洛陽欒川鉬業集團股份有限公司

CMOC Group Limited*

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code: 603993.SH 03993.HK

2023

ANNUAL REPORT

To be a respected, modern, and world-class resources company

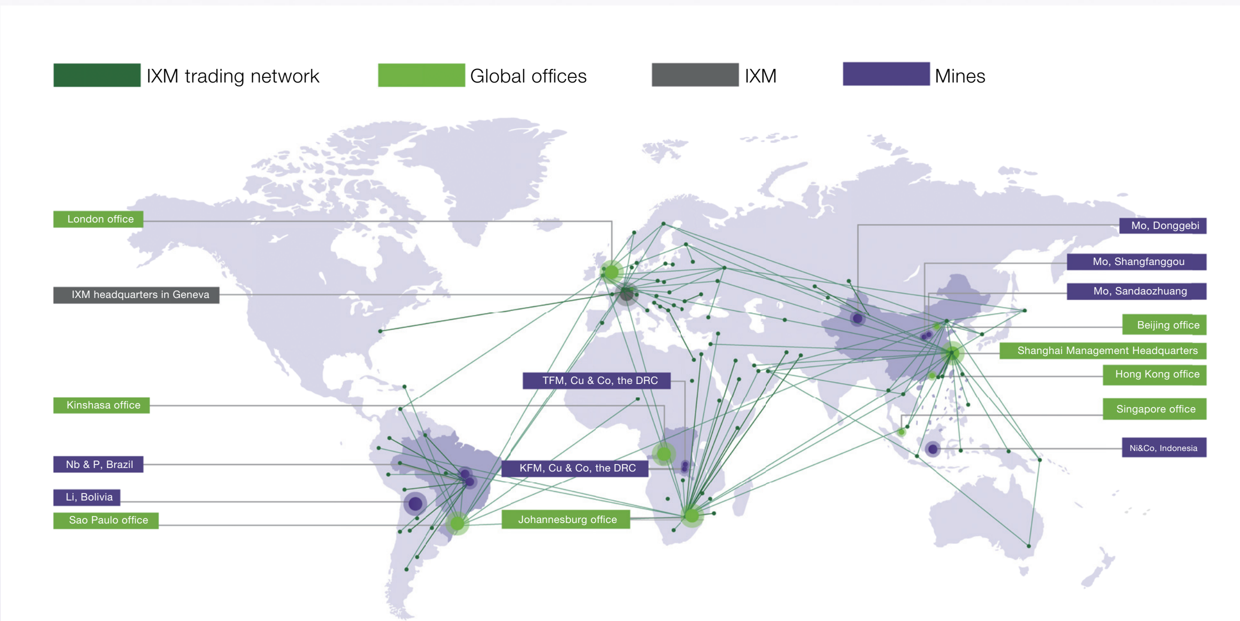
* For identification purposes only

Contents

COMPANY PROFILE

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

The Company engages in the non-ferrous metal industry, mainly the mining and processing business, which includes mining, beneficiation, smelting and refining of base and rare metals, and mineral trading business. With its main business located over Asia, Africa, South America, Oceania and Europe, the Company is the world's leading producer of copper, cobalt, molybdenum, tungsten and niobium. 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 841st among the top 2,000 global listed companies by Forbes 2023, 28th among the top 50 global mining companies (by market value) in 2023, and 158th among the Fortune China 500 in 2023.



One of the first 234 constituents included in the MSCI Emerging Markets Index

MSCI ESG Rating up to AA among the top 20% of the global non-ferrous metal industry

Ranked 158th in the 2023 Fortune China 500

Ranked 28th in the top 50 global mining companies by market value in 2023

100 Billion RMB

The Company's market capitalization, total assets, and operating income have all surpassed RMB100 billion

80+ Countries

The trading network covers over 80 countries and operating mines in 5 countries

11,995 Employees

A total of 11,995 employees, benefit more than 270,000 people worldwide

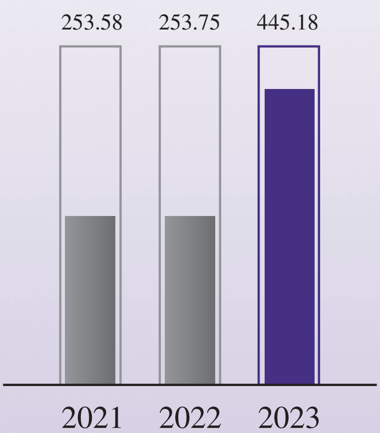
A+H

Listed in both Shanghai Stock Exchange and the Stock Exchange of Hong Kong

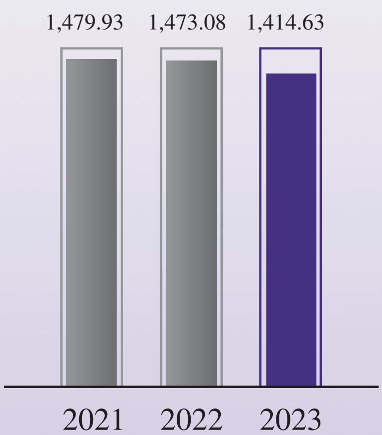
BUSINESS MODEL

The Company adopts a "mining + trading" development model, covering "exploration–mining–beneficiation–smelting–trading" 5 steps. The Company have achieved an overall presence in copper-cobalt-nickel-lithium new energy metals, and also strategic metals including molybdenum, tungsten, niobium, and phosphate fertilizer. IXM realizes the extension of the mining industry chain, creating synergy among existing customers, sales, supply chain, logistics and risk control.

Operating revenue from the mining sector (RMB100 million)



Operating revenue from the principal operating activities of the trading sector (RMB100 million)



REPORT SUMMARY

PRODUCT SITUATION

In recent years, the Company has been actively allocating global high-quality assets and world-class resources, while also focusing on future growth and value creation. During the reporting period, the Company's resources of copper, cobalt, molybdenum, tungsten and niobium maintain a global leading position.

Resource (measured in metal: as of 2023)

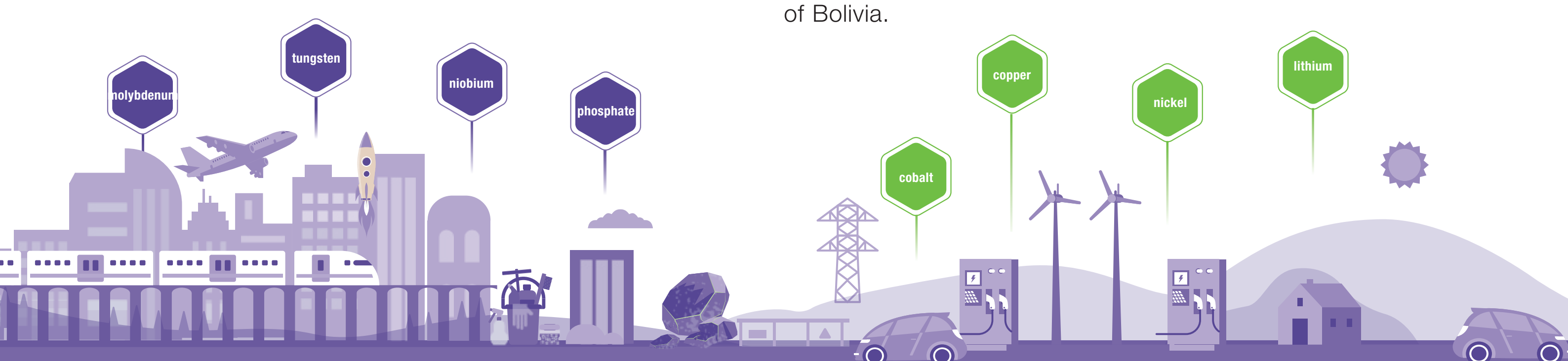
Mineral product	Resource (0,000 tonnes)
Copper metal (TFM+KFM)	3,463.82
Cobalt metal (TFM+KFM)	524.64
Molybdenum metal	136.25
Tungsten metal	10.97
Niobium metal	203.6
Phosphate	8,222.63

Nickel

The Company holds a 30% equity interest in the Huayue Nickel and Cobalt project and underwrites MHP products on a pro-rata basis.

Lithium

In January 2024, under the witness of President Arce of Bolivia, Zhou Qinghua, the representative of consortium CATL BRUNP & CMOC (CBC), and Carlos, the President of Bolivian Lithium Deposits (YLB) signed an agreement for the construction of a pilot plant based on direct lithium extraction (DLE) technology at Salar de Uyuni in Potosí at the Office of the President of Bolivia.



REPORT SUMMARY

In 2023
The Company pursues profitable revenue, profit with cash flow

Record-breaking operating revenue: RMB**186.3** billion, up **8**% YoY

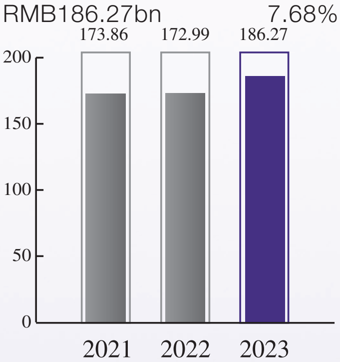
Net profit attributable to the parent company reached a record high: RMB**8.25** billion, up **36**% YoY

IXM concluded a historic net profit: RMB**900** million, up **613**% YoY

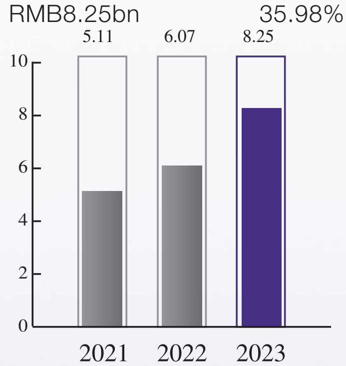
Stable operating cash flow: RMB**15.5** billion, up **1**% YoY

Dividends exceed the industry average: RMB**1.5425** per 10 shares

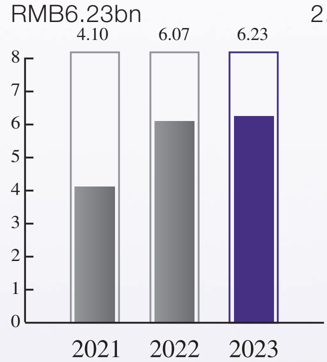
Operating revenue YoY up
RMB186.27bn 7.68%



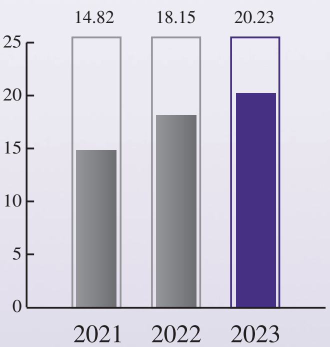
Net profit attributable to the parent company YoY up
RMB8.25bn 35.98%



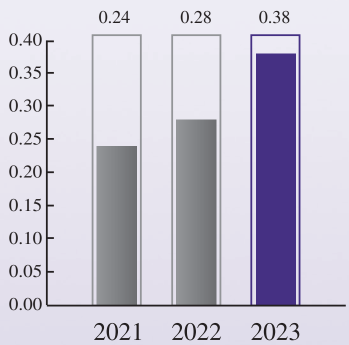
Net profit attributable to the parent company after deducting extraordinary items YoY up
RMB6.23bn 2.73%



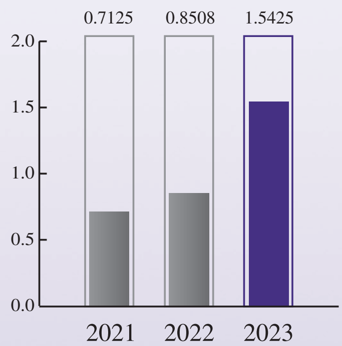
EBITDA YoY up
RMB20.23bn 11.45%



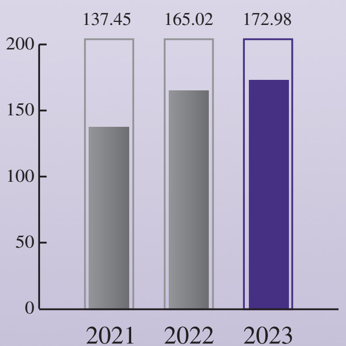
EPS YoY up
RMB0.38 35.71%



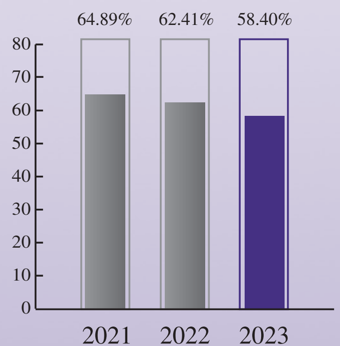
Dividend (every 10 shares)
RMB1.5425



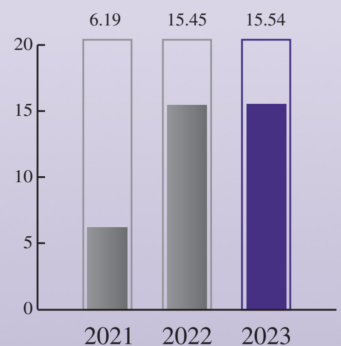
Total assets YoY up
RMB172.98bn 4.8%



Gearing ratio YoY dropped
58.40% 4 percentage points



Net cash flow from operating activities YoY up
RMB15.54bn 0.6%

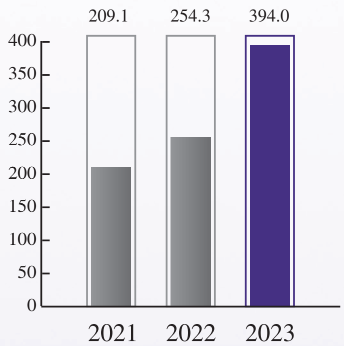


REPORT SUMMARY

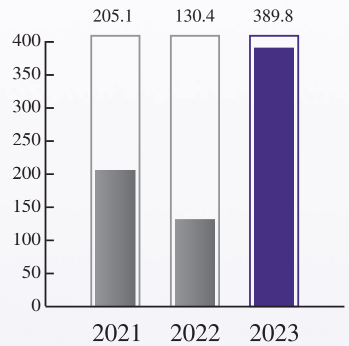
In 2023
Significant YoY increase of the output of all products

The output of copper, cobalt, niobium, and phosphate fertilizers of the Company reached record highs. The Company's copper production is approaching top 10 in the world, and it has become the world's No.1 Cobalt producer. The global production of molybdenum, tungsten, and niobium is expected to maintain its leading position.

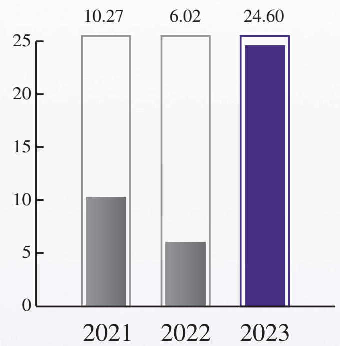
Copper production volume (Excluding NPM, the same after) 394.0kt



Sales volume 389.8kt

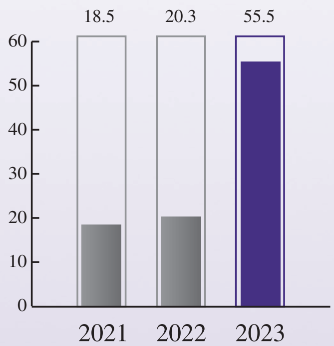


Operating revenue RMB24.60bn

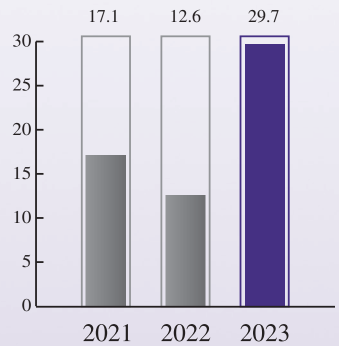


(Note: Data of 2021 and 2022 from mining sector, data of 2023 from final realized external sales volume)

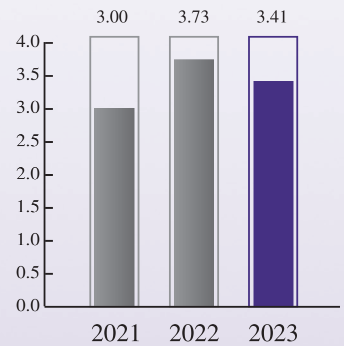
Cobalt production volume 55.5kt



Sales volume 29.7kt

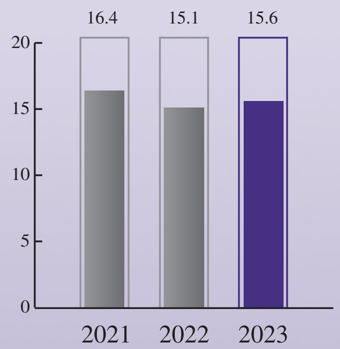


Operating revenue RMB3.41bn

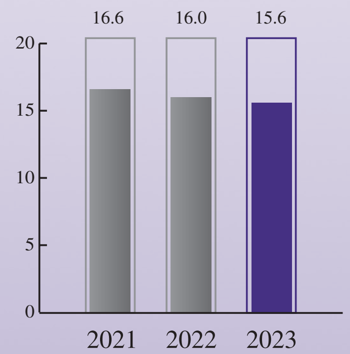


(Note: Data of 2021 and 2022 from mining sector, data of 2023 from final realized external sales volume)

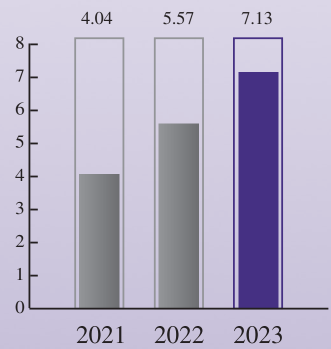
Molybdenum production volume 15.6kt



Sales volume 15.6kt

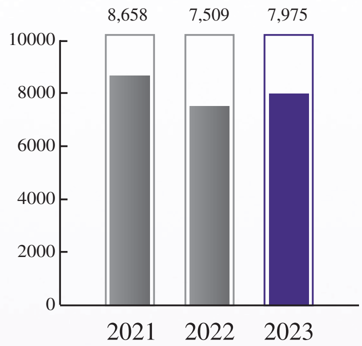


Operating revenue RMB7.13bn



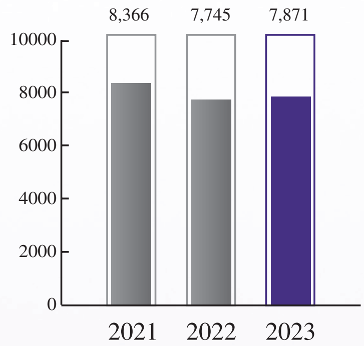
REPORT SUMMARY

Tungsten
production volume 7,975t

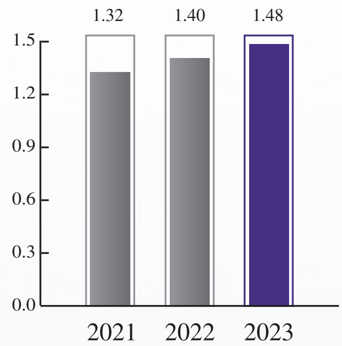


(Note: excluding Yulu Mining)

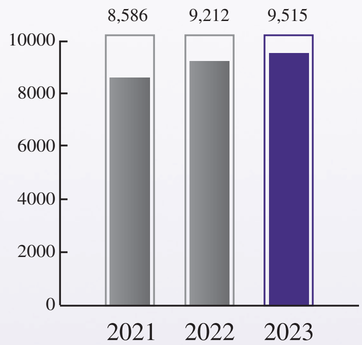
Sales volume 7,871t



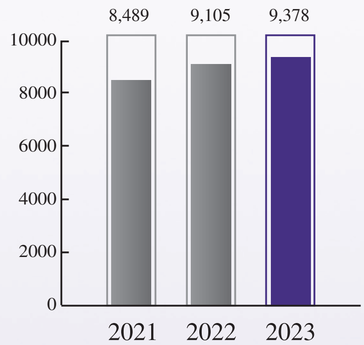
Operating
revenue RMB1.48bn



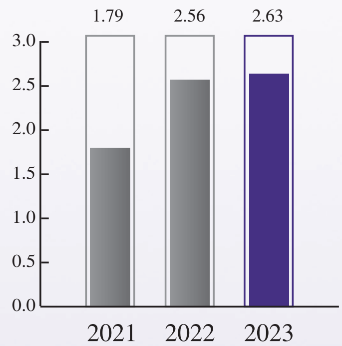
Niobium
production volume 9,515t



Sales volume 9,378t

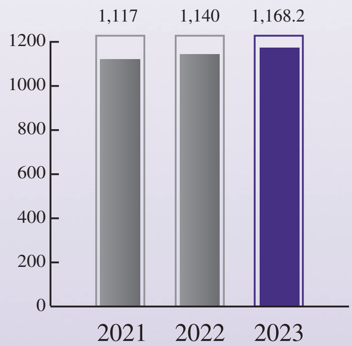


Operating
revenue RMB2.63bn

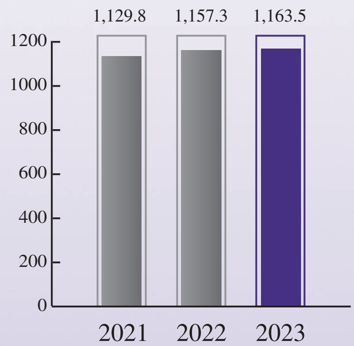


(Note: Sales data of 2021 to 2023 from mining sector)

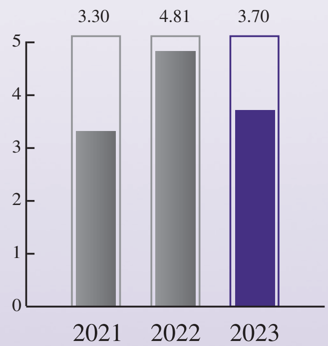
Phosphate fertilizer
production volume 1,168.2kt



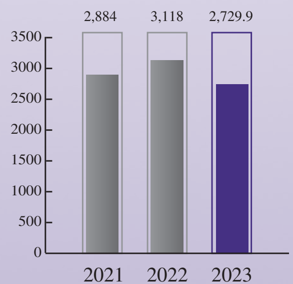
Sales volume 1,163.5kt



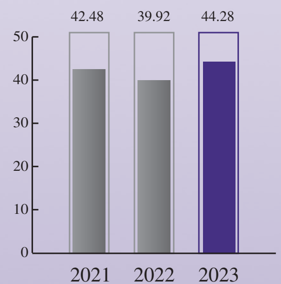
Operating
revenue RMB3.70bn



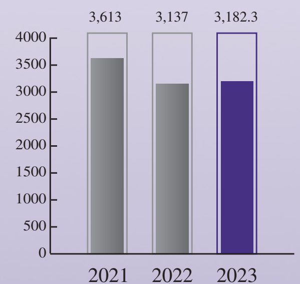
Concentrate products
(sales volume of
trading sector) 2,729.9kt



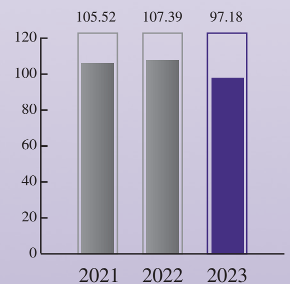
Operating revenue
from the principal
operating activities RMB44.28bn



Refined metal
(sales volume of
trading sector) 3,182.3kt



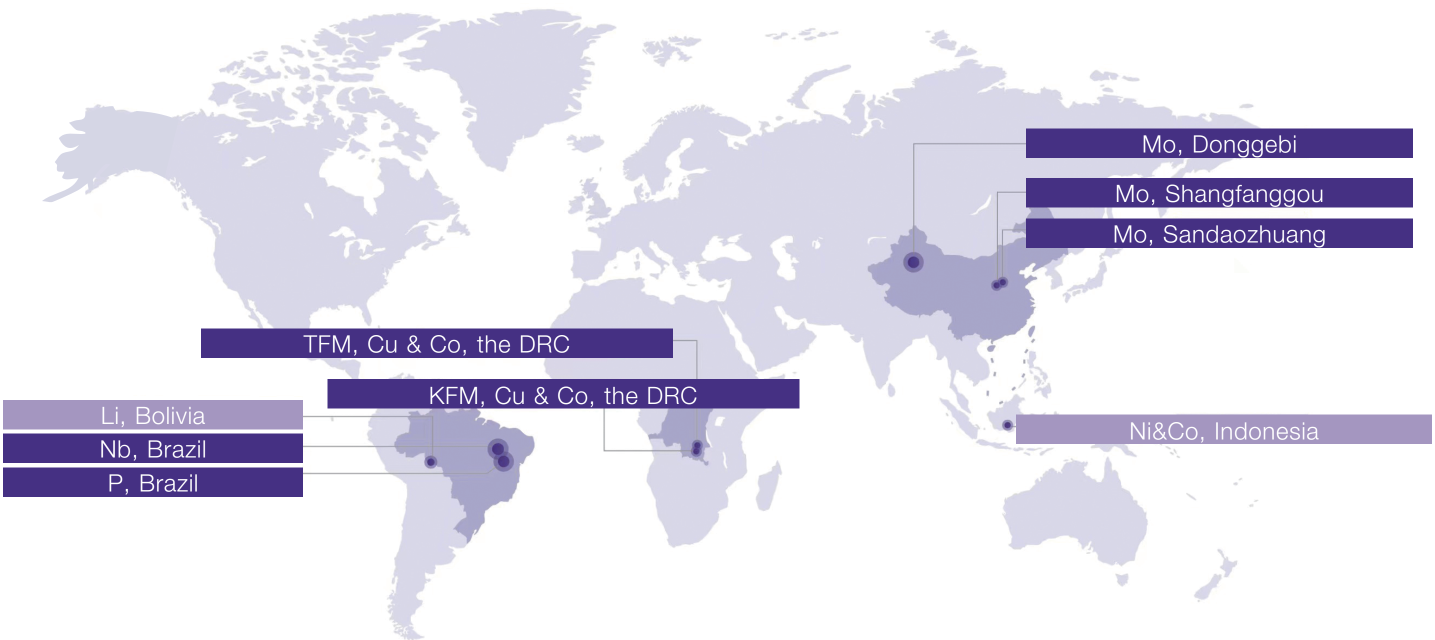
Operating revenue
from the principal
operating activities RMB97.18bn



REPORT SUMMARY

OUR MINES AROUND THE WORLD

The Company operates 7 high-quality mines in China, the DRC, and Brazil.



