	–
Profit or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, and derivative financial liabilities, as well as the income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in the effective hedging activities related to the Company's normal operating business	1,078,532,351.36	Including: RMB951 million from the changes in fair value of derivatives of IXM's metal trading business
Other non-operating income or expenses other than the above	-13,547,195.26	–
Other profit or loss that meets the definition of non-recurring profit or loss	-556,443,567.61	Including: profit or loss of RMB-573 million related to IXM's metal trading business other than those mentioned above
Less: Income tax effects	114,797,397.82	–
Effects attributable to minority interests (after tax)	87,562.00	–
Total	483,167,055.86	–

XVII. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	EPS Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	1.32	0.033	0.033
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	0.41	0.010	0.010

Chairman: Yuan Honglin

Date of Submission Approved by the Board: 25 August 2023