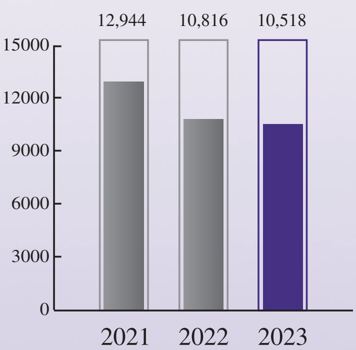
MOLYBDENUM AND TUNGSTEN IN CHINA

In 2023, overcoming the challenges of declining grades and grasping market opportunities, CMOC China achieved an operating revenue of RMB8.611 billion, up 23.63% YoY, with a gross profit of RMB3.751 billion, creating a record performance. In 2024, CMOC China will continue to serve as a "stable anchor" for the Company's results.

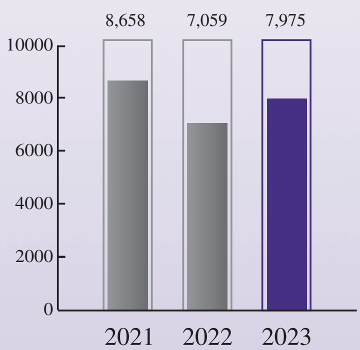
Production volume of 2021–2023 (tonnes)

Sandaozhuang Molybdenum Mine

Molybdenum

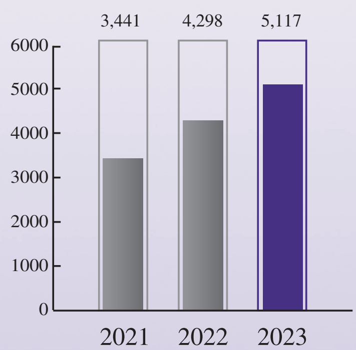


Tungsten



Shangfanggou Molybdenum Mine

Molybdenum



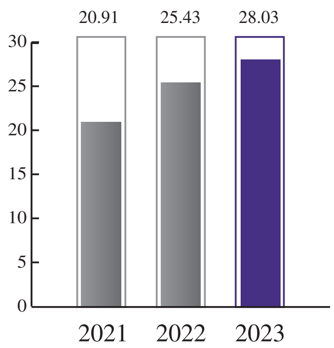
(Note: excluding Yulu Mining)

COPPER AND COBALT IN THE DRC

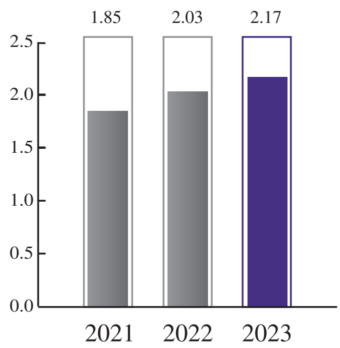
The Company operates two world-class mines, TFM and KFM, in the DRC. In 2023, it achieved an operating revenue of RMB28 billion, up 187.24% YoY, with a gross profit of RMB12.402 billion. With all three production lines of the mixed ore project commissioned successfully, the current copper and cobalt production capacity of TFM is at 450,000 tons and 37,000 tons respectively, and the current copper and cobalt production capacity of KFM exceeds 90,000 tons and 30,000 tons respectively. In 2024, our mines in the DRC will serve as a "booster" for the Company to rank among the top 10 copper producers in the world.

TENKE FUNGURUME Mining

TFM 2021-2023
Copper production (0,000 tonnes)

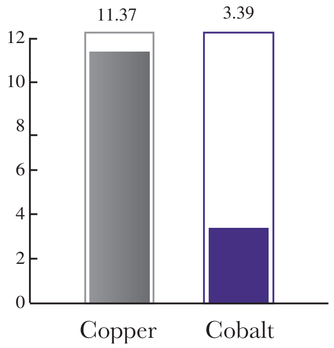


TFM 2021-2023
Cobalt production (0,000 tonnes)



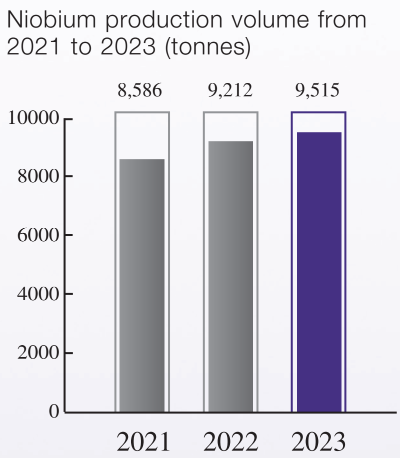
KFM KISANFU MINING

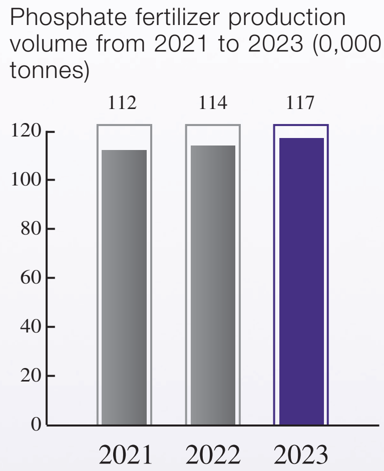
KFM 2023 Production (0,000 tonnes)



NIOBIUM AND PHOSPHATE IN BRAZIL

CMOC Brazil is the leading global niobium producer, engaging in exploration, mining, refining, processing and marketing of niobium ore and mainly producing ferroniobium. It is also the leading phosphate fertilizer producer in Brazil with business covering the entire phosphate industry chain. In 2023, CMOC Brazil achieved operating revenue of RMB6.324 billion and gross profit of RMB1.542 billion. In 2024, CMOC Brazil will support the Company to thrive in the strategic metals sector.





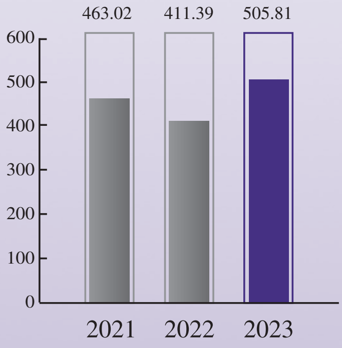
REPORT SUMMARY

THE TRADING SECTOR

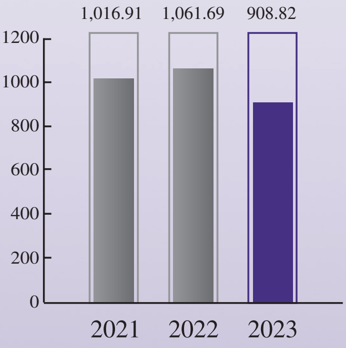
Trading in more than 80 countries around the world with main product lines of copper, zinc, lead, precious metal ore concentrate, refined copper, zinc, nickel, IXM has built a global logistics and warehousing network. The main destinations of IXM's products are Asia and Europe. In 2023, IXM implemented a management reform which yielded results with the operating revenue from the principal operating activities of RMB141.463 billion and gross profit of RMB2.055 billion.

- A unique platform developed over 17 years focused on key metals only
- Combine CMOC flow and global third-party flow to optimize allocation of global books
- Leverage various financing solutions and tenors to optimize the use of working capital, support customers in managing their working capital use
- Employ 100+ experienced global operators to fulfill procurement and sales commitments, ensuring suppliers including CMOC and others, and receivers receive best in class service
- Reduce freight costs, financing days and satisfy stakeholder requirements
- Hire a team of 16 full-time research analysts to capture and analyze market intelligence to support the Company's decision-making

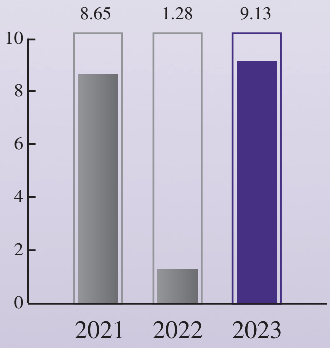
Operating revenue from the principal operating activities of trading in China (RMB100 million)



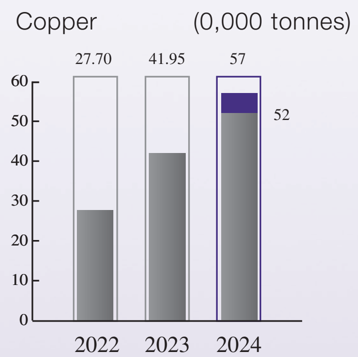
Operating revenue from the principal operating activities of trading overseas (RMB100 million)

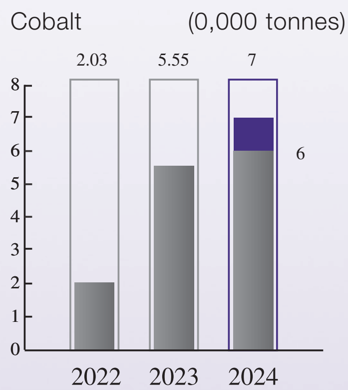


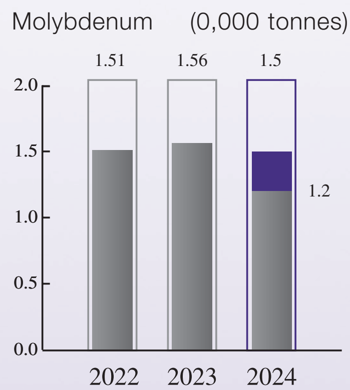
Net profit attributable to parent company of IXM (RMB100 million)

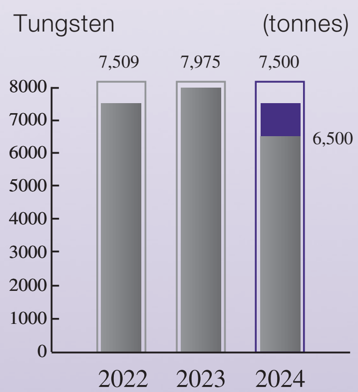


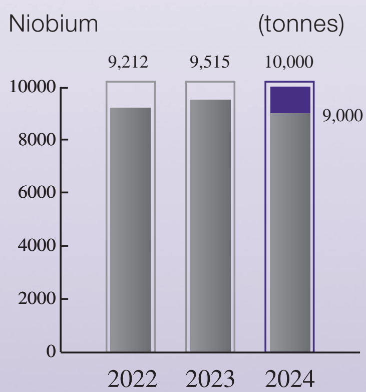
PRODUCTION VOLUME GUIDANCE FOR 2024

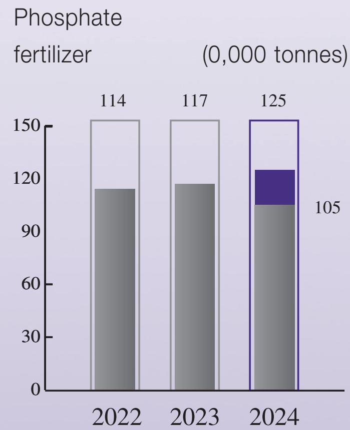












(Note: production volume of tungsten metal excluding Yulu Mining)

REPORT SUMMARY

ESG AND SUSTAINABLE DEVELOPMENT

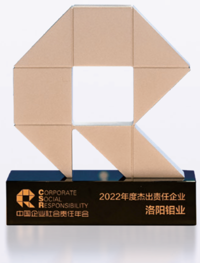
During the reporting period, the Company improved its management system and consolidated its position as an ESG leader.

MSCI rating up to AA and among the top 20% of the global non-ferrous metals mining industry

IXM's EcoVadis rating up to gold and among the top 3% of global metals and ore traders

Shortlist in the S&P Global Sustainability Yearbook (China Edition) 2023

Won the Best Practice Cases of Rural Revitalization of Listed Companies issued by CAPCO



Won the Low-Carbon Pioneer and Outstanding Responsible Enterprise Awards issued by CSR

Won the 2023 ESG Pioneer Awards issued by Finance Associated Press

HIGHLIGHTS OF ESG WORK IN 2023

- Continuously promoted the construction of ESG system, and set up a comprehensive ESG management team at both headquarters and each operating unit.
- First released the group-wide Carbon Neutral Roadmap, and officially announced the dual carbon plan; Initiated TCFD climate-related risk identification, assessment and disclosure, and published the first TCFD report.
- Achieving world-leading environmental performance, with carbon intensity 95% lower than the industry average, 41% renewable energy accounts, and 80% recycled water usage.
- Global community program funding reached RMB296 million, involving education, healthcare, economic development, infrastructure construction.
- The global direct economic contribution in 2023 totaled approximately RMB182.9 billion.

I. SUMMARIZED FINANCIAL INFORMATION

Unit: Yuan Currency: RMB

Major accounting information	**2023**	2022	Increase or decrease as compared to last year *(%)*	2021
Operating revenue	**186,268,971,920.54**	172,990,857,221.36	7.68	173,862,586,154.82
Net profit attributable to shareholders of listed company	**8,249,711,872.51**	6,066,946,564.19	35.98	5,106,017,249.81
Net profit after deduction of non-recurring profits or losses attributable to shareholders of listed company	**6,232,811,345.95**	6,066,908,349.50	2.73	4,103,233,118.22
Net cash flow from operating activities	**15,542,003,495.74**	15,453,761,072.68	0.57	6,190,648,051.98

	At the end of 2023	At the end of 2022	Increase or decrease as compared to last year *(%)*	At the end of 2021
Net assets attributable to shareholders of listed company	**59,540,269,707.03**	51,698,562,059.68	15.17	39,845,286,626.30
Total assets	**172,974,530,702.61**	165,019,219,538.77	4.82	137,449,772,623.15

II. MAJOR FINANCIAL INDICATORS

Major financial indicators	**2023**	2022	Increase or decrease as compared to last year *(%)*	2021
Basic earnings per share *(RMB Yuan per Share)*	**0.38**	0.28	35.71	0.24
Diluted earnings per share *(RMB Yuan per Share)*	**0.38**	0.28	35.71	0.24
Basic earnings per share after deduction of non-recurring profits or losses *(RMB Yuan per Share)*	**0.29**	0.28	3.57	0.19
Weighted average return on net assets *(%)*	**15.00**	13.41	Increased by 1.59 percentage points	12.93
Weighted average return on net assets after deduction of non-recurring profits or losses *(%)*	**11.31**	13.41	Decreased by 2.10 percentage points	10.39

III. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT OR LOSS

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	**The amount of 2023**	The amount of 2022	The amount of 2021
Profits or losses from disposal of non-current assets, including the written-off portion of provisions for asset impairment	**2,123,555,131.49**	29,128,043.33	-5,274,617.13
Government grants included in profit and 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 according to the determined criteria or have a continuous impact on the Company's profit or loss	**104,751,583.26**	85,350,604.54	58,214,845.39
Profit and loss of changes in fair value arising from holding of financial assets and financial liabilities by non-financial institutions and the profit and loss arising from disposal of financial assets and financial liabilities, except for effective hedging activities associated with normal business operations of the Company	**355,074,065.85**	-1,684,640,006.66	-3,663,615,218.75
Capital utilization fees received from non-financial institutions included in profit or loss for the current period	**24,077,394.94**	23,307,175.31	–
Other non-operating income and expenses other than the above items	**-80,014,863.12**	-84,589,768.19	-33,359,535.00
Other profit or loss items falling within the definition of non-recurring profit or loss	**22,699,579.14**	1,697,549,933.24	4,845,052,558.31
Less: Income tax effects	**535,326,970.56**	66,688,586.86	198,826,642.76
Effects attributable to minority interests (after tax)	**-2,084,605.56**	-620,819.98	-592,741.53
Total	**2,016,900,526.56**	38,214.69	1,002,784,131.59

IV. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	**31 December 2023**	31 December 2022	Increase (decrease)
Current assets:			
Cash and bank balances	**30,716,077,208.96**	32,647,565,268.28	-5.92%
Held-for-trading financial assets	**8,284,638,370.17**	4,236,792,942.19	95.54%
Derivative financial assets	**2,213,551,710.77**	1,944,853,567.32	13.82%
Accounts receivables	**1,132,003,814.45**	800,256,289.83	41.46%
Financing receivables	**260,311,068.16**	388,389,728.54	-32.98%
Prepayments	**1,181,770,447.66**	2,129,545,006.22	-44.51%
Other receivables	**4,252,138,393.05**	5,017,084,484.19	-15.25%
Including: Interests receivable	**263,164,810.93**	618,379,463.56	-57.44%
Dividends receivable	**13,108,902.07**	–	100.00%
Inventories	**31,430,496,020.23**	32,254,722,426.64	-2.56%
Non-current assets due within one year	**1,092,589,539.03**	1,757,787,239.02	-37.84%
Other current assets	**3,084,006,776.18**	4,504,795,377.38	-31.54%
Total current assets	**83,647,583,348.66**	85,681,792,329.61	-2.37%
Non-current assets:			
Long-term equity investment	**2,228,736,782.08**	1,933,910,294.77	15.25%
Other investments in equity instruments	**7,729,190.40**	14,827,558.48	-47.87%
Other non-current financial assets	**3,199,384,854.99**	3,554,476,351.83	-9.99%
Fixed assets	**35,603,658,029.61**	28,055,742,014.75	26.90%
Construction in progress	**10,621,107,850.33**	13,659,085,249.76	-22.24%
Inventories	**7,136,659,350.36**	7,001,735,495.28	1.93%
Right-of-use assets	**345,706,233.11**	264,313,360.66	30.79%
Intangible assets	**22,960,384,817.88**	19,447,513,419.29	18.06%
Goodwill	**430,141,140.73**	422,968,781.50	1.70%
Long-term prepaid expenses	**227,766,417.14**	217,666,607.09	4.64%
Deferred tax assets	**1,665,443,079.84**	1,111,487,581.86	49.84%
Other non-current assets	**4,900,229,607.48**	3,653,700,493.89	34.12%
Total non-current assets	**89,326,947,353.95**	79,337,427,209.16	12.59%
Total assets	**172,974,530,702.61**	165,019,219,538.77	4.82%

FINANCIAL HIGHLIGHTS

Item	31 December 2023	31 December 2022	Increase (decrease)
Current liabilities:			
Short-term borrowings	**24,954,249,917.03**	20,107,509,714.04	24.10%
Held-for-trading financing liabilities	**2,948,580,363.16**	3,651,811,361.47	-19.26%
Derivative financial liabilities	**1,108,796,282.04**	2,350,847,071.76	-52.83%
Notes payable	**1,142,025,881.71**	2,409,419,326.42	-52.60%
Accounts payable	**3,556,152,616.98**	1,547,305,043.03	129.83%
Contract liabilities	**2,515,301,405.33**	1,689,792,175.08	48.85%
Employee benefits payable	**1,472,512,919.45**	1,017,993,590.42	44.65%
Taxes payable	**2,118,205,384.20**	804,749,758.78	163.21%
Other payables	**4,773,801,730.98**	6,861,265,106.60	-30.42%
Including: Interests payable	**–**	234,561,190.61	-100.00%
Dividends payable	**27,885,796.67**	27,885,796.67	0.00%
Non-current liabilities due within one year	**3,769,999,779.97**	6,905,036,819.39	-45.40%
Other current liabilities	**620,646,123.74**	2,715,386,791.93	-77.14%
Total current liabilities	**48,980,272,404.59**	50,061,116,758.92	-2.16%
Non-current liabilities:			
Non-current derivative financial liabilities	**–**	230,168,848.27	-100.00%
Long-term borrowings	**18,767,717,544.93**	18,975,172,198.88	-1.09%
Bonds payable	**2,000,000,000.00**	2,150,000,000.00	-6.98%
Lease liabilities	**230,938,527.58**	209,349,065.29	10.31%
Long-term employee benefits payable	**471,660,892.08**	356,539,615.25	32.29%
Provisions	**2,837,087,652.97**	3,167,361,155.32	-10.43%
Deferred income	**38,532,783.50**	45,713,239.10	-15.71%
Deferred tax liabilities	**5,991,178,925.91**	6,092,532,551.64	-1.66%
Other non-current liabilities	**21,694,967,763.74**	21,693,849,406.96	0.01%
Total non-current liabilities	**52,032,084,090.71**	52,920,686,080.71	-1.68%
Total liabilities	**101,012,356,495.30**	102,981,802,839.63	-1.91%

Item	31 December 2023	31 December 2022	Increase (decrease)
Owners' equity (or Shareholders' equity):			
Share capital	**4,319,848,116.60**	4,319,848,116.60	0.00%
Other equity instruments	**1,000,000,000.00**	1,000,000,000.00	0.00%
Including: Perpetual bonds	**1,000,000,000.00**	1,000,000,000.00	0.00%
Capital reserve	**27,694,825,276.01**	27,681,918,087.25	0.05%
Less: Treasury shares	**1,266,543,810.15**	1,325,021,131.22	-4.41%
Other comprehensive income	**1,574,263,722.33**	294,879,708.74	433.87%
Special reserve	**140,310,748.25**	22,655,587.06	519.32%
Surplus reserve	**2,099,837,960.76**	1,684,388,527.69	24.66%
Retained profits	**23,977,727,693.23**	18,019,893,163.56	33.06%
Total equity attributable to shareholders of the parent company	**59,540,269,707.03**	51,698,562,059.68	15.17%
Minority interests	**12,421,904,500.28**	10,338,854,639.46	20.15%
Total owners' equity (or Shareholders' equity)	**71,962,174,207.31**	62,037,416,699.14	16.00%
Total liabilities and owners' equity (or Shareholders' equity)	**172,974,530,702.61**	165,019,219,538.77	4.82%

FINANCIAL HIGHLIGHTS

Consolidated Income Statement

Unit: Yuan Currency: RMB

Item	2023	2022	Increase (decrease)
I. Total operating revenue	**186,268,971,920.54**	172,990,857,221.36	7.68%
Including: Operating revenue	**186,268,971,920.54**	172,990,857,221.36	7.68%
II. Total operating costs	**177,115,447,407.40**	162,246,417,529.62	9.16%
Including: Operating costs	**168,158,197,786.94**	156,926,248,131.67	7.16%
Taxes and levies	**3,084,375,433.21**	1,235,110,800.28	149.72%
Selling expenses	**155,415,623.44**	97,171,422.69	59.94%
Administrative expenses	**2,386,530,147.14**	1,790,812,081.35	33.27%
Research and development expenses	**327,085,170.70**	388,609,726.55	-15.83%
Financial expenses	**3,003,843,245.97**	1,808,465,367.08	66.10%
Including: Interest expenses	**4,138,052,209.88**	2,795,047,621.88	48.05%
Interest income	**1,643,253,592.10**	1,189,038,307.66	38.20%
Add: Other income	**112,142,038.86**	85,350,604.54	31.39%
Investment income (losses are indicated by "-")	**2,483,302,857.88**	725,919,489.77	242.09%
Including: Income from investments in associates and joint ventures	**374,876,198.04**	645,307,049.56	-41.91%
Gains from changes in fair value (losses are indicated by "-")	**1,680,503,555.45**	-1,610,830,289.45	204.33%
Gains from credit impairment (losses are indicated by "-")	**-3,664,369.40**	-19,677,971.29	81.38%
Gains from impairment of assets (losses are indicated by "-")	**-140,665,034.28**	-65,273,094.66	-115.50%
Gains from disposal of assets (losses are indicated by "-")	**2,834,594.73**	29,128,043.33	-90.27%
III. Operating profit (loss is indicated by "-")	**13,287,978,156.38**	9,889,056,473.98	34.37%
Add: Non-operating income	**25,173,020.39**	19,666,081.51	28.00%
Less: Non-operating expenses	**105,187,883.51**	104,255,849.70	0.89%
IV. Total profit (total loss is indicated by "-")	**13,207,963,293.26**	9,804,466,705.79	34.71%
Less: Income tax expenses	**4,677,340,664.42**	2,612,765,878.42	79.02%

Item	2023	2022	Increase (decrease)
V. Net profit (net loss is indicated by "-")	**8,530,622,628.84**	7,191,700,827.37	18.62%
(I) Classified by operation continuity:			
1. Net profit from continuing operations (net loss is indicated by "-")	**6,756,372,961.63**	7,084,625,495.13	-4.63%
2. Net profit from discontinued operations (net loss is indicated by "-")	**1,774,249,667.21**	107,075,332.24	1,557.01%
(II) Classified by ownership:			
1. Net profit attributable to shareholders of the parent company (net loss is indicated by "-")	**8,249,711,872.51**	6,066,946,564.19	35.98%
2. Profit or loss attributable to minority interests (net loss is indicated by "-")	**280,910,756.33**	1,124,754,263.18	-75.02%
VI. Other comprehensive income, net of tax	**1,447,456,637.93**	7,493,237,348.93	-80.68%
Other comprehensive income attributable to shareholders of the parent company, net of tax	**1,279,384,013.59**	6,701,106,739.39	-80.91%
(I) Other comprehensive income that cannot be reclassified to profit or loss	**-4,443,560.37**	-28,675,646.01	84.50%
1. Remeasurement of changes in defined benefit plans	**880,215.69**	10,901,976.24	-91.93%
2. Changes in fair value of other equity instrument investments	**-5,323,776.06**	-39,577,622.25	86.55%
(II) Other comprehensive income that will be reclassified to profit or loss	**1,283,827,573.96**	6,729,782,385.40	-80.92%
1. Cash flow hedge reserve	**311,627,988.37**	3,064,856,969.64	-89.83%
2. Foreign exchange differences from translation of financial statements	**972,199,585.59**	3,664,925,415.76	-73.47%
Other comprehensive income, net of tax attributable to minority shareholders	**168,072,624.34**	792,130,609.54	-78.78%
VII. Total comprehensive income	**9,978,079,266.77**	14,684,938,176.30	-32.05%
Attributable to shareholders of the parent company	**9,529,095,886.10**	12,768,053,303.58	-25.37%
Attributable to minority shareholders	**448,983,380.67**	1,916,884,872.72	-76.58%
VIII. Earnings per share:			
(I) Basic earnings per share *(RMB/share)*	**0.38**	0.28	35.71%
(II) Diluted earnings per share *(RMB/share)*	**0.38**	0.28	35.71%

Consolidated Statement of Cash Flow

Unit: Yuan   Currency: RMB

Item	2023	2022	Increase (decrease)
I. Cash flows from operating activities:			
Cash received from sales of goods and rendering labour services	**188,702,400,717.88**	181,115,607,819.21	4.19%
Cash received from tax refund	**220,971,353.25**	179,958,356.30	22.79%
Cash received from other operating activities	**3,543,808,317.28**	5,824,961,505.57	-39.16%
Sub-total of cash inflows from operating activities	**192,467,180,388.41**	187,120,527,681.08	2.86%
Cash paid for purchasing goods and receiving labour services	**162,817,147,360.25**	158,344,577,825.15	2.82%
Cash paid to employees and paid for employees	**3,466,771,675.00**	3,036,911,440.69	14.15%
Taxes and fees paid	**9,781,686,371.45**	9,598,244,714.12	1.91%
Cash paid for other operating activities	**859,571,485.97**	687,032,628.44	25.11%
Sub-total of cash outflow from operating activities	**176,925,176,892.67**	171,666,766,608.40	3.06%
Net cash flow from operating activities	**15,542,003,495.74**	15,453,761,072.68	0.57%
II. Cash flows from investing activities:			
Cash received from investment contribution	**4,012,517,610.49**	7,994,947,087.13	-49.81%
Cash received from investment income	**2,467,269,032.47**	1,599,113,255.66	54.29%
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	**397,535,162.96**	48,037,339.88	727.55%
Net cash received from disposals of subsidiaries and other operating units	**1,010,846,451.20**	73,757,200.00	1,270.51%
Cash received from other investing activities	**596,070,181.89**	1,910,915,060.38	-68.81%
Sub-total of cash inflows from investing activities	**8,484,238,439.01**	11,626,769,943.05	-27.03%
Cash paid for acquiring or construction of fixed assets, intangible assets and other long-term assets	**12,924,398,131.61**	10,517,759,270.88	22.88%
Cash paid for acquiring investments	**5,645,523,061.67**	6,264,524,646.22	-9.88%
Cash paid for other investing activities	**573,003,513.95**	2,216,140,264.62	-74.14%
Sub-total of cash outflow from investing activities	**19,142,924,707.23**	18,998,424,181.72	0.76%
Net cash flows from investing activities	**-10,658,686,268.22**	-7,371,654,238.67	-44.59%

Item	2023	2022	Increase (decrease)
III. Cash flows from financing activities:			
Cash received from investment contribution	–	997,034,823.00	-100.00%
Including: Cash received from minority shareholders' investments obtained by subsidiaries	–	34,823.00	-100.00%
Cash received from borrowings	**71,744,175,889.11**	59,482,719,800.04	20.61%
Cash received from other financing activities	**3,150,518,801.15**	5,076,200,366.50	-37.94%
Sub-total of cash inflows from financing activities	**74,894,694,690.26**	65,555,954,989.54	14.25%
Cash repayments of borrowings	**73,908,354,465.49**	61,359,033,301.53	20.45%
Cash payments for distribution of dividends or profits or settlement of interest expenses	**6,762,255,256.09**	4,791,671,968.37	41.13%
Including: Dividends paid by subsidiaries to minority shareholders	**491,655,500.00**	–	100.00%
Cash paid for other financing activities	**2,830,552,523.09**	1,501,795,631.15	88.48%
Sub-total of cash outflow from financing activities	**83,501,162,244.67**	67,652,500,901.05	23.43%
Net cash flow from financing activities	**-8,606,467,554.41**	-2,096,545,911.51	-310.51%
IV. Effect of exchange rate changes on cash and cash equivalents	**796,365,652.48**	2,667,296,884.74	-70.14%
V. Net increase in cash and cash equivalents	**-2,926,784,674.41**	8,652,857,807.24	-133.82%
Add: Balance of cash and cash equivalents at the beginning of the year	**29,045,548,650.93**	20,392,690,843.69	42.43%
VI. Balance of cash and cash equivalents at the end of the year	**26,118,763,976.52**	29,045,548,650.93	-10.08%

LETTER TO SHAREHOLDERS

Dear Shareholders and friends who care about CMOC,

First of all, on behalf of CMOC, I would like to thank you for your long-lasting trust and support.

2023 marks a crucial and extraordinary year in the development history of CMOC. Over this year, in the face of an extremely complex external environment, we have finally solved the dispute of TFM royalties with wisdom and courage though it was a journey fraught with difficulties and dangers, which has laid a solid foundation for our long-term development in Africa, and we have also gained valuable experience in dealing with such complicated situations. Over this year, our two world-class projects, the KFM project and the TFM mixed ore project, have been successively put into production, hence a jump in our copper and cobalt production capacity, cementing our leading position among the global peers who produce metals for the new energy industry. Over this year, we have made bold moves to promote IXM's trading business upgrades and organizational restructuring; we challenged the limit to snatch at opportunities in the molybdenum and tungsten market in China; the reform of our niobium and phosphorus business in Brazil has been steadily promoted in unchartered waters; all business segments have achieved positive improvements on all fronts and the Company's operating results have reached a new record high.

It has been a full decade since we embarked on a journey of internationalization in 2013. During these ten years, from debut to center stage, we have been developing core competencies required of an international mining company, which has paved the way for our future growth into a world-class resource company. We are now facing new situation given by times: first, amid the rise of counter-globalization, resource nationalism, and the reshaping geopolitical landscape in recent years, the global supply chain has been restructured at a faster pace and enterprises are coping in an even more bewildering external environment; second, under the background of carbon peaking and carbon neutrality, ESG performance has increasingly become a mandatory indicator, and sustainable development has been treated as an important part of the core competitiveness of a mining enterprise. These situations challenge us to find a way to participate in international rivalry with a more mature mentality, more confidence, and a more open attitude.

2024 marks the 20th anniversary of CMOC's restructuring and the beginning year of internationalization 2.0. We have put forward development targets for the next five years: to achieve the second stage goal of "ramp up" of the "three-step", and to take the first step towards becoming a world-class mining company. The targets mainly include: the Company will achieve annual production volume of 800,000-1,000,000 tonnes of copper metal, 90,000-100,000 tonnes of cobalt metal, 25,000-30,000 tonnes of molybdenum metal and more than 10,000 tonnes of niobium metal; the Company will make significant improvement in international operations capability, successfully build the "5233" structure, satisfactorily complete the digitized and intelligence "SAP" project, form a distinctive feature in the international governance system, and the ESG will reach the level of the world-class enterprises. As the first year of the implementation of these targets, we must ensure a good start. In 2024, a "Refinement Year" for us, we will thoroughly implement the general approach to "improving quality, reducing costs and increasing efficiency" to achieve breakthroughs and improvements. I would like to share with you my thoughts as follows on this year's work:

ENHANCING THE QUALITY OF OUR OPERATIONS TO BUILD A WORLD-CLASS MINING COMPANY

In 2023, when dealing with the complex external environment, we focused on production on one hand and construction on the other. The two new projects TFM's mixed ore and KFM were completed and put into production as planned, resulting in a surge in production capacity. We raised the spirit of "challenging the impossible" of the CMOC employees and forged an excellent team capable of striving for excellence in difficulties. These first-rate mine projects are entirely constructed under the leadership of CMOC and have achieved designed production and met standards, fully verifying that we have the capability to develop world-class projects.

For both TFM and KFM, this year is the first year of full-load production. TFM will achieve designed production in the first quarter and meet the standard production in the second quarter. KFM will achieve stable and high production to ensure that it can produce over 520,000 tonnes of copper and over 60,000 tonnes of cobalt throughout the year. Reaching these targets will make the Company one of the top ten copper producers in the globe and the Company will remain the world's largest cobalt producer. Besides, we will compare with ourselves and benchmark our performance against industry standards to go beyond what we have achieved and create a signature of CMOC. Moreover, we will also strengthen the geological exploration work and launch the plan of additional reserves so as to prepare for the development of TFM Phase III and KFM Phase II. This year we will continue to expedite the operations in Brazil, we will diversify sources of income, enhance efficiency and reduce costs; and IXM will upgrade its business. We will guarantee high and stable production while satisfying high safety standards and achieving fine ESG performance, thereby proving that we not only excel in resources and construction, but also in management and operation.

BOLSTERING CORPORATE GOVERNANCE TO CONSISTENTLY BUILD AN INTERNATIONAL OPERATING SYSTEM WITH CMOC CHARACTERISTICS

Fundamentally, competition in the mining industry is all about cost which is determined by two key factors: resources and management. For a mining company, if its resources are fixed, its management will be the cardinal variable, which means people are the decisive factor. In recent years, while observing international rules and local laws and customs, we have instilled the hard-working virtue and cost control practices of Chinese mining people into our overseas production and operations, and achieved remarkable results, forming a rudimentary international operation system with CMOC characteristics. We are also well aware that, there are large gaps between us and the top-notch players in the global market in terms of resource reserves, profitability, management level and talent development, and there is a long way to cover before becoming a "respected, modern, world-class resource company". To bridge these gaps requires continual efforts to build our "5233" international governance system and development of a management approach in line with international ESG standards and tailored to the Company's actual situation.

Management is, in essence, to arouse people's initiative and creativity and minimize the weaknesses of human nature. We must continue to improve the assessment and incentive mechanism and give full play to the "one enterprise, one policy" guideline; we will promote the development of a tiered incentive mechanism and introduce special incentive measures so that from the top down employees will feel pressured and motivated and take upon their share of task and everyone will be incentivized thus achieving "sharing the results"; we will work out the second equity incentive plan in due course to enhance the long-term incentive mechanism. Meanwhile, we must also strengthen the supervision system to prevent corruption, reinforce risk prevention and control measures, and further improve the chief audit and supervisory officer system to safeguard the Company's long-term and healthy development.

INTENSIFYING EFFORTS TO REDUCE COSTS AND ENHANCE EFFICIENCY TO BOOST OUR GLOBAL COMPETITIVENESS

For a mining enterprise, cost is the core operational KPI, and the relentless pursuit of lower costs and higher efficiency should be deeply planted in the minds of mining people. This year, we aim to achieve an upsurge in production capacity and cost reduction, which will serve as not only the basic guarantee for sharpening the competitive advantages of the enterprise, but also an important measure for the accomplishments in the "Refinement Year". The focus of cost reduction is always on the front line of business, so we will set a target of 30% to 40% reduction for assessing our performance in cost reduction and efficiency enhancement this year and enhance the cost awareness of all staff through some policies. We will keep an eye on the cost components, diversify sources of income and reduce expenditure, and exercise caution in budgeting, so that all staff members will become cost-conscious, consumption will be decreased throughout all processes, and costs will be reduced across the board.

One small step in technology innovation means one giant leap in cost reduction and efficiency enhancement. Even the slightest improvement in a technological indicator, when measured on a world-class production capacity base, can bring significant economic benefits: USD30 million for every percentage point increase in TFM's copper recovery rate, and approximately USD6 million for every percentage point increase in the niobium recovery rate in Brazil. We still have enormous room for improvement in this area.

Digitalization and informatization tools play an important role in cost reduction and efficiency enhancement. In recent years, taking the "SAP" project as leverage, we have greatly improved our digital intelligence capabilities, which have helped us attain better management and control and higher operating efficiency, and lower costs and enhance efficiency. At present, building on the completion of two phases of the "SAP" project, we must focus on the core goal of cost reduction and efficiency enhancement in a bid to upgrade the project and raise the Company's digital capabilities to a higher level.

QUICKENING THE EXPANSION OF RESOURCES LAYOUT TO VIGOROUSLY CULTIVATE NEW PROFIT GROWTH DRIVERS

Since last year, the violently fluctuating prices of metals for the new energy industry such as nickel, lithium and cobalt have increased the exposure of all market participants to risks, which highlight the extreme importance of timing in resource mergers and acquisitions. Fluctuations in the market are temporary, we are always highly optimistic about the resource demand brought about by our country's industrial upgrading and the global energy transformation and will continue to focus on metals for the new energy metals and important strategic metals. At present, the Company has sufficient reserves of cash and financial instruments. Currently, many mineral products have entered the market clearing stage and have been rationally priced, which has brought us better opportunities for investment and mergers and acquisitions. We need to expand our resources layout promptly.

CONSOLIDATING OUR LEADERSHIP IN ESG PERFORMANCE TO ENHANCE THE ABILITY TO ADDRESS COMPLEX SITUATIONS

For a company possessing mineral resources distributed in various countries, it has to cope with complex overseas operating environments, properly handle the relationships with various stakeholders, and achieve a dynamic "rebalancing of interests" in its mining operations. Dealing with risks and challenges is normal for a mining company, but how well it addresses these risks and challenges also mirrors how internationalized it is.

The nearly two-year efforts to settle the TFM royalties dispute have greatly improved our ability to deal with complex situations; the successful settlement marks that CMOC has passed the major examination that must be taken to become a world-class resource company; by handling this dispute we have gained a deeper understanding of the value of ESG work. Our commitment to the philosophy of "responsible mining for a better world" and maximizing value for all stakeholders has proved to be our greatest strength in coping with risks and challenges and the fundamental guarantee for ensuring the long-term stability of our international operations. We must continue to improve our ESG management system, consolidate our leadership in ESG efforts at home and abroad, and build a solid moat for our Company's operations. Last year, we unveiled our carbon neutrality roadmap, and this year we have unveiled the first TCFD report. We must implement various measures to shoulder our responsibility for the cause of global carbon neutrality.

Join us on the expedition to the future. The dragon is the totem of the Chinese nation and also the symbol of the CMOC people's spirit of challenging the impossible. This year, with such spirit, CMOC people around the world will vigorously continue to integrate Chinese wisdom and Chinese technology with global resources, facilitate responsible delivery of mineral products to the world, and contribute Chinese strength to the global energy transformation.

CEO
Sun Ruiwen

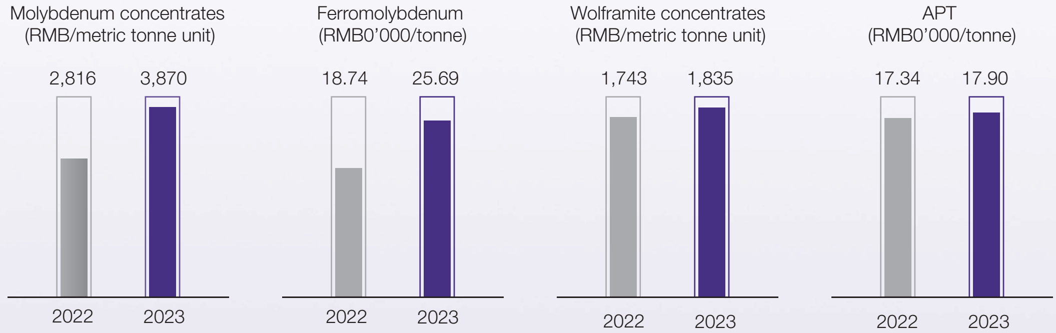
MARKET REVIEW AND PROSPECTS

I. MARKET REVIEW

Domestic market price of the relevant products of the Company

Products	**2023**	2022	Increase/ decrease on a year-on-year basis *(%)*
Molybdenum concentrates *(RMB/metric tonne unit)*	**3,870**	2,816	37.43
Ferromolybdenum *(RMB0'000/tonne)*	**25.69**	18.74	37.09
Wolframite concentrates *(RMB/metric tonne unit)*	**1,835**	1,743	5.28
APT *(RMB0'000/tonne)*	**17.90**	17.34	3.23

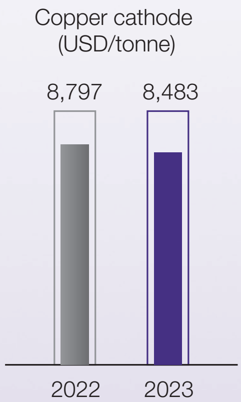
Note: Data from the average prices quoted on the website of Comelan (product standard: 47.5% for molybdenum concentrate, 60% for ferromolybdenum, grade I for wolframite concentrate, APT GB-0)

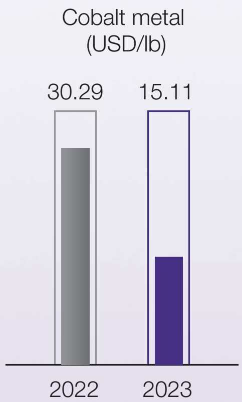


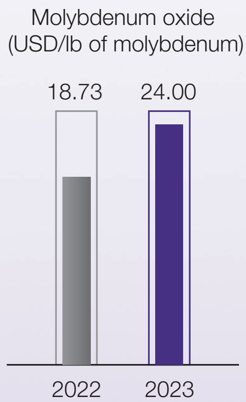
International market price of relevant products of the Company

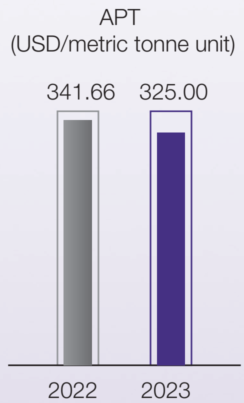
Products	**2023**	2022	Increase/ decrease on a year-on-year basis *(%)*
Copper cathode *(USD/tonne)*	**8,483**	8,797	-3.57
Cobalt metal *(USD/lb)*	**15.11**	30.29	-50.12
Molybdenum oxide *(USD/lb of molybdenum)*	**24.00**	18.73	28.14
APT *(USD/metric tonne unit)*	**325.00**	341.66	-4.88
Ferroniobium *(USD/kg of niobium)*	**47.00**	45.65	2.58
MAP *(USD/tonne)*	**556**	908	-38.77
Nickel metal *(USD/tonne)*	**21,505**	25,605	-16.01

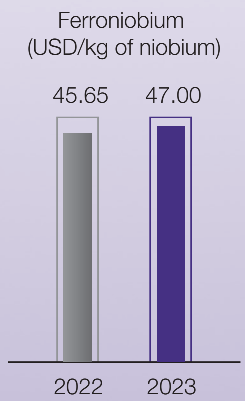
Note: The price of molybdenum oxide is the average price quoted on the Metals Week (MW); the prices of copper and nickel are the spot average price on LME (London Metal Exchange); cobalt price is the average low price of MB (Metal Bulletin) standard grade cobalt; phosphate fertilizer price is from Argus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

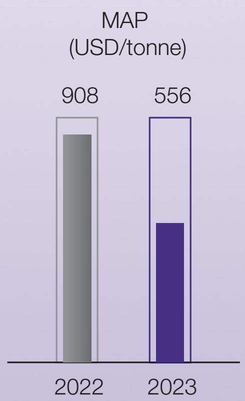


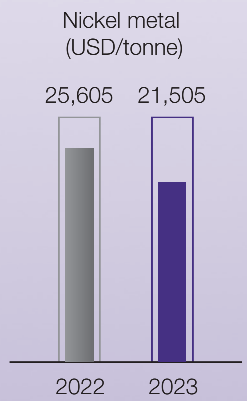












Market Review on Each Metal Segment in 2023

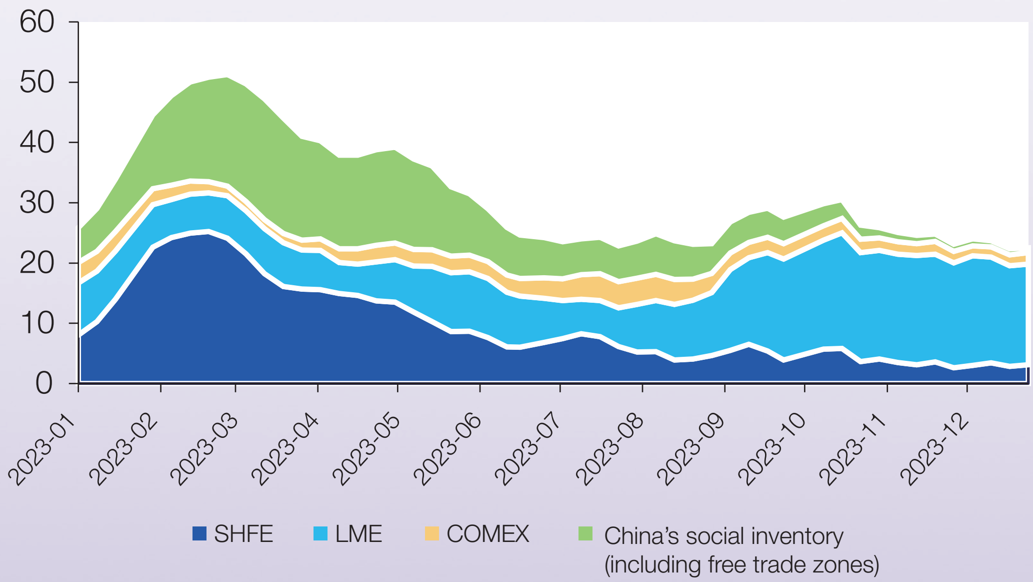
In 2023, the expectation of macroeconomic recovery and the strong demand of the non-ferrous metal industry for executing orders created momentum in the first quarter, and the price of non-ferrous metals rebounded significantly. The price of non-ferrous metals retreated after the second quarter and then the price tended to be stable.

1. *Copper industry*

The global copper resources are rich with high concentration. According to data of the U.S. Geological Survey (USGS), as of 2023, the world has proven copper reserves of 1 billion tonnes, which are mainly distributed in Chile, Australia, Peru, Russia, DRC and other countries. Five major resource countries control about 57% of the world's copper resources. China has reserves of 41 million tonnes, representing merely 4% of the world's total, but it is the world's largest copper consumer, accounting for about half of the global consumption.

At the end of 2023, the global copper visible inventory increased by 12% to 217,000 tonnes as compared with the end of 2022, of which the COMEX copper inventory decreased by 46% to 19,000 tonnes, the copper inventory of Shanghai Futures Exchange (SHFE) decreased by 55% to 31,000 tonnes, the copper inventory in Shanghai Free Trade Zone was digested to 6,000 tonnes, and LME copper inventory increased by 88% to 167,000 tonnes, still at the historically low level.

Global copper visible inventory (0'000 tonnes)



Source: Wind

Global copper supply was slightly higher than demand in 2023. According to the statistics of the International Copper Study Group (ICSG), global copper production volumes amounted to about 26.53 million tonnes in 2023, representing a year-on-year increase of 3.3%, while its demand amounted to approximately 26.5 million tonnes, representing a year-on-year increase of 1.9%. On the supply side, the production capacity of new and expanded mines was mainly concentrated in the DRC, Peru, Chile and other countries. The global supply of copper concentrate was sufficient and the processing fee of copper concentrate remained high, and China's smelting capacity subsequently increased in value, with annual production capacity of copper amounting to 11.45 million tonnes, representing a year-on-year increase of 1.16 million tonnes, or an increase of approximately 11.3%. On the demand side, demand for copper in traditional industries showed a trend of strong first and then weak as a result of the effects such as high inflation, tight monetary policy and geopolitics, but demand growth in emerging fields became the main force of the copper market, driving positive growth in demand for copper.

In 2023, domestic demand pushed the increase of copper scrap imports. China imported 1,986,567 physical tonnes of copper scrap in total, representing a year-on-year increase of 12.13%. As the overseas copper scrap smelters successively put into production, the overseas copper scrap exports decreased. It is expected that the supply of overseas copper scrap will decrease in 2024, and it is difficult to increase the imports of copper scrap this year.

As a major global copper producer, the Company mainly sells copper cathode and copper concentrate in the global markets. In 2023, the average LME copper spot settlement price was USD8,483 per tonne, representing a year-on-year decrease of 4%. Influenced by the domestic stimulus policies, global macroeconomic expectations, domestic weak recovery and the strengthening of the US dollar index, copper prices experienced a process of high at the beginning and subsequently decreased, but with the expected end of the US Federal Reserve's rate hike, coupled with the inventory remaining low, copper prices rebounded at the end of the year.

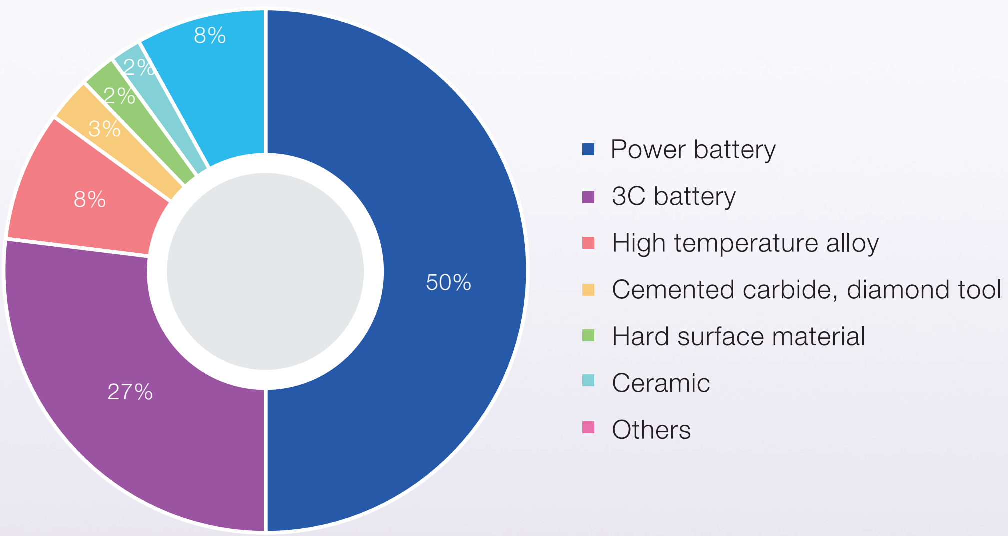
2. *Cobalt industry*

Cobalt is a vital strategic metal. Global cobalt resources are primarily concentrated in DRC, Australia, and Indonesia, with these three resource-rich countries controlling approximately 73% of the world's cobalt reserves. DRC is also the largest cobalt-producing country, contributing to over 70% of its global production in 2023. China stands as the world's largest refined cobalt-producing country, with its production accounting for 75% of the global refined cobalt production in 2023.

The downstream demand for cobalt primarily arises from the battery sector, high-temperature alloys, hard alloys, magnetic materials, etc. According to Antaike statistics, with the growth in global sales of new energy vehicles, the battery sector's demand for cobalt exceeds 60%.

In 2023, the increase in supply has surpassed that in demand for cobalt. According to data from the research institution Benchmark Mineral Intelligence, the global cobalt supply is estimated at approximately 224,000 tonnes of metal cobalt in 2023, representing a year-on-year increase of 17%. Meanwhile, the cobalt demand is expected to be approximately 212,000 tonnes, representing a year-on-year growth of 14.5%. On the supply side, the increment is approximately 45,000 tonnes in 2023, with 81% originating from the copper-cobalt associated ores in DRC and 17% from the Indonesia's Mixed Hydroxide Precipitate (MHP) project, which is put into production and seeks production growth. Despite the high nickelization trend in power batteries on the demand side, the global production of new energy vehicles exceeds 14.10 million units, representing a growth rate of 34%. The overall increase in the quantity of power batteries remains a core driving force of cobalt demand.

Global refined cobalt consumption distribution in 2023



Source: Antaike

The Company is the largest cobalt producer in the world and mainly sells cobalt hydroxide to the international market. In 2023, the average price of MB cobalt metal was USD15.11 per lb, representing a year-on-year decrease of 50%, and fell to a new low in the past five years at the end of the year. In 2023, the average value of MB cobalt hydroxide pricing coefficient was 55.43%, representing a decrease of 15.93 percentage points. The new energy vehicle industry chain slightly underperformed the expectation and the demand for 3C showed no signs of recovery, coupling with the growth of cobalt supply in the DRC and Indonesia, resulting in a decline in cobalt prices.

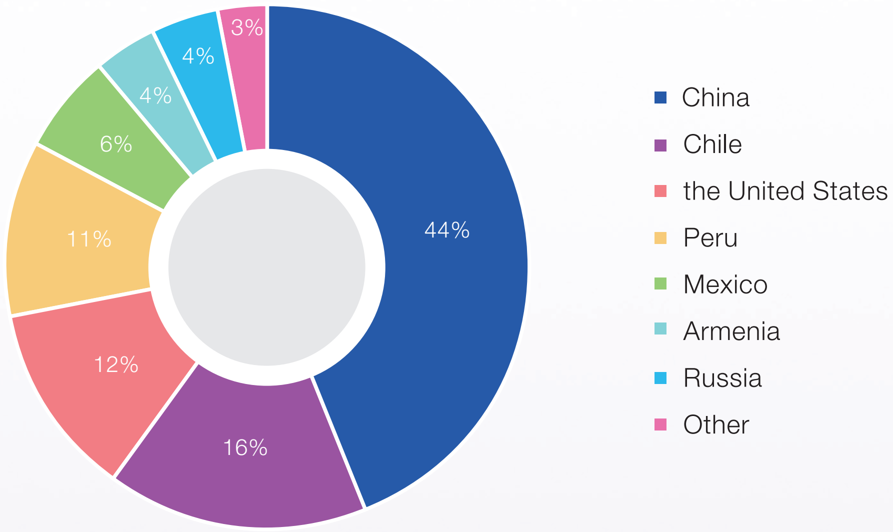
In the first half of 2023, the new energy vehicle industry chain underperformed the expectation. Enterprises in all links of the industry actively reduced inventories; the demand for digital batteries showed no signs of recovery, resulting constant declining in price of MB cobalt metal and pricing coefficient. Starting from mid-June 2023, the price of cobalt metal overseas saw a trend of rising, coupling with the changes in supply of raw materials in the spot market and the expectation, resulting the increase in both the price of cobalt metal and the pricing coefficient of cobalt hydroxide. With the large number of raw materials from the DRC arriving at the port in the third quarter of 2023, domestic smelting began to have excess inventory from the fourth quarter. The overstocking of products has become the norm in ports and smelters. Coupling with the obvious weakening of demand for power batteries and digital batteries in the second half of 2023 and the constant lowering of expectation, both the prices of MB cobalt metal and the pricing coefficient stopped rising and turned to decrease, and the price of cobalt metal reached the lowest level during the year by the end of the year. Due to the continuous price inversion at home and abroad, the MB pricing coefficient continued to fall, which made the price of cobalt raw material fall to a new low in the past five years at the end of the year.

3. *Molybdenum industry*

Molybdenum is an important strategic resource. Global molybdenum resources are mainly distributed in China, the United States, Peru and Chile. According to USGS data statistics, the four major countries rich in resources control about 92% of global molybdenum resources. The downstream application of molybdenum involves multiple fields such as steel, military industry, petrochemical, etc. Molybdenum and its alloys can significantly improve its high-temperature strength, wear resistance and corrosion resistance. China is the largest molybdenum producer in the world, accounting for 44% of global production in 2023. At the same time, because about 79% of molybdenum consumption is concentrated in the steel industry, and more than half of the world's steel production capacity comes from China, China is also the largest molybdenum consumer, accounting for 45% of global consumption in 2023.

According to data from Antaike, global molybdenum supply is approximately 286,000 tonnes in 2023, representing a year-on-year increase of 7.7%; and the demand is approximately 278,000 tonnes in 2023, essentially flat year-on-year. On the supply side, driven by the significant increase in molybdenum price since the fourth quarter of 2022, new domestic projects are accelerating production, contributing to an increment of approximately 10,000 tonnes in 2023. The production of overseas copper-molybdenum associated ores is gradually recovering, creating a resonance effect. On the demand side, with the accelerated upgrading and transformation of the manufacturing industry in China's 14th Five-Year Plan, more attention is paid to the product upgrading of steel enterprises by the government, and the production capacity and output of special steel, high-end stainless steel containing molybdenum was continuously released. Simultaneously, amid geopolitical conflicts, there is a robust demand for molybdenum in military applications, which contributes to the sustained release of molybdenum demand. The industry is expected to present a stable and healthy development trend.

Global molybdenum production distribution in 2023



Source: USGS

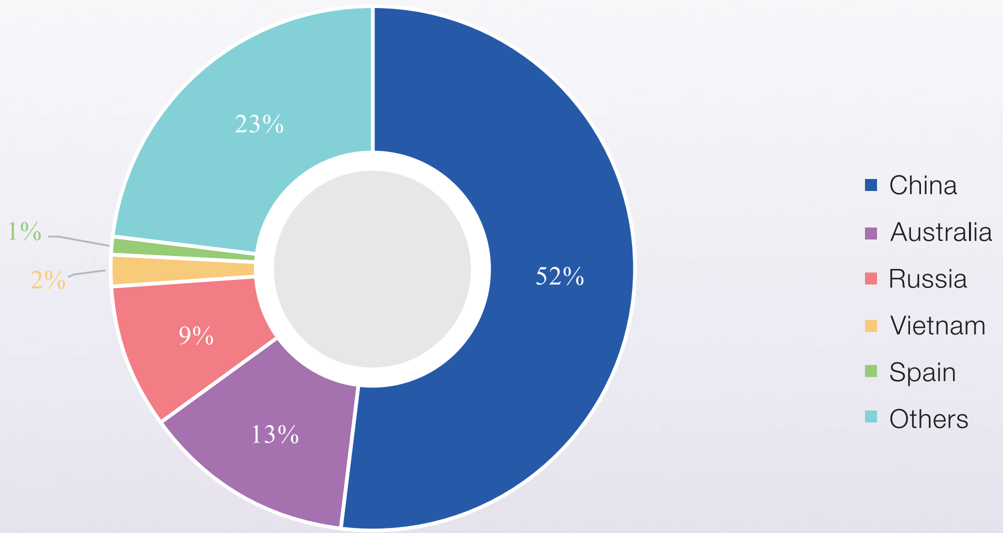
The Company mainly sells ferromolybdenum in the domestic market. Based on the statistics from Comelan and Mudu-MolyChina, the average annual price of ferromolybdenum is approximately RMB256,900 per tonne in 2023, representing a year-on-year increase of 37%. In the first quarter, both domestic and international molybdenum was in short supply, pushing the price up to the highest level of RMB380,000 per tonne in nearly 10 years. However, driven by the steel mills' hesitation to high price and the poor profitability of the steel industry, the price quickly fell. In the second quarter, the recovery of the steel industry fell short of expectations, leading to a rapid decline in price to the bottom. In the third quarter, driven by the traditional peak season in the steel industry, ferromolybdenum price rebounded to the second-highest level of the year. Subsequently, due to sluggish mine shipments and rising inventory pressures on the supply side, price once again declined. In the fourth quarter, stimulated by increased procurement from large stainless steel plants and stockpiling for holidays in domestic and international markets, ferromolybdenum demand saw a significant increase on a quarter-on-quarter basis. As supply gradually fell short, molybdenum price steadily rose, and stayed at relatively high level at the end of the year.

4. *Tungsten industry*

Tungsten is a crucial strategic resource for the nation, referred to as the "industrial teeth". It is of outstanding chemical stability, heat-resistant and corrosion-proof, being an ideal material for applications in aerospace, national defense and military industries as well as cutting tools.

The global tungsten resources have a higher concentration, with 52% distributed in China. Furthermore, 81% of global tungsten consumption is centered in China. The value of the tungsten industry chain mainly generates from the upstream resource extraction and selection and the downstream deep processing. China exports a significant amount of tungsten products to Europe, Japan, South Korea, the United States, and other regions, with a total export of 35,416 metric tonnes. As domestic resources of mines in production gradually deplete, coupled with the increasingly stricter environmental inspection policies on production restriction, the mining cost hikes in China, which provides certain cost support to the tungsten price.

Global tungsten resources distribution in 2023



Source: USGS

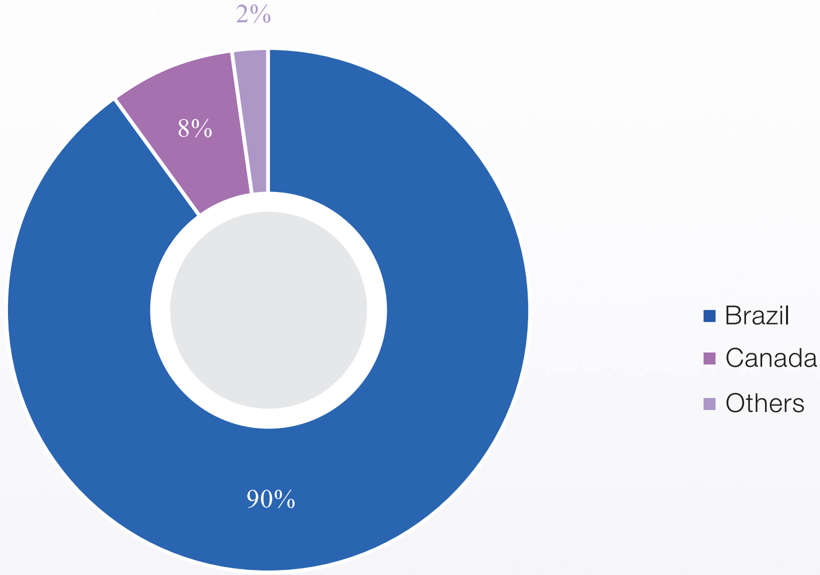
The Company mainly sells ammonium paratungstate (APT) in the domestic market. According to the statistics from the domestic websites of Comelan and Mudu-MolyChina, the annual average APT price was RMB179,000 per tonne in 2023, representing a year-on-year increase of 3%. Tungsten supply and demand maintained a tight balance of raw materials, with a weak supply and demand pattern during the year, resulting in the fluctuation of APT market prices in a relatively high range (RMB168,000-RMB182,000) during the year.

5. *Niobium industry*

Niobium resources supply is highly concentrated, mainly in Brazil, and the main consumption areas are low-alloy high-strength structural steel, automotive steel, high construction steel, bridge steel, petroleum steel and amorphous magnet material fields. The high concentration of supply structure remained unchanged in 2023. On the supply side, the global production volume in 2023 amounted to approximately 83,000 tonnes, with CBMM (巴西礦冶公司) accounting for approximately 75% of the global market. Global niobium consumption amounted to approximately 73,500 tonnes. As China's strength requirements for construction bars continued to improve, the improvement of large-scale infrastructures such as airports, high speed rail stations, large exhibition and sports facilities on various properties of the steel, demand for ferroniobium continued to increase. The carbon steel with 0.02%-0.03% niobium added can significantly enhance the seismic resistance, corrosion resistance and fracture resistance capacities.

The Company mainly sells ferroniobium in the international and domestic markets. According to the data statistics from the Asian Metal, in 2023, the average ferroniobium price was USD47 per kg of niobium, representing a year-on-year increase of 3%. At the beginning of this year, spot market demand in Europe and Asia was strong, the demand for steel from the energy industries was more positive, the demand for niobium in India increased with a significantly growth rate, and the use of niobium in steel per tonne continued to increase in the automobile industry under the background of improved traffic safety and emission standards. China experienced a situation that rise before inhibition throughout the year, in the first quarter, the demand for ferroniobium drove up the price of ferroniobium due to the continuous recovery of the foreign economy and the strategic importance placed on ferroniobium in China; in the second quarter, due to the weakness in the real estate and infrastructure sectors, the recovery of the domestic steel industry was below expectations, and the price of ferroniobium continued to decline; at the end of the third quarter, the strong monsoon weather conditions in Brazil caused port congestion, which had a great impact on the export of ferroniobium in terms of sea freight, resulting in a significant decrease in domestic and international port arrivals, and the short-term tension in the supply chain supported the stabilization of domestic and international ferroniobium price.

Niobium production volumes distribution in 2023



Source: USGS

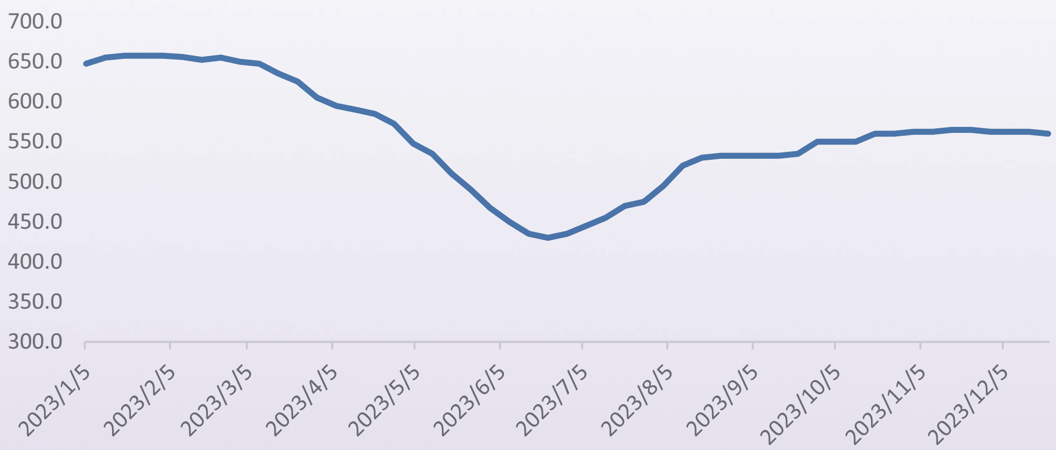
6. *Phosphate industry*

Brazil is the fourth largest consumer of fertilizer in the world, but its domestic fertilizer production is far from adequate to meet agricultural demand and is often supplemented by imports from countries such as Morocco, Russia and China. According to the data of Argus Media, data provider of price, the imported fertilizer accounted for more than 80% of consumption in Brazil. In 2023, with the continued degradation of the impact of the regional conflict, Russia's exports of fertilizer to Brazil basically resumed, enterprises in the main producing areas of phosphate fertilizer in Morocco, Western Sahara and the Middle East are expanding production as planned. While the strengthening of China's environmental protection policies and the upgrading of domestic phosphorus chemical industry continue to limit the expansion of production capacity and output.

MARKET REVIEW AND PROSPECTS

The Company mainly sells phosphate fertilizer in the Brazilian market. According to statistics from Argus Media, the average MAP (monoammonium phosphate) Brazilian delivered price in 2023 was USD556 per tonne, representing a year-on-year decrease of 39%, mainly due to the weakened impact of the Russia-Ukraine conflict. In the first quarter, China ended winter storage and resumed the export of phosphate fertilizer, causing the price of phosphate fertilizer in Brazil to peak and fall. 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. In the third quarter, due to the peak season for fertilizers in Brazil, phosphate fertilizer price continued to rise. In the fourth quarter, China reduced the export of MAP due to its winter storage demand for fertilizers, which pushed up international phosphate fertilizer prices slightly. However, under the impact of the strong monsoon, the crop planting delayed in Brazil in the second quarter, which affected and weakened the demand for fertilizers in Brazil, resulting in limited growth in Brazil's MAP prices.

MAP price trend in 2023 (USD/tonne)



Source: Argus Media

7. *Mineral trading industry*

In recent years, the global metals and minerals trading industry has demonstrated a landscape of two super-large companies occupying dominant positions and other companies developing their own characteristics and expanding aggressively. In 2023, the intensified conflicts in multiple regions around the world and climate impacts gave rise to the global supply chain crisis. Coupled with the impact of macro factors such as high interest rates, metal and mineral product prices fluctuated violently, bringing new opportunities and challenges to the trading industry.

IXM is a major trader of base metals in the world, which mainly deals with copper, lead and zinc concentrate, intermediate products such as nickel, cobalt, niobium and lithium, refined metals including copper, aluminum, zinc and nickel as well as a small amount of precious metal concentrates. IXM has been maintaining a solid business operation and built up a good reputation and a worldwide operation network.

MARKET PROSPECTS

(1) Copper market

In 2024, the global economy will continue to face challenges, but as the US Federal Reserve's interest rate hike cycle nears its end, macro pressures are expected to gradually ease. The Chinese government will continue to introduce growth stabilization measures to stabilize the economy, with policy expectations remaining generally positive. Despite facing a decline in external demand and slow domestic recovery, as more economic policies are introduced, it is anticipated that macro regulation on the policy front will continue to support the recovery of the real economy and end-consumer consumption. Demands for copper of industries, specifically, such as electric vehicles, renewable energy, power transmission, and distribution networks are expected to further increase, thereby supporting the copper price performance.

(2) Cobalt market

In 2024, the domestic economy is generally in a state of recovery. The terminal demand for cobalt is uncertain and depends on the extent of recovery in the ternary power battery sector, the improvement in demand for 3C electronics, and the increase in demand for hard alloys. On the policy side, it is clear that support for the development of new energy vehicles will continue, which will benefit cobalt consumption. However, with the continuous increase in the supply and the squeeze on the share of lithium iron phosphate, price recovery exhibits significant volatility, primarily influenced by the volume of raw materials arriving at ports and seasonal destocking.

(3) **Molybdenum market**

In 2024, there are no major additions to molybdenum supply production capacity, while large domestic molybdenum mines are facing varying degrees of decline in raw ore grades. On the consumption side, demand for high-end steel varieties such as molybdenum-containing steel remains promising under the national requirement for high-quality development. Antaike predicts that from now until 2050, the country's continued investment in wind power will cumulatively increase molybdenum demand by 300,000 tonnes. Meanwhile, the strategic requirement for overall upgrading of the manufacturing industry in the country's "14th Five-Year Plan" will also drive the overall upgrading of the steel industry, with continuous increases in special steel production and demand. Therefore, the fundamentals in 2024 are in a tight balance, and prices are expected to remain stable.

(4) **Tungsten market**

In 2024, the manufacturing sector, at home and abroad, is showing signs of recovery, with stability and improvement observed in the automotive, consumer electronics, and engineering machinery sectors. Overall consumption of domestic hard alloys has seen a slight improvement. Additionally, with upgrades in the silicon wafer solar panel cutting sector and the gradual promotion of photovoltaic tungsten wires, industry organizations project an additional demand of approximately 10,000 tonnes of tungsten metal in the photovoltaic sector over the next 5 to 10 years. The APT market is expected to operate steadily with a slight upward trend. Meanwhile, after a three-year cycle, the 3C electronics sector is poised to enter a new replacement cycle. In 2024, with the gradual recovery of the 3C electronics sector and the expansion of applications in new energy photovoltaic tungsten wires, tungsten prices are expected to remain stable at historically high levels.

(5) **Niobium market**

In 2024, the global demand for ferroniobium is expected to steadily increase, due to the high stability in supply and demand of the industry, showing a narrow range of fluctuations under the influence of exchange rates. In 2024, the ferroniobium prices will maintain at a relatively robust level. The global economy is expected to continue its recovery, the hike process of USD interest rate will gradually come to an end and the emerging economies will boost the global economic vitality. However, regional conflicts may still bring uncertainties to economic growth. As reported by the World Steel Association, the global steel demand will maintain a growth rate of 1.9% to reach 1,849.1 million tonnes in 2024. For China, 2024 marks a crucial year for the "14th Five-Year Plan", with enhanced policy support for industry development and structural optimization, which will also propel the upgrading of steel consumption, thereby driving demand for niobium.

(6) Phosphate market

In 2024, the global grain crop output will continue to be affected by unstable factors such as El Niño weather pattern, regional wars, and export regulations. However, agencies forecast that food output in Argentina and Brazil will remain at a historically high level in 2024, thus offsetting the negative impacts and leading to a further decline in global food prices. In 2024, the supply and demand fundamentals for phosphate fertilizers in China will remain unchanged as compared with 2023. Production of phosphate fertilizers in Morocco and Western Sahara will continue to increase as planned, and there will be less impact of war on Russia's phosphate fertilizer exports, which will recover gradually. The global overall supply of phosphate fertilizer is forecast to exceed that in 2023, and there is a limited growth in domestic demand for phosphate fertilizers in Brazil. In the first half of 2024, Brazil will enter an off-season for domestic fertilizer demand, and the phosphate fertilizer prices are expected to decrease slightly in the first quarter from a high level and reach a bottom at the end of the second quarter. In the second half of 2024, Brazil will embrace a peak season for domestic fertilizer demand, leading to a continuous rise in phosphate fertilizer prices. In 2024, the level will remain the same as in 2023 on the whole. According to the forecasts of world food safety organizations, the food production in countries such as Brazil and Argentina will remain at a historically high level in 2024, providing strong support for fertilizer demand. It is expected that the phosphate fertilizer prices in Brazil will show a steadily slight decline trend as compared to 2023.

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BUSINESS REVIEW

Major products	Unit	Production volume of 2023	Production volume of 2022	YoY growth (%)
Copper metal	tonne	**419,537**	276,992	51
Cobalt metal	tonne	**55,526**	20,286	174
Molybdenum metal	tonne	**15,635**	15,114	3
Tungsten metal	tonne	**7,975**	7,509	6
Niobium metal	tonne	**9,515**	9,212	3
Phosphate fertilizer	0'000 tonnes	**117**	114	3
Gold	ounce	**18,772**	16,221	16
Physical trade volume	0'000 tonnes	**591**	625.5	-6

Note: Production volume of NPM copper metal and gold in 2023 recorded as of the delivery date (15 December 2023).

OPERATION REVIEW

1. Business indicators reached historic highs, leading the Company onto the "fast track" of development

   Focusing on enhancing the annual targets in 2023, the Company is committed to transforming resource advantages into production capacity, fully leveraging the synergies between mining and trading sectors. The goal is to pursue profitable income and profits with cash flow, stepping onto a "fast track" of sustained and healthy development. The Company achieved operating revenue of RMB186.3 billion for the year, representing a year-on-year increase of 8%; the net profit attributable to shareholders of the parent company amounted to RMB8.2 billion, representing a year-on-year increase of 36%, both hit record high. The operating net cash flow reached RMB15.5 billion, essentially flat year-on-year; and the IXM net profit amounted to RMB0.913 billion, which also reached its historical best level.

2. Output of all products saw year-on-year growth, establishing the Company as a key global copper producer

   Following the work principle of "ensuring production while striving for early reaching full production and over production", output of all products of the Company achieved year-on-year growth, with copper, cobalt, niobium and phosphate reaching historic high. In 2023, the Company produced 419.5kt of copper and 55.5kt of cobalt, representing year-on-year increases of 51% and 174% respectively. The Company's copper production volume is approaching top ten in the world, and it has become the world's largest cobalt producer. The production volume of molybdenum, tungsten and niobium remains leading globally.

3. **Solidified its production capacity advantage through the successful completion of two world-class copper-cobalt projects**

The KFM project generated benefits ahead of schedule in the first quarter of 2023 and reached full production in the second quarter, with the production of 113.7kt of copper and 33.9kt of cobalt for the year. The TFM mixed ore project successfully completed the construction of three production lines of mixed ore in the central zone, oxide ore and mixed ore in the eastern zone based on the "milestones" node plan. Currently, the project has five copper-cobalt production lines, with an annual production capacity of 450kt of copper and 37kt of cobalt. The project produced 280.3kt of copper and 21.6kt of cobalt for the year.

4. **The issue regarding TFM royalties was properly settled, laying a solid foundation for the long-term development**

In April 2023, the Company and business partners reached a consensus on the issue of TFM royalties; and in July 2023, a Settlement Agreement was signed to properly settle the issue of TFM royalties, which showcased the Company's ability to cope with complex issues in its international operations and laid a solid foundation for the long-term development.

5. **Carrying out regular asset review while expanding product portfolio, achieving the overall presence in copper-cobalt-nickel-lithium new energy metals**

In 2023, the Company sold 80% of its equity interest in NPM Copper and Gold Mine and obtained substantial earnings. The consortium between the Company and CATL acquired the mining rights of two lithium brines in Bolivia, thus achieving the overall presence in copper-cobalt-nickel-lithium new energy metals.

6. **ESG performance further improved, taking a leading position in the industry**

In 2023, the Company's MSCI ESG performance was upgraded to AA Class, placing the Company in the top 20% of the global non-ferrous metals industry. In the practice of the high-standard ESG concept, the Company has achieved a number of "firsts" – for the first time releasing a carbon neutral roadmap; listed in the inaugural S&P Global Sustainability Yearbook 2023 (China); TFM released the first single ESG report and human rights report, and was the first Chinese-owned DRC mine to complete RMI (the Responsible Minerals Initiative) audit; KFM signed the first Scope Statement for Community Development; IXM released the first ESG report, and its EcoVadis sustainability rating was upgraded to Gold.

7. Further improvement of the global governance, bringing endogenous development and cultural cohesion to a "new level"

During the reporting period, CATL became the second largest shareholder of the Company, and the strategic synergy between them in the field of new energy was strengthened. The corporate governance is robust and the management efficiency has been steadily improved. The Company has built an international operation system with the characteristics of CMOC, the second phase of the "SAP" project has been successfully completed, and the digital intelligence capability has been further enhanced. The Company's talent team has gradually formed, with the spirit of "challenging the impossible" integrated into its corporate culture. The Company has been committed to building an international image that featured with openness, honesty, objectivity, truthfulness and comprehensiveness.

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2024 BUSINESS PROSPECT

1. Based on future economic and market dynamics, the production guidance set by the Company is as follows:

Major products	**Production guidance for 2024** *(0'000 tonnes)*
Copper metal	52-57
Cobalt metal	6-7
Molybdenum metal	1.2-1.5
Tungsten metal	0.65-0.75
Niobium metal	0.9-1.0
Phosphate fertilizer	105-125
Physical trade volume	500-600

The above production guidance is based on the judgement of current economic environment and expected economic development trend. Whether they may be realized or not depends on the macro-economic environment, industry development, market circumstance, the efforts of the Company's management team and other factors, which is subject to uncertainty, and the Board will make timely adjustments to the above production guidance based on the market conditions and the actual business situation of the Company.

The above production plans do not constitute substantive commitments to investors, and investors shall exercise caution about investment risk.

2. Priorities of the Company for 2024

In 2024, the Company shall take the "Refinement Year" to lead the work throughout the year, implement the general principle of "improving quality, reducing costs and enhancing efficiency", focus on three priorities such as achievement of the full production and standards of production capacity in Africa, income increase, cost reduction and efficiency improvement in Brazil and the implementation of new strategic projects, so as to ensure that we will achieve the operation objectives, HSE objectives and business objectives.

(1) Refinement in management, further enhancing the global governance capabilities

The Company will improve the international operation system with CMOC characteristics, i.e. "Chinese-led + Chinese-foreign integration" as the management model, "5233" as the strategic structure, digital intelligence as the governance tools, "mining + trade" as the industrial structure, and a clustered layout of "headquarters + regional headquarters + core business units + platform companies"; further promote the informatization construction, realize the control of global business segments through information tools, and break through the bottleneck of the IXM information system; implement long-term incentive policies to retain core and backbone talents, and launch the second phase of equity incentives in due course; improve the system of Chief Audit Executive and strengthen the construction of the integrity supervision mechanism; deepen the construction of corporate culture, making the CMOC spirit of "challenge the impossible" has a real impact on the people, enhancing the Company's global brand influence around the four dimensions of "more responsible", "full of vitality", "internationalization" and "modernization"; be proactive in information release and interpretation, enhancing investors' recognition, understanding and support for the Company and creating a good external environment.

(2) Accelerating the conversion of resource advantages into production capacity advantages and significantly enhancing profitability

All stock projects will ramp up to full production and meet the target, and the incremental projects will be promoted efficiently and rapidly. Copper and cobalt segment: TFM will push forward the completion of the eastern zone, ramp up to full production in the first quarter and meet the target in the second quarter, KFM will maintain stable production, TFM and KFM will complete the registration of the LME copper trademarks, with an annual production capacity of more than 520,000 tonnes of copper, and more than 60,000 tonnes of cobalt; the Company will plan for production capacity expansion in Africa and commence the expansion projects of the third phase of TFM and the second phase of KFM in due course. Molybdenum and tungsten segment: the Company will accelerate Sandaozhuang synergistic mining and Shangfanggou capacity expansion; comprehensively promote the construction of Lishuwa, Hongshiyaogou and Xiaoshizha dump site. Niobium-phosphorus segment: the Company will achieve a further increase in the recovery rate of niobium, strive for achieving ferroniobium production of more than 10,000 tonnes; initiate the integrated recovery project of magnetite in the phosphorus segment.

(3) Continued efforts in cost reduction and efficiency improvement to consolidate the competitiveness of low cost

Cost reduction and greater value creation will be realized by technical innovation and management enhancement. By utilizing the functions of global sharing, centralized procurement and trading, we will rapidly develop a "one-stop" cost control system for the entire process of production, construction, logistics, procurement, manpower and engineering technology. With technological innovation and process optimization being added into their priorities, TFM and KFM will do research on the efficient and comprehensive utilization of sulfide, oxide, and mixed ores and maximize values of resources. The industrial trial on the recovery rate of Brazil BVFR will be accelerated to turn to practical technological improvements so as to practically increase the recovery rate of niobium and the production volume of ferroniobium. China operations will accelerate the harvest of experimental results on reagents of Beijing General Research Institute of Mining and Metallurgy and achieve breakthroughs in the recovery rate of Shangfanggou and the target of tungsten in Sandaozhuang.

(4) Increasing and accelerating the deployment of resources, striving to cultivate new profit growth points

The Company will strengthen its investment and research, and formulate medium- and long-term plans for project development while leveraging on the abundant investment and research resources and leading industry position of the two major shareholders and giving full play to IXM's network advantages. Relying on the Company's existing layout in Africa, South America and Southeast Asia and focusing on new energy metals and other key metals where we have advantage in, the Company will proactively reserve high-quality projects and conduct counter-cyclical mergers and acquisitions in due course, with an emphasis on resources related to the new energy industry and domestic shortages. The Company will work closer with CATL to promote the battery value chain project in Africa and the lithium brine project in Bolivia.

(5) *Deepening the coordination of mining and trading, and giving full play to IXM's competitiveness in the field of global trade*

The Company will study the market strategies of the world's largest cobalt producers and traders, aiming to maintaining its market position and enhancing its discourse power. It will also formulate effective sales plans and supporting mechanism for the products and fully accomplish the sales tasks. The Company will endeavor to respond to the further release of copper and cobalt production capacity while consolidating the achievements of structural reform, optimizing the organizational structure and product line structure, accelerating the informatization construction and process construction, and enhancing the logistics capacity and trading capacity.

(6) *Continuously improving the sustainable development governance model and consolidating the global industry leading position in terms of ESG*

According to the latest environmental, social and governance disclosure requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, the Company will further improve its strategic planning in sustainable development and consolidate its leading position in the industry. Meanwhile, the Company will implement the carbon neutral plan and continue to fulfill its commitment to the UN Global Compact, thereby maintaining its position as a world-class mining company with top ESG performance. The evaluation standards with the characteristics of CMOC will be established by refining the ESG management system, strengthening the strategic guidance in the environmental field and introducing new management system. The Company will publish medium- and long-term strategy with social impact, create synergy in social investment with emphasis on key strategies, and establish a unique ESG brand of CMOC.

(1) PRINCIPAL BUSINESSES BY INDUSTRY, PRODUCT AND REGION

Unit: Yuan Currency: RMB

Principal businesses by industry						
By industry	**Operating revenue**	**Operating costs**	**Gross profit margin** *(%)*	**Increase or decrease in operating revenue as compared to last year** *(%)*	**Increase or decrease in operating cost as compared to last year** *(%)*	**Increase or decrease in gross profit margin as compared to last year** *(%)*
Mineral exploration and processing	44,517,978,048.73	26,486,438,037.67	40.50	75.44	78.80	Decreased by 1.12 percentage points
Mineral trading (Note)	168,077,934,918.62	166,023,116,927.16	1.22	5.67	5.37	Increased by 0.28 percentage point
Others	98,910.15	91,986.26	7.00	-51.91	-51.87	Decreased by 0.09 percentage point
Offset by intra-group transactions	-26,615,350,518.83	-24,615,848,222.25				

Principal businesses by product

By product	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in operating revenue as compared to last year (%)	Increase or decrease in operating cost as compared to last year (%)	Increase or decrease in gross profit margin as compared to last year (%)
Mineral exploration and processing						
Molybdenum	7,130,780,647.01	4,261,166,721.10	40.24	28.14	21.85	Increased by 3.08 percentage points
Tungsten	1,480,269,953.19	598,864,822.74	59.54	5.70	14.37	Decreased by 3.07 percentage points
Copper (NPM free)	24,595,113,783.03	13,453,322,130.50	45.30	308.41	198.26	Increased by 20.20 percentage points
Cobalt	3,405,807,632.40	2,145,475,706.81	37.01	-8.59	218.68	Decreased by 44.92 percentage points
Niobium	2,628,238,524.48	1,734,671,310.93	34.00	2.61	13.81	Decreased by 6.49 percentage points
Phosphate	3,695,793,714.44	3,046,951,575.85	17.56	-23.11	0.16	Decreased by 19.16 percentage points
Copper and gold (NPM)	1,581,973,794.18	1,245,985,769.74	21.24	22.37	19.46	Increased by 1.92 percentage points
Mineral trading						
Concentrates metal trading	44,278,866,267.80	43,548,982,414.97	1.65	10.93	13.52	Decreased by 2.25 percentage points
Refined metal trading	123,799,068,650.82	122,474,134,512.19	1.07	3.91	2.75	Increased by 1.12 percentage points
Others	98,910.15	91,986.26	7.00	-51.91	-51.87	Decreased by 0.09 percentage point
Offset by intra-group transactions	-26,615,350,518.83	-24,615,848,222.25				

Principal businesses by region

By region	Operating revenue	Operating costs	Gross profit margin (%)	Increase or decrease in operating revenue as compared to last year (%)	Increase or decrease in operating cost as compared to last year (%)	Increase or decrease in gross profit margin as compared to last year (%)
Mineral exploration and processing						
China	8,611,050,600.20	4,860,031,543.84	43.56	23.63	20.88	Increased by 1.28 percentage points
Australia	1,581,973,794.18	1,245,985,769.74	21.24	22.37	19.46	Increased by 1.92 percentage points
Brazil	6,324,032,238.92	4,781,622,886.78	24.39	-14.17	4.72	Decreased by 13.64 percentage points
DRC	28,000,921,415.43	15,598,797,837.31	44.29	187.24	200.91	Decreased by 2.53 percentage points
Mineral trading (Note)						
China	50,580,696,710.71	50,089,349,153.61	0.97	22.95	38.85	Decreased by 11.34 percentage points
Overseas	117,497,238,207.91	115,933,767,773.55	1.33	-0.35	-4.57	Increased by 4.36 percentage points
Others						
China	98,910.15	91,986.26	7.00	-51.91	-51.87	Decreased by 0.09 percentage point
Offset by intra-group transactions	-26,615,350,518.83	-24,615,848,222.25				

Note: IXM engages in metal trading business that combines futures and spot trading. The Group only included the corresponding cost of the trading inventories of 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 1.99%.

(2) ANALYSIS OF PRODUCTION AND SALES VOLUME

Principal products	Unit	Production volume	Sales volume	Inventory volume	Increase or decrease of production volume as compared to last year *(%)*	Increase or decrease of sales volume as compared to last year *(%)*	Increase or decrease of inventory volume as compared to last year *(%)*
Mineral exploration and processing (Note 1)							
Copper	Tonnes	393,987	389,791	139,769	54.94	125.19	3.10
Cobalt	Tonnes	55,526	29,733	37,111	173.71	62.02	227.89
Molybdenum	Tonnes	15,635	15,580	815	3.45	-2.89	7.14
Tungsten	Tonnes	7,975	7,871	1,074	6.20	1.64	10.65
Niobium	Tonnes	9,515	9,378	831	3.29	3.00	19.77
Phosphate fertilizer (Note 2)	Tonnes	1,168,222	1,163,521	111,054	2.28	0.53	23.43
Copper (80% equity interest of NPM)	Tonnes	25,550	24,880	N/A	12.53	13.78	N/A
Gold (80% equity interest of NPM)	Ounces	18,772	17,239	N/A	15.73	6.80	N/A

	Unit	Purchase volume	Sales volume	Inventory volume	Increase or decrease of purchase volume as compared to last year *(%)*	Increase or decrease of sales volume as compared to last year *(%)*	Increase or decrease of inventory volume as compared to last year *(%)*
Mineral trading							
Concentrate products (Note 3)	Tonnes	2,744,524	2,729,906	352,211	-13.85	-12.44	4.33
Refined metal products (Note 4)	Tonnes	3,124,054	3,182,325	446,841	0.27	1.46	-11.54

Description of production and sales volume:

Note 1: The production volume in the mining and processing sector of the mines is the self-production data of mines of the Company; the sales volume is the final realized external sales volume; and the inventory volume includes the self-production data of mines of the Company and the inventory volume of self-production held by the trading platforms within the Group.

Note 2: The production volume of phosphate fertilizer includes the final products for sale and the primary products for reproduction in the next stage, and the inventory volume only includes the final products.

Note 3: It represents the primary products of metal minerals, which are mainly the concentrates.

Note 4: Refined metals and chemical products.

Note 5: Production volume of NPM copper metal and gold in 2023 recorded as of the delivery date (15 December 2023).

(3) COMPONENT OF COST OF PRINCIPAL PRODUCTS

Unit: Thousand Yuan Currency: RMB

By industry							
By industry	**Component of cost**	**Amount for the current year**	**Percentage over total cost for the current year** *(%)*	**Amount for last year**	**Percentage over total cost for last year** *(%)*	**Percentage of changes in amount as compared to last year** *(%)*	**Explanation**
Mineral exploration and processing	Materials	11,864,121	48.67	8,926,135	48.24	32.91	
	Labour	2,365,153	9.70	1,661,350	8.98	42.36	
	Depreciation	4,016,310	16.48	4,219,702	22.80	-4.82	
	Energy	1,772,659	7.27	918,615	4.96	92.97	
	Manufacturing fees	4,357,689	17.88	2,779,339	15.02	56.79	
Mineral trading	Purchase cost	166,816,967	100.00	157,913,251	100.00	5.64	

By product

By product	Component of cost	Amount for the current year	Percentage over total cost for the current year (%)	Amount for last year	Percentage over total cost for last year (%)	Percentage of changes in amount as compared to last year (%)	Explanation
Mineral exploration and processing							
Molybdenum related products	Materials	914,653	34.89	935,637	38.99	-2.24	
	Labour	377,597	14.40	279,981	11.67	34.87	
	Depreciation	301,343	11.49	188,683	7.86	59.71	Year-on-year increase in tailings pond depreciation
	Energy	324,168	12.36	266,486	11.10	21.65	
	Manufacturing fees	703,958	26.85	728,998	30.38	-3.43	
Tungsten related products	Materials	228,429	49.68	254,286	51.37	-10.17	
	Labour	91,165	19.83	76,071	15.37	19.84	
	Depreciation	37,648	8.19	33,633	6.79	11.94	
	Energy	55,784	12.13	52,068	10.52	7.14	
	Manufacturing fees	46,745	10.17	78,956	15.95	-40.80	
Copper related products	Materials	7,403,475	56.03	5,109,019	55.23	44.91	KFM Phase I, TFM mixed ore central-zone project put into production
	Labour	1,022,722	7.74	593,097	6.41	72.44	
	Depreciation	2,310,553	17.49	2,855,098	30.87	-19.07	
	Energy	950,651	7.19	307,349	3.32	209.31	
	Manufacturing fees	1,526,078	11.55	385,436	4.17	295.94	
Cobalt related products	Materials	1,615,472	74.93	620,584	73.76	160.31	KFM Phase I, TFM mixed ore central-zone project put into production
	Labour	84,115	3.90	25,109	2.98	235.00	
	Depreciation	206,637	9.58	133,781	15.90	54.46	
	Energy	122,900	5.70	30,587	3.64	301.80	
	Manufacturing fees	126,780	5.88	31,292	3.72	305.15	

By product	Component of cost	Amount for the current year	Percentage over total cost for the current year (%)	Amount for last year	Percentage over total cost for last year (%)	Percentage of changes in amount as compared to last year (%)	Explanation
Niobium related products	Materials	508,391	28.81	503,886	31.45	0.89	
	Labour	191,940	10.88	160,769	10.03	19.39	
	Depreciation	413,242	23.42	396,752	24.76	4.16	
	Energy	51,361	2.91	57,054	3.56	-9.98	
	Manufacturing fees	599,423	33.97	483,812	30.20	23.90	
Phosphate related products	Materials	1,035,873	35.15	1,307,964	44.44	-20.80	
	Labour	397,178	13.48	343,532	11.67	15.62	
	Depreciation	341,861	11.60	292,828	9.95	16.74	
	Energy	83,421	2.83	88,028	2.99	-5.23	
	Manufacturing fees	1,088,649	36.94	910,999	30.95	19.50	
Copper and gold related products	Materials	157,828	13.00	194,759	20.01	-18.96	
	Labour	200,436	16.51	182,791	18.78	9.65	
	Depreciation	405,026	33.37	318,927	32.77	27.00	
	Energy	184,374	15.19	117,043	12.02	57.53	Year-on-year increase in unit price of electricity contracts
	Manufacturing fees	266,056	21.92	159,846	16.42	66.45	Year-on-year increase in outsourcing services
Mineral trading							
Concentrate products	Purchase cost	43,548,982	26.11	38,361,690	24.29	13.52	
Refined metal products	Purchase cost	123,267,985	73.89	119,551,561	75.71	3.11	

Financial Expenses

For the year ended 31 December 2023, the financial expenses of the Group amounted to approximately RMB3,003.84 million, representing an increase of approximately RMB1,195.37 million or 66.10% from approximately RMB1,808.47 million for the same period in 2022, mainly due to a year-on-year increase in interest expenses as a result of the interest rate hike in the US dollar during the period.

Taxes and Levies

For the year ended 31 December 2023, the taxes and levies of the Group amounted to approximately RMB3,084.38 million, representing an increase of approximately RMB1,849.27 million or 149.72% from approximately RMB1,235.11 million for the same period in 2022, mainly due to a year-on-year increase in resource taxes and royalties during the period.

Investment Income

For the year ended 31 December 2023, the investment income of the Group amounted to approximately RMB2,483.30 million, representing an increase of approximately RMB1,757.38 million or 242.09% from approximately RMB725.92 million for the same period in 2022, mainly due to the investment income from disposal of Australian business during the period.

Gains from Changes in Fair Value

For the year ended 31 December 2023, gains from changes in fair value of the Group amounted to RMB1,680.50 million, representing an increase of approximately RMB3,291.33 million or 204.33% from approximately RMB-1,610.83 million for the same period in 2022, mainly due to a year-on-year increase in changes in fair value of derivative financial instruments of the base metal trading business during the period.

Gains from Assets Impairment

For the year ended 31 December 2023, the gains from assets impairment of the Group amounted to RMB-140.67 million, representing a decrease of approximately RMB75.40 million or -115.50% from approximately RMB-65.27 million for the same period in 2022, mainly due to a year-on-year increase in losses on decline in value of inventories during the period.

Financial Position

As at 31 December 2023, the total assets of the Group amounted to approximately RMB172,974.53 million, comprising non-current assets of approximately RMB89,326.95 million and current assets of approximately RMB83,647.58 million. Equity attributable to shareholders of the parent company increased by approximately RMB7,841.71 million or 15.17% to approximately RMB59,540.27 million as at 31 December 2023 from approximately RMB51,698.56 million as at 31 December 2022.

Current Assets

The current assets of the Group decreased by approximately RMB2,034.21 million or 2.37% to approximately RMB83,647.58 million as at 31 December 2023 from approximately RMB85,681.79 million as at 31 December 2022.

Non-current Assets

The non-current assets of the Group increased by approximately RMB9,989.52 million or 12.59% to approximately RMB89,326.95 million as at 31 December 2023 from approximately RMB79,337.43 million as at 31 December 2022.

Scope of Restricted Assets

As at the end of the reporting period, details of the Group's major restricted assets are set out in the Note (V) to the consolidated financial statements set forth in this report, namely "23. Assets with restrictions on ownership or use right".

Current Liabilities

The current liabilities of the Group decreased by approximately RMB1,080.85 million or 2.16% to approximately RMB48,980.27 million as at 31 December 2023 from approximately RMB50,061.12 million as at 31 December 2022.

Non-current Liabilities

The non-current liabilities of the Group decreased by approximately RMB888.61 million or 1.68% to approximately RMB52,032.08 million as at 31 December 2023 from approximately RMB52,920.69 million as at 31 December 2022.

Explanation to the Balance Sheet Items

Unit: Yuan Currency: RMB

Items	Balance as at the end of the current period	Balance as at the end of the current period as a percentage of total assets *(%)*	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total assets *(%)*	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year *(%)*	Explanation
Held-for-trading financial assets	**8,284,638,370.17**	**4.79**	4,236,792,942.19	2.57	95.54	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
Other current assets	**3,084,006,776.18**	**1.78**	4,504,795,377.38	2.73	-31.54	Decrease in deposits for base metal trading business during the current period
Derivative financial liabilities	**1,108,796,282.04**	**0.64**	2,350,847,071.76	1.42	-52.83	Decrease in fair value of derivative financial liabilities of base metal trading business during the current period

Items	Balance as at the end of the current period	Balance as at the end of the current period as a percentage of total assets (%)	Balance as at the end of the corresponding period of last year	Balance as at the end of the corresponding period of last year as a percentage of total assets (%)	Change in balance as at the end of the current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Notes payable	**1,142,025,881.71**	**0.66**	2,409,419,326.42	1.46	-52.60	Increase in notes payable due for repayment during the current period
Accounts payable	**3,556,152,616.98**	**2.06**	1,547,305,043.03	0.94	129.83	Increase in trade payables for copper-cobalt business during the current period
Taxes payable	**2,118,205,384.20**	**1.22**	804,749,758.78	0.49	163.21	Increase in enterprise income tax payable for copper-cobalt business during the current period
Other current liabilities	**620,646,123.74**	**0.36**	2,715,386,791.93	1.65	-77.14	Conversion from convertible financial instruments to the preferred stock issued by the subsidiary of the Group during the current period
Other comprehensive income	**1,574,263,722.33**	**0.91**	294,879,708.74	0.18	433.87	Changes in the translation differences of financial statements denominated in foreign currencies and cash flow hedging reserve during the current period

CONTINGENCIES

(1) Pending litigation

Copper-Cobalt business of the Group in the DRC

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

Niobium-Phosphate business of the Group in Brazil

The Group's Niobium-Phosphate business in Brazil may be involved in 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 performance or cash flows of the relevant business.

GEARING RATIO

The gearing ratio (total liabilities divided by total assets) of the Group decreased to 58.40% as at 31 December 2023 from 62.41% as at 31 December 2022.

CASH FLOW

As at 31 December 2023, cash and cash equivalents of the Group decreased by approximately RMB2,926.78 million or -10.08% to approximately RMB26,118.76 million from approximately RMB29,045.55 million as at 31 December 2022. For the year ended 31 December 2023, net cash inflow generated from operating activities of the Group was approximately RMB15,542.00 million; net cash outflow from investment activities was approximately RMB10,658.69 million; and net cash outflow generated from financing activities was approximately RMB8,606.47 million.

The following table sets forth the cash flow position of the Group:

Unit: Yuan Currency: RMB

Item	Amount of the current year	Amount of last year	Change	Percentage of Change (%)	Explanation
Net cash flow from operating activities	15,542,003,495.74	15,453,761,072.68	88,242,423.06	0.57	
Net cash flow from investment activities	-10,658,686,268.22	-7,371,654,238.67	-3,287,032,029.55	-44.59	Year-on-year increase in cash payments to acquire or construct fixed assets, intangible assets and other long-term assets during the current period.
Net cash flow from financing activities	-8,606,467,554.41	-2,096,545,911.51	-6,509,921,642.90	-310.51	Year-on-on decrease in cash such as long-term advance receipt during the current period.

CAPITAL STRUCTURE

The Group 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 31 December 2023, the equity interests of shareholders of the Company amounted to approximately RMB71.962 billion, among which the equity attributable to shareholders of the parent company was approximately RMB59.540 billion. There was no change in the capital of the Company during 2023.

As at 31 December 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 31 December 2023 are set out in note (V).24, note (V).33, note (V).35 and note (V).36 to the consolidated financial statements.

FINANCIAL INSTRUMENTS

The Group'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 Note (V) to the consolidated financial statements set forth in this report.

SHORT-TERM BORROWINGS

Details of the short-term borrowings are disclosed in Note (V).24 to the consolidated financial statements set forth in this report.

LONG-TERM BORROWINGS

Details of the long-term borrowings are disclosed in Note (V).35 to the consolidated financial statements set forth in this report.

BONDS PAYABLE

Details of the bonds payable are disclosed in Note (V).36 to the consolidated financial statements set forth in this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There were no plans for material investments or additions of capital assets of the Group as at the date of this annual report.

SUBSEQUENT EVENTS

There were no material subsequent events undertaken by the Group after 31 December 2023 and up to the date of this annual report.

1. BASIC INFORMATION OF PROPRIETARY MINES

As at 31 December 2023, the information about the Company's ore resources and ore reserves is as follows:

Name of mine	Main category	Resources Ore *(mt)*	Resources Grade *(%)*	Resources Metal *('0,000 tonnes)*	Reserves Ore *(mt)*	Reserves Grade *(%)*	Reserves Metal *('0,000 tonnes)*	Ore throughput for the year *(mt)*	Remaining years of mining life for the resources *(years)*	Validity period of the license/mining right
TFM Copper and Cobalt Mine in the DRC	Copper	1,363.08	2.25	3,063.11	264.91	2.83	749.83	12.5	17	2-11 years
	Cobalt	1,363.08	0.25	334.12	264.91	0.29	77.13			
KFM Copper and Cobalt Mine in the DRC	Copper	193.31	2.07	400.71	60.53	2.82	170.98	4.3	8.9	23 years
	Cobalt	193.31	0.99	190.52	60.53	1.11	66.97			
Brazil Mine area I	Niobium	149.2	1.0027	149.7	41.8	0.96	40.18	3.3	12.6	Long-term
Brazil Mine area II	Niobium	159.7	0.34	53.9	33.5	0.42	14.22	5.5	33.2	
Brazil Mine area II	Phosphate	786.8	10.45	8,222.63	182.7	12.75	2,328.28			
Sandaozhuang Molybdenum and Tungsten Mine	Molybdenum	280.93	0.087	24.46	100.44	0.084	8.44	13.0	9	11.5 years
	Tungsten	64.73	0.169	10.97	26.04	0.109	2.84			
Shangfanggou Molybdenum Mine	Molybdenum	436.54	0.140	60.97	21.66	0.215	4.65	5.3	4.1	10 years
	Iron	16.00	20.42	326.70	1.35	30.01	40.51			
Donggebi Molybdenum Mine	Molybdenum	441	0.115	50.82	141.58	0.139	19.68	/	38	21 years

Notes:

1. The preliminary design of the KFM copper and cobalt mine has been commenced in accordance with the relevant Chinese standards. There are differences between the estimated resources and reserves and the results obtained under overseas standards (mainly due to the differences in resource results caused by the delineation of ore bodies under Chinese standards and the delineation of mineralized zones under the standards of the Joint Ore Reserves Committee). The current reserves only include oxide ore and mixed ore, which are those that will be utilized in the first ten years of the mine as designed in the preliminary design report, and the design of deeper ore bodies will be launched in due course as mining and exploration work go further.

2. During the reporting period, the verification report of the resources and reserves in the Sandaozhuang Mine of the Company was reviewed and approved by the Ministry of Natural Resources, with the mining right of Sandaozhuang Mine extended to 1 June 2035. Throughput of Sandaozhuang Mine refers to the throughput of industrial-grade ores under Chinese standards, excluding low-grade ores.

3. The Shangfanggou Molybdenum Mine is owned by Fuchuan Mining Company Limited, a joint venture of the Company. With the approval of the general meeting of Fuchuan Mining, its operation was entrusted to CMOC.

4. Update on the reserves and changes in the actual throughput (due to technology, equipment, etc.) of the Company will affect the changes in the remaining years of mining life for the resources of the Company. Of which, the remaining years of mining life for the resources of TFM and KFM Copper and Cobalt Mine are determined based on different design scale and service life: the increase in niobium reserves in Brazil Mine area (I) was mainly due to the exploration works carried out during the year. According to the mining law in Brazil, mining concessions have no expiration date, therefore, the mining rights in niobium and phosphates mining areas in Brazil are valid for a long term; under the favorable conditions such as metal price and effective technological transformation, Sandaozhuang Mine reduces the industrial grade, redefines economic rationality level and increases the mining ore by comprehensive utilization of symbiotic resources and associated resources, therefore extends the remaining service life of the mine.

5. Annual ore throughput was the actual ore consumption during the reporting period. The niobium in Brazil Mine area II was derived from the utilization of phosphate tailings in Brazil Mine area II, while other mines do not include comprehensive utilization of tailings.

6. Overseas mines are prepared in accordance with the JORC standards, and domestic mines and KFM Copper and Cobalt Mine are prepared in accordance with the Chinese standards. The above mineral resources are inclusive of reserves.

7. The data in respect of the amount of metal contained in the reserves is the theoretical value and did not take into account the metallurgy recovery rate.

8. The company has established an effective monitoring and management mechanism for the mining licenses in each mining area; at present, there is no situation where the mining license has not been renewed or cannot be renewed after expiration. At present, all mines are in a favorable state of production and operation: the prices of the main metals mined are relatively firm, and all mines have reduced production costs by strengthening a series of work such as technological transformation. Exploration activities and mine production practices have proved that all mines have great resource potential and favorable resource dump conditions, and have the potential to extend the service life of the mine.

9. All of the above information has been confirmed by the experts of the Company.

2. EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(1) Exploration

① *Copper and Cobalt Mine in the DRC*

TFM Copper and Cobalt Mine: During the reporting period, geological exploration works mainly focused on limestone deposits. A large-scale geological mapping of 4.33 square kilometers in total was completed; 18 new limestone target areas were discovered; a total of 21,402 meters of diamond drilling footage was completed, meeting the expected prospecting results.

KFM Copper and Cobalt Mine: During the reporting period, the production and exploration work mainly focused on the proposed mining area in 2024, a total of 44 drilling holes have been completed with a total footage of 2,866 meters; achieving the exploration effect and meeting expectations in terms of grid drilling and exploration towards boundaries and bottoms of ore body.

② *Niobium and Phosphate Mine in Brazil*

Niobium Mine: Diamond drilling activities were carried out during the reporting period, with a total of 43 drilling holes constructed and a total footage of 6,511 meters. Among them, 14 drilling holes were used to increase the density of drilling grid and upgrade the resource, with a total footage of 3,632 meters; 7 drilling holes were used for geotechnical engineering to update the geomechanical model, with a total footage of 1,955 meters; 22 drilling holes were used for hydrogeology to update the hydrological model and meet the requirements of the local environmental regulations, with a total footage of 924 meters.

Phosphate Mine: A total of 132 drilling holes were constructed in the stopes of Chapadão Mine, with a total footage of 4,214 meters, and 1,708 samples were collected, including 113 RC drilling holes (drilling holes for rock powder) with a footage of 2,220 meters and an average depth of 20 meters, and 19 DDH drilling holes (diamond drilling holes) with a footage of 1,994 meters, which achieved the purpose of increasing the density of the existing exploration grids (100 meters by 100 meters or more than 200 meters), upgrading the resources, and updating the grades in the short- and long-term plan models. For long-term mineral resource drilling, 2 drilling holes were constructed at the edge of Chapadão Mine, with a total footage of 552 meters, for the purpose of resource upgrade and conversion.

Greenfield exploration projects: 3 diamond drilling holes were constructed in the areas with mining rights of the Monjolos project (MNJ-SV), with a footage of 453 meters, and 220 samples were collected according to QAQC standards. 652 samples were collected in the areas with mining rights of the Iraí de Minas project (IDM-SJB). In the brownfield project of ALE (east zone), 9 diamond drilling holes were constructed with a total footage of 3,640 meters. In Coqueiros, 6 diamond drilling holes were constructed with a total footage of 1,661 meters to explore the causes of geophysical anomalies and confirm the in-depth potential of niobium mineralization and the continuity of mining phosphate mine.

③ *Mines in the PRC*

Sandaozhuang Molybdenum and Tungsten Mine: During the reporting period, production and exploration of mines were conducted in the central and southern areas, with drilling work conducted on the surface of the open pit, using core drills to conduct 64 drills holes, with a footage 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 3,640 meters of mined-out exploration was carried out, including 2,610 meters of single-layered mined-out areas and 1,030 meters of multi-layered mined-out areas. All of the exploration works have achieved the expected effect.

Shangfanggou Molybdenum Mine: During the reporting period, production and exploration have 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. In-depth exploration has been carried out at standard height of 1,520 meters to 885 meters in mine areas, using core drilling rigs to conduct 38 drill holes to a depth of 15,956 meters. In order to ensure the production safety, mined-out area exploration was carried out in the horizontal mined-out areas 1,154 meters to 1,342 meters deep, using the reverses circulation drill rigs to construct 43 exploration holes for mined-out area, with a depth of 3,745 meters, including 2,272 meters of single-layered mined-out areas and 1,473 meters of multi-layered mined-out areas. All of the exploration works have achieved the expected effect.

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

(2) Development

① *Copper and Cobalt Mine in the DRC*

TFM Copper and Cobalt Mine: During the reporting period, the infrastructure stripping and development preparation for 3 mines and the construction for 2 raw ore yards in the eastern zone have been completed, and the infrastructure works for mixed ore development have been fully completed. Surface extension and stripping works for several dumps have been completed. Gushing water governance for railway relocation has been completed, excavating 73,900 cubic meters of side gutters and floor gutters, as well as 18,000 cubic meters of roadbed replacement and filling have been completed. 18 dewatering wells have been completed, totaling 2,492 meters. 6 monitoring holes have been completed, totaling 870 meters. The management of surface water was carried out in the vicinity of the mining area, the dumps and the communities in the mining area. A total of 3,447 meters of protective embankment controlling surface water, 477 meters of roads and drainage culverts installed, and 3,709 meters of ditches on the top of protection slope were excavated to effectively control the impact of water environment and resolve the problem of puddles on roads in the mining area.

KFM Copper and Cobalt Mine: During the reporting period, the drainage work gradually formed a drainage mode with the mine as the base and supplemented by the dredging wells: the mine set up a primary and secondary drainage system to relay the drainage; 5 dredging wells were opened in the main groundwater recharge corridor of the mine to ensure the smooth implementation of exploration in the new stage and the production of ores. The mine slope adopted a joint monitoring mechanism combining manual, GNSS and radar methods for monitoring, and 10 new GNSS monitoring points were installed during the year for real-time monitoring of the slopes; the bidding for slope radar monitoring service and mine slope stability study was completed. The hardening of 4,000 meters of ore transportation roads was completed to ensure normal supply of ore during the rainy season. The transportation system within 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 transportation cost.

② *Niobium and Phosphate Mine in Brazil*

Niobium Mine: During the reporting period, the main CAPEX expenditures necessary for continuing operations of Boa Vista Mine was completed; the transformation of drainage system was completed, increasing the pumping capacity while deepening the pit; the revegetation of more than 200,000 square meters of waste rock piles was conducted to be in compliance with the requirements of the environment conditions; the construction of new sumps with a capacity of approximately 22,000 cubic meters was completed to ensure the dust-proof water during the drought period annually.

Phosphate Mine: During the reporting period, the average transport distance was shortened and the efficiency of operation of mines was improved through optimization of the transportation route project transformation. For the relocation work of niobium slag, the Company 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). Currently, the Company has submitted the related information to the Brazilian Ministry of the Environment for review.

③ *Mines in the PRC*

Sandaozhuang Molybdenum and Tungsten Mine: During the reporting period, the ecological restoration work was further strengthened with the area of greening restoration up to 55,400 square meters. Besides, we have reclaimed the land on the slope with an area of 13,400 square meters; hardened road of 880 square meters. We constructed drainage ditches of 5,471 meters for construction works of final slope interception for drainage and mining sites and drainage and retaining wall.

Shangfanggou Molybdenum Mine: During the reporting period, in accordance with the national green mine construction requirements, the ecological restoration work was further strengthened, with the ecological restoration area of the mine amounted to about 32,300 square meters. We have reclaimed the land on the slope with an area of 5,431 square meters; hardened road of 5,570 square meters; constructed temporary ditches of 4,500 meters and concrete ditches of 300 meters.

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

(3) Mining Activities

Unit: '0,000 tonnes

Domestic mining activities	
Mining volume of Sandaozhuang Molybdenum and Tungsten Mine[1]	1,299.26
Mining volume of Shangfanggou Molybdenum Mine	522.5
Overseas mining activities	
Mining volume of TFM Copper and Cobalt Mine in the DRC	1,803.00
Mining volume of KFM Copper and Cobalt Mine in the DRC	437.16
Mining volume of Niobium Mine in Brazil	342.79
Mining volume of Phosphate Mine in Brazil	552.68

Note: 1. The mining volume of Sandaozhuang Molybdenum and Tungsten Mine refers to the throughput of industrial-grade ores under Chinese Standard, excluding the volume of low-grade ores.

(4) Costs of Exploration, Development and Mining

Projects	Mining costs	Exploration costs	Development costs
Domestic mines *(RMB'0,000)*			
Sandaozhuang Molybdenum and Tungsten Mine	59,452.28	280.18	2,102.13
Shangfanggou Molybdenum Mine	38,446.01	907.44	803.98
Overseas mines *(USD million)*			
TFM Copper and Cobalt Mine in the DRC	481.94	7.61	127.56
KFM Copper and Cobalt Mine in the DRC	127.92	0.53	8.78
Niobium Mine in Brazil	35.52	4.58	5.18
Phosphate Mine in Brazil	14.88	1.71	1.19

I • MATERIAL EVENTS

1. The KFM Copper and Cobalt project reached full production, and the mixed ore project of the TFM Copper and Cobalt Mine was put into production

Embracing the spirit of "challenging the impossible", the Company, under the efforts of all employees, has completed the construction of three production lines of the TFM mixed ore project in the DRC, namely the mixed ore in the central zone, oxide ore and mixed ore in the eastern zone, according to the "milestone" node plan, which were put into production in October 2023 successfully. The KFM project in the DRC achieved full production in the second quarter of 2023, surpassing the production targets for the year. In 2023, TFM contributed 280.3kt of copper and 21.6kt of cobalt, while 113.7kt of copper and 33.9kt of cobalt were produced from KFM.

For details, please refer to relevant announcements published by the Company on the Company's website, designated media and the websites of the Shanghai Stock Exchange (the "**SSE**") and The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

2. A consensus on the issue of TFM copper and cobalt mine royalties was reached

Through candid communications and friendly consultations, the Company and business partners reached a consensus on the issue of TFM royalties, enabling the resumption of exports in April 2023 based on respect of history of the project and serving the win-win goal out of consideration of both short-term interests and long-term development of the parties. In July 2023, a Settlement Agreement was signed to properly settle the issue regarding the additional royalties, which showcased the Company's ability to cope with complex issues in its international operations and laid a solid foundation for the long-term development.

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

II • HONOURS

The Company won the titles "Top Manufacturing Enterprises in Henan Province (河南省製造業頭雁企業)"for the third consecutive year and "Advanced Group on Scientific and Technological Innovation in Luoyang City (洛陽市科技創新工作先進集體)" for the second consecutive year.

Scientific and technological achievement of "Green and low-carbon design of open-pit mine-intelligent and safe mining-key technologies and application of comprehensive utilization of solid waste (露天礦綠色低碳設計－智能安全開採－固廢綜合利用關鍵技術及應用)" and "combined phosphorus/phosphonates synergistic enhancement of flotation separation technology between extremely low-grade scheelite and calcium-containing gangue minerals (組合磷/膦酸鹽協同強化極低品位白鎢礦與含鈣脈石礦物浮選分離技術)" were awarded the first prize of Science and Technology Progress Award of CNMIA (中國有色金屬工業協會科技進步一等獎) respectively.

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).

III • DOMESTIC AND OVERSEAS INDUSTRY POLICIES

Within the PRC

On 3 January 2023, the Ministry of Natural Resources issued the Trading Rules for the Assignment of Mineral Rights (《礦業權出讓交易規則》), further regulating transactions on the assignment of mineral rights, enhancing the construction of the mineral rights market, ensuring that transactions on the assignment of mineral rights are conducted openly, fairly and impartially, continuously improving the efficiency and effectiveness of such transactions, safeguarding the rights and interests of the state and the legitimate rights and interests of mineral right holders, and providing institutional support for protecting national energy resource security.

On 3 February 2023, the General Office of the Ministry of Natural Resources and the General Office of the Ministry of Finance issued the Notice on Issues Concerning the Disposal of Mineral Rights for Compensation (Letter No. 223 [2023] of the General Office of the Ministry of Natural Resources) (《關於礦業權有償處置有關問題的通知》(自然資辦函[2023]223 號)). It provides further clarification and definition in respect of specific issues of the disposal of mineral rights for compensation.

On 24 March 2023, the Ministry of Finance, the Ministry of Natural Resources and the State Taxation Administration issued the Measures for Collection of Proceeds from the Assignment of Mineral Rights (《礦業權出讓收益徵收辦法》), further improving the compensation system of use of mineral resources, standardizing the management on collection of proceeds from the assignment of mineral rights, safeguarding the rights and interests of national owners of mineral resources, and promoting the protection and rational utilization of mineral resources.

On 6 May 2023, the Ministry of Natural Resources issued the Notice of the Ministry of Natural Resources of Further Improving the Administration of Registration of Mineral Resources Prospecting and Mining (《自然資源部關於進一步完善礦產資源勘查開採登記管理的通知》), improving the guarantee capacity of energy and resources, and promoting the healthy and sustainable development of the mining industry.

On 26 July 2023, the Ministry of Natural Resources issued the Opinions of the Ministry of Natural Resources on Several Matters of Deepening the Reform of Management of Mineral Resources (Regulations No. 6 [2023] the Ministry of Natural Resources) (《自然資源部關於深化礦產資源管理改革若干事項的意見》(自然資規[2023]6號)), providing certain opinions in respect of deepening the reform of management of mineral resources.

(I) MINING BUSINESS UNITS

1. Exposure to Risks Related to Price Fluctuations of Principal Products

The profit of the Company primarily generates from the Company's principal products, including copper, cobalt, molybdenum, tungsten, niobium and phosphate. Significant fluctuations in the prices of related mineral products in future may put greater pressure on the Company's operating results.

The Company consolidates the competitiveness of low cost and improve the production capacity, production volume and efficiency of the projects in production through the continuous cost reduction and efficiency improvement and technological upgrading. Meanwhile, the Company strengthens the market research, and uses the financial derivative instruments in a reasonable and prudent manner to mitigate the risk of price fluctuations.

2. Exposure to Risks Related to Geopolitics and Policy

The primary operation of the Company locates in various countries and regions including China, DRC and Brazil. As there are major discrepancies in state politics, economy development level and social structures among different countries, deepening global resource nationalism, the change of government and changes in national policies may have impacts on the operation of the Company.

The Company identifies the macro environment and the mining regulations of countries or regions where the mines operate to adhere to legal and compliant operations; and keeps a positive and constructive relationship with the stakeholders to ensure the orderly production and operation.

3. Exposure to Risks Related to Interest Rate

The interest rate risk exposure of the Company comes from changes in bank borrowing rates. The risk of changes in cash flows of financial instruments arising from change in interest rate is mainly related to bank borrowings with floating rates. Combined with market judgment, the Company has flexibly adopted interest rate swaps to hedge against interest rate fluctuations on US$-denominated loans, therefore coping with interest rate hikes risks resulting from higher United States interest rates.

4. Exposure to Risks Related to Exchange Rate

The exchange rate risk exposure of the Company is primarily arising from assets and liabilities held in foreign currencies other than the function currency, and is mainly associated with US$, HK$, EUR, CAD, RMB, BRL, GBP and CDF. All principal business operations of domestic subsidiaries are denominated and settled in RMB; the niobium and phosphates businesses of the Group in Brazil are mainly denominated and settled in US$ and BRL; and the copper and cobalt businesses of the Group in the DRC are mainly denominated and settled in US$ and CDF.

The overall exposure of the Group to changes in exchange rates is not significant. The exchange rate risks arising from assets and liabilities with balances denominated in foreign currencies may affect the operating results of the Company. The Company pays close attention to the effect of the changes in exchange rates on the exchange rate risks of the Group, and makes use of financial instruments, such as forward foreign exchange contracts to hedge against foreign exchange rate risk in due course.

5. Exposure to Risks Related to Safety and Environmental Protection and Natural Disasters

The Company engages in the mining business and mineral resources processing. In the production process, there may be accidents related to safety and environmental protection, as well as natural disasters such as rainstorms, drought and earthquake, which may damage the tailing storage facilities and slag discharge fields.

The Company prevents and controls safety risks by formulating and improving safety system, intensifying accountability in relation to safety and environmental protection, investing more in production safety and environmental protection and strongly promoting standardized safety management.

(II) TRADING BUSINESS

Trading companies use multiple financial instruments and subject to multiple risks, including price fluctuations, foreign currency, counterparty credit and liquidity risks. An integrated risk management framework is an instrumental part of IXM's governance strategy and objective to achieve sustainable long-term value creation. In addition to managing price and foreign currency risk, IXM implemented a strong monitoring of counterparty credit and ensured the availability of sufficient cash in order to reduce its liquidity risk. In accordance with IXM's risk policy, the Company makes a corresponding provision for its unrealized gains and receivables with counterparties that are deemed at risk.

IXM will continuously update Risk Register with contributions from all key functional departments and updates are discussed with the executive management team. The CMOC Group conducts periodic assessments of various functions and processes with a focus on the corresponding policies, implementation, and monitoring controls in place.

1. Market Risk

Market risk is the risk that the fair value or future cash flows of assets and liabilities held by IXM will fluctuate due to changes in market variables such as spot and future commodity prices, relative price spreads and volatilities, interest and foreign exchange rates.

Market risk exposure is classified into either trading or non-trading activities. IXM manages market risk for trading activities by diversifying risks, controlling position natures, sizes and maturities, performing stress testing, monitoring risk limits under the supervision of its Risk Committee. Risk limits are based on a daily measure of market risk exposure referred to as value at risk (VaR). The VaR is a model-based estimate grounded upon various assumptions with a confidence level of 95%. The VaR model undergoes regular backtesting to test the validity of its underlying assumptions. To complement the use of VaR, IXM also applies various other controls like metal concentration limits, nominal volume limits in some illiquid markets, and frequent stress testing of portfolios.

2. Liquidity Risk

Liquidity risk arises in the general funding of the IXM's commodity trading activities and in the management of positions. It includes both the risk of being unable to fund the group's portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Management of the liquidity profile is designed to ensure that the group has access to the funds necessary to cover maturing liabilities in a timely manner. Sources of funds include interest-bearing and non-interest-bearing deposits, bank notes, trading account liabilities, repurchase agreements, long term debt, borrowing arrangements and financial advances from related parties.

3. Credit Risk

IXM is engaged in the business of trading a diversified portfolio of commodities. Accordingly, a substantial portion of the group's lending exposure (trade receivables and prepayments) alongside (current and potential future) counterparty MtM exposure is with companies across several different industries within the commodity sector.

IXM has implemented risk management procedures to monitor its risk exposures and to minimize counterparty risk. These procedures include initial credit and limit approvals, credit insurance, bank discounting, margin requirements, netting arrangements, letters of credit, other guarantees, and covenants.

The credit quality of financial and other current assets is assessed by reference to credit ratings, historical information about counterparty default rates, risk mitigation tools in place, existing market conditions, market-based ("**systematic**") risk factors and loan-specific ("**idiosyncratic**") risk factors. The rating methodology incorporates several financial metrics, specific financial ratio equivalencies for each credit rating, ESG metrics, operational and industry risk metrics, parent/group support and country risk.

4. **Compliance**

IXM fully recognizes the importance of business ethics and sustainable development in accessing resources, markets, and financing. IXM is committed to full compliance with applicable laws and regulations in all jurisdictions where we operate. To this effect, IXM has established a comprehensive compliance program tailored to the specific requirements of our industry. It includes policies, procedures, and internal controls which are regularly reviewed to ensure adherence to legal and regulatory obligations. We monitor and stay abreast of changes in laws, regulations, and industry standards that affect our business operations.

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.

The Board hereby presents this Corporate Governance Report in the Group's annual report for the year ended 31 December 2023.

CORPORATE GOVERNANCE PRACTICES OF THE COMPANY

The Group has striven to uphold high standards of corporate governance to safeguard the interests of shareholders, to enhance corporate value and to implement accountability for the Group.

The Company has applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Hong Kong Listing Rules**").

In the opinion of the Board, the Company has adopted and complied with all applicable code provisions as set out in the Corporate Governance Code throughout the year ended 31 December 2023.

The Company reviews its corporate governance practices regularly to ensure compliance with the Corporate Governance Code.

THE BOARD

During the year ended 31 December 2023, the Board held 10 Board meetings in total for reviewing and approving the financial affairs and usual course of business, considering and approving the annual budgets and the overall strategies and policies of the Company, and considering and approving relevant matters in relation to the continuing connected transaction agreements and external disposal of assets of the Company.

RESPONSIBILITIES

The Board is responsible for the leadership and control of the Group, overseeing the Group's businesses, strategic decisions and performances. The Group's senior management is delegated the authority and responsibilities by the Board to manage the day-to-day management and operations of the Group. In addition, the Board has also established Board committees and has delegated to these Board committees' various responsibilities (including corporate governance functions) set out in their terms of reference respectively.

Every Director carries out his duty in good faith and in compliance with the standards of applicable laws and regulations, and acts in the interests of the Company and its shareholders at all times.

The Company has arranged for appropriate liability insurance which covers legal litigation arising from corporate activities against its Directors and senior management.

BOARD COMPOSITION

The Board currently comprises eight members, including two executive Directors, three non-executive Directors and three independent non-executive Directors. The list of all Directors is set out under "Corporate Information" on page 385 of this annual report and the independent non-executive Directors are expressly identified in all corporate communications pursuant to the Hong Kong Listing Rules. As at the date of this report, the Board comprises the following Directors:

Executive Directors

Sun Ruiwen, CEO
Li Chaochun, Vice Chairman

Non-Executive Directors

Yuan Honglin, Chairman
Lin Jiuxin (elected in June 2023)
Jiang Li (elected in June 2023)

Independent Non-Executive Directors

Wang Gerry Yougui
Yan Ye
Li Shuhua

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Hong Kong Listing Rules. There is no relationship among members of the Board (including financial, business, family or other material or relevant relationships).

During the year ended 31 December 2023, the Board, at all times, met the requirements of the Hong Kong Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board, with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received an annual confirmation from each independent non-executive Director of his/her independence pursuant to the requirements of the Hong Kong Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

Non-executive Directors (including independent non-executive Directors) bring a wide range of business and financial expertise, experience and independent judgment to the Board. Through active participation in Board meetings or meetings of Board committees, supervising management issues involving potential conflict of interests and serving on Board committees, all non-executive Directors (including independent non-executive Directors) make various contributions towards the direction of the Company.

All independent non-executive Directors are not involved in day-to-day management. Independent non-executive Directors also express independent opinions on the Board's deliberation to ensure high standards of corporate governance and financial integrity. Taking into account factors such as the proportion and selection of independent non-executive Directors and the frequency with which independent non-executive Directors attend Board meetings, the Company believes that the Board can effectively obtain independent views and opinions. The Board reviews the implementation and effectiveness of this mechanism on an annual basis.

CHAIRMAN AND CEO

The roles and duties of the Chairman and the CEO are carried out by different individuals and their respective responsibilities have been clearly specified in writing.

The Chairman, Mr. Yuan Honglin, provides leadership for the Board and is also responsible for chairing the meetings, leading the operations of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner.

The CEO, Mr. Sun Ruiwen, is responsible for running the Company's business operations and implementing the Group's strategic plans and business goals.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Company's articles of association (the "**Articles of Association**"), all Directors of the Company (including non-executive Directors) are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall submit himself/herself for election by shareholders at the first annual general meeting after appointment.

Each Director of the Company is appointed for a term commencing from the date on which the resolution regarding his/her appointment/re-election is passed until the conclusion of the annual general meeting of the Company to be held in 2024, at which meeting, they will retire. Among the retiring Directors of the current Board, Mr. Sun Ruiwen, Mr. Li Chaochun, Mr. Yuan Honglin, Mr. Lin Jiuxin and Mr. Jiang Li are all eligible and willing to be re-elected at the annual general meeting of the Company to be held in 2024. Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua will no longer stand for re-election at the forthcoming annual general meeting. In addition, the Board nominated Mr. Wang Kaiguo, Ms. Gu Hongyu and Mr. Cheng Gordon as independent non-executive Director candidates to accept shareholders' election at the annual general meeting of the Company to be held in 2024.

According to the detailed working rules for Independent Directors adopted on 9 October 2012, the term of office for independent non-executive Directors shall be the same as that of other Directors of the Company, and they may stand for re-election upon expiry of their term, but the re-appointment shall not exceed six years. The Board proposed a special resolution at the annual general meeting of the Company held in 2015 regarding the amendment to the Articles of Association, fixing the number of the Board members at 7 to 11 so that the number and composition of the Board are in compliance with the requirements under the Company Law and the Hong Kong Listing Rules.

The Nomination and Governance Committee and the Board selected candidates of Directors with reference to substantial shareholders' recommendations and certain criteria and procedures. The relevant criteria mainly include the candidate's professional background, especially his or her experience in the industry where the Group operates, his or her financial and past track record with other similar companies and the recommendations from management and other knowledgeable individuals. The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination and Governance Committee is responsible for reviewing the Board composition, monitoring the appointment, nomination and succession plan of Directors and assessing the independence of independent non-executive Directors.

TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT FOR DIRECTORS

Each newly appointed Director receives a comprehensive, formal and tailored induction on the first occasion of his/her appointment so as to ensure that he/she has an appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Hong Kong Listing Rules and relevant regulatory requirements.

The Directors are regularly updated with legal and regulatory developments as well as business and market changes to facilitate the discharge of their responsibilities. Briefings and continual professional development schemes for Directors will be arranged whenever necessary.

The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skills in order to ensure that their contribution to the Board remains fully informed and relevant. During the year ended 31 December 2023, all Directors attended the training courses organized by the Company on corporate governance and regulatory development, and obtained and read relevant materials presented to them by the Board Office of the Company, including updates of laws and regulations. According to the details provided, the summary of the continuing professional development for Directors in 2023 is as follows:

	Scope		
Name of Directors	**Laws, Regulations and Corporate Governance**	**Business of the Group**	**Role, Function and Duty of Directors**
Executive Directors			
Mr. Sun Ruiwen	✓	✓	✓
Mr. Li Chaochun	✓	✓	✓
Non-Executive Directors			
Mr. Yuan Honglin	✓	✓	✓
Mr. Lin Jiuxin(1)	✓	✓	✓
Mr. Jiang Li(1)	✓	✓	✓
Mr. Guo Yimin(2)	✓	✓	✓
Mr. Cheng Yunlei(2)	✓	✓	✓
Independent Non-Executive Directors			
Mr. Wang Gerry Yougui	✓	✓	✓
Ms. Yan Ye	✓	✓	✓
Mr. Li Shuhua	✓	✓	✓

Notes:

(1) Mr. Lin Jiuxin and Mr. Jiang Li were appointed as the non-executive Directors on 9 June 2023.

(2) Mr. Guo Yimin and Mr. Cheng Yunlei resigned as the non-executive Directors on 9 June 2023 due to work adjustment.

BOARD MEETINGS

Practices and Conduct of Board Meetings

Meeting schedules and draft agendas for each meeting are normally made available to Directors in advance.

Notices of regular Board meetings are served to all Directors at least 14 days before the meetings. For other Board and committee meetings, notice is generally given pursuant to the Articles of Association and the respective terms of reference and detailed working rules of the committees.

The agenda of the Board meeting and the accompanying Board papers are dispatched to all Directors at least three days before each Board meeting and committee meeting for their review and to keep the Directors apprised of the latest developments and financial position of the Company so as to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management whenever necessary for inquiries or additional information.

The senior management will attend all regular Board meetings and when necessary, other Board meetings and committee meetings to advise on business developments, operation, financial and accounting matters, statutory compliance, corporate governance and other major aspects of the Company.

The Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions where such Directors or any of their associates have a material interest.

Directors' Attendance Records

During the year ended 31 December 2023, the Company convened a total of 10 Board meetings. The attendance records of each Director at the meetings of the Board, Remuneration Committee, Audit and Risk Committee, Nomination and Governance Committee and Strategic and Sustainability Committee and the general meetings are set out below:

	Number of Attendance in Person/Number of Meetings Eligible to Attend						
Name of Directors	Board Meeting	Remuneration Committee Meeting	Audit and Risk Committee Meeting	Nomination and Governance Committee Meeting	Strategic and Sustainability Committee Meeting	Annual General Meeting[(1)]	Extraordinary General Meeting
Mr. Sun Ruiwen	10/10	N/A	N/A	N/A	1/1	1/1	2/2
Mr. Li Chaochun	10/10	N/A	N/A	N/A	1/1	1/1	2/2
Mr. Yuan Honglin	10/10	2/2	7/7	2/2	1/1	1/1	2/2
Mr. Guo Yimin[(2)]	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Mr. Cheng Yunlei[(2)]	4/4	N/A	N/A	N/A	N/A	1/1	1/1
Mr. Lin Jiuxin[(3)]	6/6	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Jiang Li[(3)]	6/6	N/A	N/A	N/A	N/A	N/A	1/1
Mr. Wang Gerry Yougui	10/10	2/2	N/A	2/2	1/1	1/1	2/2
Ms. Yan Ye	10/10	N/A	7/7	2/2	N/A	1/1	2/2
Mr. Li Shuhua	10/10	2/2	7/7	2/2	N/A	1/1	2/2

Notes:

(1) The annual general meeting was held on 9 June 2023.

(2) Mr. Guo Yimin and Mr. Cheng Yunlei resigned as the non-executive Directors on 9 June 2023 due to work adjustment.

(3) Mr. Lin Jiuxin and Mr. Jiang Li were appointed as the non-executive Directors on 9 June 2023.

JOINT COMPANY SECRETARIES

On 21 May 2021, the Company convened the first meeting of the sixth session of the Board in which a resolution was approved to appoint Ms. Ng Sau Mei of TMF Hong Kong Limited as joint company secretary (together with Mr. Yue Yuanbin as joint company secretaries, and Mr. Yue resigned on 30 July 2021) with effect from the approval by the Board until the date of the 2023 annual general meeting of the Company to be convened in 2024.

Mr. Xu Hui was appointed as the secretary to the Board of the Company on 8 October 2022 and the joint company secretary on 12 October 2022, and his term of office will end upon the expiration of the term of office of the sixth session of the Board. His qualifications comply with the requirements of the Company Law and other laws and regulations on the qualifications of the secretary of the board of directors.

Ms. Ng's primary contact person in the Company is Mr. Xu. Each of Mr. Xu and Ms. Ng has confirmed that he or she undertook no less than 15 hours of relevant professional training during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Hong Kong Listing Rules in respect of dealings in the Company's securities by Directors and Supervisors. Having made specific enquiries, all Directors and Supervisors confirmed that the required standards set out in the Model Code have been complied with during the year ended 31 December 2023.

The Company has also formulated written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Model Code for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance against the Employees Written Guidelines by the employees has been noted by the Company after making reasonable enquiry.

DELEGATION BY THE BOARD

The Board reserves its decisions for all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the joint company secretaries, with a view to ensuring that Board procedures and all applicable rules and regulations are complied with. In appropriate circumstances, Directors may seek independent professional advice relating to such queries at the Company's expense upon making such request to the Board.

The day-to-day management, administration and operations of the Company are delegated to the CEO and the senior management. The delegated functions and work tasks are reviewed periodically. Prior to any significant transactions to be entered into by the abovementioned officers, approvals have to be obtained from the Board.

The Board has established a number of committees, including the Remuneration Committee, the Audit and Risk Committee, the Nomination and Governance Committee and the Strategic and Sustainability Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company were established with defined written detailed working rules. Board committees are provided with sufficient resources to perform their duties. Upon reasonable requests, Board committees may seek independent professional advice in appropriate circumstances at the expense of the Company.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Company has established a formal and transparent procedure for formulating policies regarding remuneration of Directors, Supervisors and senior management of the Group. Details of the remuneration of the Directors, Supervisors and senior management for the year ended 31 December 2023 are set out in note (XI).7 to the consolidated financial statements.

During the reporting period, none of the other Directors have waived or agreed to waive any remunerations, except that Mr. Lin Jiuxin and Mr. Jiang Li, the non-executive Directors, have waived their remunerations.

DISCLOSURES OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES PURSUANT TO RULE 13.51B(1) OF THE HONG KONG LISTING RULES

After having made all reasonable enquiries, except for the information disclosed in this annual report, the Company is not aware of any other information of the Directors, Supervisors and chief executives which is required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

REMUNERATION COMMITTEE

The Company has established the Remuneration Committee and set out its specific working rules. As at the date of this report, the Remuneration Committee comprises two independent non-executive Directors, namely Mr. Wang Gerry Yougui and Mr. Li Shuhua and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Wang Gerry Yougui acting as the chairman. The majority of members of the Remuneration Committee are independent non-executive Directors.

The roles and functions of the Remuneration Committee are set out in its detailed working rules. Its primary functions include: to make recommendations to the Board on the remuneration policy and structure for all Directors and the senior management and to establish transparent procedures for developing such remuneration policy; to make recommendations to the Board on the remuneration packages of individual executive and non-executive Directors and the senior management; and to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The primary aim of the Company's remuneration policy on executive Directors' packages is to enable the Company to retain and motivate executive Directors by linking their remuneration with performance and measured against corporate objectives. The remuneration policy of the Company for non-executive Directors is to ensure that they are sufficiently compensated for their efforts and time dedicated to the Company. In determining guidelines for each element of the remuneration package, the Company refers to the remuneration surveys conducted by independent external consultants on companies operating in similar businesses.

In order to motivate the senior management of the Company in an effective and reasonable way so that they can maximize the value for the shareholders and the Company, the Remuneration Committee has taken into account the market-oriented principles including the determination of remuneration based on the performance, responsibilities, faults and attitude, the enhancement of rewards and punishment, the comparison with similar overseas and domestic listed companies in the industry, and consideration of granting special awards regarding the special projects and contributions, as well as referring to the advice from the professional intermediaries.

The Remuneration Committee held two meetings during the year ended 31 December 2023, and the matters considered therein included confirmation on the remuneration of senior management, reviewed the employee share ownership plan and its implementation and the revision of the detailed working rules of the Remuneration Committee. The attendance records are set out under "Directors' Attendance Records" on page 78 of this annual report.

AUDIT AND RISK COMMITTEE

The Board resolved to change the name of the Audit Committee to Audit and Risk Committee on 4 August 2018, and has updated its detailed working rules to better reflect its functions.

The detailed working rules of the Audit and Risk Committee are based primarily on "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. It is mainly responsible for assisting the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit and Risk Committee provides an important link between the Board and the Company's auditors in matters relating to the Group's audit scope.

The Audit and Risk Committee has reviewed the effectiveness of the external audit and internal controls, evaluated risks, and provided comments and advice to the Board. As at the date of this report, the Audit and Risk Committee comprises two independent non-executive Directors, namely Mr. Li Shuhua and Ms. Yan Ye, and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Li Shuhua acting as the chairman of the committee. The Audit and Risk Committee has reviewed with the management and external auditors, the audited consolidated results of the Group for the year ended 31 December 2023, according to the accounting principles and practices adopted by the Group, and discussed auditing, internal controls and financial reporting matters.

The main duties of the Audit and Risk Committee are set out in its detailed working rules, including the following:

(I) WITH RESPECT TO AUDIT AND FINANCIAL SUPERVISION

- provide proposals to the Board of Directors on the appointment, re-appointment and removal of the external auditors, advise on the terms of remuneration and appointment of the external auditors, and deal with matters related to the resignation or dismissal of the auditors;

- review and supervise the independence and objectivity of the external auditors and give opinions in this regard;

- review and monitor the effectiveness of the audit procedures in accordance with applicable standards, discuss with the external auditors about the nature and scope of the audit and the relevant reporting obligations before the audit commences and express opinions in this regard;

- review the financial and accounting policies and practices of the Company, review the drafts of the annual reports, monitor the integrity of financial statements and annual reports and accounts, half-year reports and quarterly reports of the Company, and review significant financial reporting judgements contained therein and provide opinions in this regard;

- examine on a yearly basis the adequacy of the resources, the qualifications and experience of employees in connection with the Company's financial accounting, financial reporting risk management and internal control functions, as well as the adequacy of the training courses received by employees and the related budgets;

- review arrangements under which employees may raise concerns about the possible inappropriate financial reporting, risk management, internal control or other matters under the condition of confidentiality;

(II) WITH RESPECT TO RISK MANAGEMENT AND INTERNAL CONTROL

- review the Company's financial control, and the risk management and internal control systems of the Company;

- discuss the risk management and internal control systems with the management to ensure that the management has discharged its duty to establish an effective system and to settle the procedural issues of serious internal control deficiencies;

- consider any findings of major investigations of risk management and internal control matters and the management's response; and

- evaluate and enhance the risk management procedures and ensure the current and future rationality, effectiveness and feasibility thereof.

The Audit and Risk Committee supervises the risk management and internal control systems of the Company, reports to the Board on any material issues and makes recommendations to the Board.

The Audit and Risk Committee held seven meetings during the year ended 31 December 2023 and reviewed matters including annual results for the year ended 31 December 2022, the results for the first quarter ended 31 March 2023, the results for the interim period ended 30 June 2023 and the results for the third quarter ended 30 September 2023. The Audit and Risk Committee also considered the financial reporting and compliance procedures, the report from the management on the review and processes of Company's internal control and risk management systems and the re-appointment of the external auditors. The attendance records are set out under "Directors' Attendance Records" on page 78 of this annual report.

During the year ended 31 December 2023, the Audit and Risk Committee met the external auditors twice without the presence of the executive Directors.

NOMINATION AND GOVERNANCE COMMITTEE

The Board resolved to change the name of the Nomination Committee to Nomination and Governance Committee on 4 August 2018, and has updated its detailed working rules to better reflect its functions.

As at the date of this report, the Nomination and Governance Committee comprises four Directors, including three independent non-executive Directors, namely Mr. Wang Gerry Yougui, Mr. Li Shuhua and Ms. Yan Ye, and one non-executive Director, namely Mr. Yuan Honglin. Mr. Wang Gerry Yougui and Mr. Yuan Honglin act as the chairman and the vice chairman of the Nomination and Governance Committee respectively, and the independent non-executive Directors make up more than half of the members of the Nomination and Governance Committee.

The roles and functions of the Nomination and Governance Committee are set out in the detailed working rules, and it is mainly responsible for (i) with respect to nomination: make suggestions to the Board as to the scale, structure, composition and any proposed change of the Board in light of the business activities, size of assets and shareholding structure of the Company, including reviewing the structure, number, composition and diversity of the members' background of the Board (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) at least once a year or as needed; make recommendations to the Board on any proposed change to the Directors and the senior management; study the standards and procedures for the selection or appointment of Directors and senior management, and make recommendations to the Board; search and look for in a wide range of fields the candidates for qualified Directors and senior management, and examine and provide recommendations to the Board on this regard. The Board shall fully consider the Nomination and Governance Committee's recommendations on the nomination of the candidates for Directors and senior management; make recommendations to the current Board on the candidates for Directors of the next session of the Board of Directors at the re-election of the Board of Directors; assess the independence of independent non-executive Directors and any elected independent non-executive Directors; make recommendations to the Board of Directors on the candidates for new Directors and senior management at the time when the term of office of the Directors and the senior management expires or they are unable to perform their duties for reasons; assess the performance of the Directors and the senior management and, when necessary, provide advice or make recommendations on the replacement of the Directors and the senior management on the assessment results; and review consecutively the needs for leadership and training development plans of the Company to ensure that the Company may continue to operate efficiently and maintain international competitiveness, and to monitor the training and development of Directors; (ii) with respect to corporate governance: review and approve the Company's vision, strategies, framework, principles and policies regarding corporate governance, and make recommendations to the Board of Directors; supervise the implementation of the corporate governance policies formulated by the Board of Directors and make relevant recommendations; review and consider the Company's corporate governance policies and daily operations to ensure compliance with legal and regulatory provisions, and make recommendations to the Board of Directors; review and consider the Code of Conduct and Compliance Manual (if any) on corporate governance applicable to the Company's Directors and employees; review and consider whether the Company complies with Appendix C1 Corporate Governance Code to the Hong Kong Listing Rules, the disclosure provisions relating to the Corporate Governance Report and other relevant rules; review and assess the annual Corporate Governance Report for consideration and approval and disclosure by the Board; examine, supervise and respond to the emerging corporate governance and, where appropriate, make recommendations to the Board of Directors to continuously improve the Company's corporate governance performance; support the plans for corporate governance outside the Company (both local and overseas), where appropriate, to facilitate the continuous development of corporate governance; review and supervise the assessment procedures of the Board of Directors (including its committees and individual members), assess the Board of Directors on a regular basis, and submit assessment reports to the Board of Directors for consideration and approval; review and supervise the implementation of the shareholder communication policies to ensure its effective implementation and, where appropriate, make recommendations to the Board of Directors on strengthening the relationship between shareholders and the Company; and review and supervise the training and continuous professional development of the Directors, Supervisors and senior management.

During the year ended 31 December 2023, the Nomination and Governance Committee held two meetings; matters considered included the approval of 2022 corporate governance report, nomination of candidates of the non-executive Directors of the sixth session of the Board, candidate of non-employee representative Supervisor etc. The attendance records are set out under "Directors' Attendance Records" on page 78 of this annual report.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy. All appointments to the Board will be made on a merit basis.

The Nomination and Governance Committee reviews and evaluates the composition of the Board, makes recommendations to the Board in relation to the appointment of new Directors, as well as monitors the conduct of annual review on the effectiveness of the Board. When reviewing and evaluating the composition of the Board, the Nomination and Governance Committee will follow the board diversity policy to consider from a number of aspects the benefit of diversity, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, in order for the Board to maintain appropriate and balanced talent, skill, experience and background. In recommending candidates for appointment to the Board, the Nomination and Governance Committee will consider candidates on merit against objective criteria and with due regard for the benefit of diversity in the Board. In monitoring the effectiveness of the annual review of the Board, the Nomination and Governance Committee will consider the balance of talents, skills, experience, independence and knowledge on the Board and its diversity representation.

The Nomination and Governance Committee will review the composition of the Board in terms of diversity annually and monitor the implementation of the board diversity policy.

As at the date of this report, the composition of the Board in terms of diversity is summarized as follows:

<table>
<tr><td>Educational background</td><td colspan="2">Bachelor</td><td colspan="5">Master</td><td>PhD</td></tr>
<tr><td>Designation</td><td colspan="2">Executive Director</td><td colspan="3">Non-executive Director</td><td colspan="3">Independent non-executive Director</td></tr>
<tr><td>Gender</td><td colspan="7">Male</td><td>Female</td></tr>
<tr><td>Nationality</td><td colspan="7">Chinese</td><td>Overseas</td></tr>
<tr><td>Age group</td><td colspan="2">40 to 50</td><td colspan="4">50 to 60</td><td colspan="2">60 to 70</td></tr>
<tr><td>Length of service</td><td colspan="3">1 to 5 years</td><td colspan="3">5 to 10 years</td><td colspan="2">11 to 20 years</td></tr>
<tr><td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr>
</table>

The Company targets to maintain a Board with female representation, and the Nomination and Governance Committee will actively consider increasing the percentage of female members when selecting and making recommendations on suitable candidates for members of the Board. The Company is conscious of gender diversity when considering potential successors to the Board to achieve gender diversity.

The Nomination and Governance Committee has reviewed the board diversity policy to ensure its effectiveness and is of the opinion that the Group has achieved the board diversity policy.

Please refer to the 2023 Environmental, Social and Governance Report of CMOC Group Limited disclosed by the Company on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com) for details such as the gender ratio of all employees of the Company (including senior management), workforce diversity policies, etc.

DIRECTOR NOMINATION POLICY

The Company has adopted a director nomination policy aiming at setting out the criteria and process in the nomination and appointment of Directors and ensuring the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company's business as well as the Board continuity and appropriate leadership of the Board. In assessing the suitability of a proposed candidate, the Nomination and Governance Committee would consider a number of factors including:

- character and integrity;
- qualifications, including cultural and educational background, professional qualifications, skills, knowledge and experience related to the Company's business and strategy, and the diversity of factors referred to in the board diversity policy;
- the independence of a candidate proposed to be appointed as an independent non-executive Director, in particular by reference to the independence requirements under the Hong Kong Listing Rules;

- any potential contributions the candidate can bring to the Board in terms of diversified aspects, including professional qualifications, skills, professional experience, tenure of service, independence, race, gender and age;

- commitment in respect of available time and relevant contribution to discharge duties as a member of the Board and/or Board committees;

- the Company's business activities, asset size and shareholding structure, as well as the Company's corporate strategy; and

- such other perspectives that are appropriate to the Company's business and the succession planning and where applicable, may be adopted and/or amended by the Board and/or the Nomination and Governance Committee from time to time.

The director nomination policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. In relation to the appointment of a new Director, the Nomination and Governance Committee will request the candidate to provide his/her biographical information and other information deemed necessary. The Nomination and Governance Committee will review and take reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The Nomination and Governance Committee may, at its discretion, invite any candidate to meet with the Nomination and Governance Committee members to assist them in their consideration of the proposed nomination or recommendation. The Nomination and Governance Committee will then submit its nomination proposal to the Board for consideration and approval and then make recommendation to the shareholders of the Company for approval.

The Nomination and Governance Committee will conduct regular review on the structure, size and composition of the Board and the director nomination policy, and where appropriate, make recommendations on changes to the Board for consideration and approval to complement the Company's corporate strategy and business needs to ensure its effectiveness.

The Nomination and Governance Committee held two meetings during the year ended 31 December 2023. The main topic considered was to review the Company's compliance with the corporate governance functions, including Directors' performance of duties, board diversity policy, Directors' professionals and sustainability. The attendance records are set out under "Directors' Attendance Records" on page 78 of this annual report.

STRATEGIC AND SUSTAINABILITY COMMITTEE

The Board resolved to change the name of the Strategic Committee to Strategic and Sustainability Committee on 4 August 2018, and has updated its detailed working rules to better reflect its functions.

The Strategic and Sustainability Committee is responsible for formulating the overall sustainable development plans and investment decision-making procedures of the Group. As at the date of this report, the Strategic and Sustainability Committee comprises two executive Directors, namely Mr. Li Chaochun and Mr. Sun Ruiwen, one independent non-executive Director, namely Mr. Wang Gerry Yougui, and one non-executive Director, namely Mr. Yuan Honglin, with Mr. Yuan Honglin acting as the chairman of the committee.

During the year ended 31 December 2023, the Strategic and Sustainability Committee held one meeting; matters considered included assessment of the culture, management framework, affairs, risk management, capacity building and other matters in the fields of environment, social responsibility and sustainability of the Company, etc. The attendance records are set out under "Directors' Attendance Records" on page 78 of this annual report.

CORPORATE GOVERNANCE FUNCTIONS

The Nomination and Governance Committee is responsible for performing the functions of corporate governance.

During the reporting period, the Nomination and Governance Committee has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the Corporate Governance Code and disclosure in Corporate Governance Report.

SUPERVISORY COMMITTEE

As at the date of this report, the Supervisory Committee comprises three members, namely Mr. Zheng Shu, Mr. Zhang Zhenhao and Mr. Xu Wenhui. The Supervisory Committee is responsible for exercising supervision over the Board and its members and the senior management, and preventing them from abusing their power and authorities and jeopardizing the legal interests of the shareholders, the Company and its employees. During the year ended 31 December 2023, the Supervisory Committee held seven meetings to review the financial positions and the internal control of the Company, and adhered to the principle of good faith and proactively carried out various work.

The terms of office of Supervisors (including employee representative Supervisor) commenced from the date on which the resolutions in relation to appointment/re-election were passed until the conclusion of the annual general meeting of the Company to be convened in 2024 and they are subject to retirement and re-election.

Pursuant to the Articles of Association, all Supervisors shall retire from office by rotation at least once every three years. The shareholder representative shall be elected at general meetings, and the employee representative shall be elected democratically by the employees of the Company. Ms. Wang Zhengyan has resigned as an employee representative Supervisor due to the personal work adjustment, with effect from 11 March 2021. On 12 March 2021, Mr. Xu Wenhui was elected as the employee representative Supervisor at the employee representatives' meeting. On 22 March 2021, two shareholder representatives, Ms. Kou Youmin and Mr. Zhang Zhenhao, were approved to act as Supervisors for the sixth session of the Supervisory Committee at the twelfth meeting of the fifth session of the Board, together with Mr. Xu Wenhui, to jointly form the sixth session of the Supervisory Committee. The proposal has been reviewed and approved at the 2020 annual general meeting of the Company. Ms. Kou Youmin applied for the resignation as the chairperson of the Supervisory Committee, with effect from 9 June 2023. On 9 June 2023, the resolution on the Addition of a Non-employee Representative Supervisor of the Sixth Session of the Supervisory Committee of the Company was considered and approved at the 2022 annual general meeting of the Company, and Mr. Zheng Shu was elected as a non-employee representative Supervisor.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Statements

The Directors acknowledged their responsibilities for preparing the consolidated financial statements of the Company for the year ended 31 December 2023.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Hong Kong Listing Rules and other regulatory requirements.

The senior management provides explanations and information to the Board for approval so as to enable the Board to make an informed assessment and to consider and approve the financial information and position of the Company.

The statement of the independent auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Auditor's Report on page 145 to page 150 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for maintaining the soundness and effectiveness of the internal control system and risk management procedures of the Group, including setting up a management structure and its terms of reference to ensure efficient and effective use of the Group's resources to assist the Group in achieving its operation objectives, safeguarding the Group's assets against any unauthorized use or disposal and ensuring appropriate maintenance of relevant records.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing the effectiveness of such systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board maintains on-going supervision over the risk management and internal control systems of the Company through the Audit and Risk Committee, and has reviewed the effectiveness of such systems during 2023. The said review covered all material controls, including financial, operational and compliance controls.

The Board is of the opinion that the Company has adequate resources, staff qualifications, experience and training programmes as well as the relevant budget in terms of accounting, internal audit and financial reporting.

During 2023, the Audit and Risk Committee has reviewed the following matters:

- the changes, since the last annual review, in the nature and extent of significant risks, and the Company's ability to respond to changes in its business and the external environment;

- the scope and quality of management's ongoing monitoring of risks and the internal control systems, and the work of its internal audit function and other assurance providers;

- significant control failings or weaknesses that have been identified during the period, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition; and

- the effectiveness of the Company's processes for financial reporting and compliance of the Hong Kong Listing Rules.

Deloitte Touche Tohmatsu Certified Public Accountants LLP has been appointed to review the effectiveness of internal control in relation to the financial report of the Company for the year ended 31 December 2023 in accordance with relevant requirements under the Corporate Internal Control Audit Guidelines and the China Standards on Auditing and Quality Control. Its responsibilities are to express an audit opinion on the effectiveness of internal control over the financial report after conducting an audit, and to disclose the material defects that have come to its attention in the internal control over non-financial reports. Deloitte Touche Tohmatsu Certified Public Accountants LLP is of the view that the Company has maintained effective internal control over the financial report in all material aspects in the year ended 31 December 2023 in accordance with the Basic Rules for Corporate Internal Control and relevant requirements.

The Board evaluates the effectiveness of internal control system once a year. During the reporting period, the Company completed an internal control self-assessment report for 2023. The Board has evaluated and validated the risk management and internal control system of the Group and has not found any violation of laws, regulations and rules or any significant deficiency in compliance monitoring and risk management or any major mistake. The Board considers the risk management and internal control systems of the Group are effective.

Details of the Audit Report on Internal Control issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP and the Internal Control Self-Assessment Report for 2023 of the Company had been published on the websites of the SSE, the Stock Exchange and the Company on 22 March 2024.

The Company has established an internal audit system. The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks and to safeguard assets of the Group. The internal control system established by the Group for the purposes of risk management and control, together with internal audit and findings in the operation and management, and with reference to audit findings by external auditors, can be used to comprehensively recognize, evaluate and supervise material risks that the Group faces, including operation and decision-making risk, financial management and control risk and the risks resulted from the changes of operating environment. The internal auditors and senior management shall evaluate operational controls and risk management on a regular basis and report to the Audit and Risk Committee on any findings concerning internal control and risk management. The Audit and Risk Committee supervised the implementation of various rectification measures, and the rectification work was in line with expectations after subsequent tracking and checking.

DEALING WITH AND PUBLISHING INSIDE INFORMATION

The Company has formulated a policy regarding dealing with and publishing inside information, which specifies the procedures of and internal control over dealing with and publishing inside information to deal with and publish inside information in due course, without leading to place any person in a privileged position in security transactions. The inside information policy also provides guidance to the employees of the Group to ensure appropriate measures are put in place and prevent from contravening the disclosure requirements as stipulated in laws and Hong Kong Listing Rules by the Group. The Company has established appropriate internal control and reporting system to identify and evaluate potential inside information. Pursuant to the requirements of Hong Kong Listing Rules, the Company publishes the relevant information relating to inside information on the websites of SSE, the Stock Exchange and the Company.

AUDITORS' REMUNERATION

For the year ended 31 December 2023, the remuneration paid to the auditors of the Company, Deloitte Touche Tohmatsu Certified Public Accountants LLP, is set out below:

Types of services	**Remuneration paid/ to be paid** *RMB'000*
Annual audit service	9,280
Internal control audit	2,140

Note: For the avoidance of ambiguity, the auditor's remuneration set out above is only the remuneration paid to the auditor Deloitte Touche Tohmatsu Certified Public Accountants LLP who provides annual audit services to the Company, fees paid by the Group to other organizations that provide accounting services were not included.

Deloitte Touche Tohmatsu Certified Public Accountants LLP provides auditing of financial statements of the parent company and the consolidated financial statements and reviews on the effectiveness of internal control for the Company. In 2023, annual financial auditing for the Company's overseas businesses was conducted by Deloitte Touche Tohmatsu (Australia), Deloitte Touche Tohmatsu Auditores Independentes (Brazil), Deloitte Services SARL (DRC) and Deloitte SA (Swiss), the annual financial statements and internal control audit expenses of overseas business amounted to approximately RMB6.049 million.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The general meetings of the Company provide a forum for communication between the shareholders and the Board. The Chairman as well as chairmen of the Audit and Risk Committee, Remuneration Committee, Nomination and Governance Committee and Strategic and Sustainability Committee shall attend the forthcoming annual general meeting to answer questions of the shareholders.

The Company will convene the annual general meeting (the "**AGM**") on 7 June 2024 and the notice of the AGM will be published and sent to the shareholders of the Company in accordance with the requirements of the Hong Kong Listing Rules and Articles of Association.

As of the end of the reporting period, in accordance with the latest provisions of relevant laws, regulations, normative documents and the Articles of Association, the Company had revised and improved the Detailed Working Rules of the Remuneration Committee of CMOC to standardize corporate governance.

The Company is committed to disseminating important information regarding the Group to the public. To facilitate effective communication, the Company set up the website www.cmoc.com which sets out the information and updates relating to the Company's business development and operation as well as financial information and other information available for public inspection.

The management of the Company regularly reviews the implementation and effectiveness of the various channels of communication with our shareholders. Given that no negative feedback was received during the financial year, we believe that these communication channels are effective.

SHAREHOLDERS' RIGHTS

To safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue (including the election of individual Directors).

All resolutions put forward at a general meeting will be taken by poll pursuant to the Hong Kong Listing Rules and the poll results will be posted on the websites of the Company, the Stock Exchange and the SSE after the general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS

Shareholders either individually or collectively holding more than 10% of the shares of the Company may, through signing one or more copies of requisition(s) in the same form and content stating the topics to be discussed at the meeting, require the Board to convene an extraordinary general meeting or a class meeting. The Board shall, in accordance with the laws, administrative regulations and Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving aforesaid written requisition(s).

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such requisition(s), shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the supervisory committee to convene the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the supervisory committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receiving such proposal. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

Failure of the supervisory committee to issue the notice of the general meeting within required time frame shall be deemed as failure of the supervisory committee to convene and preside over a general meeting, in which case, shareholders individually or collectively holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on his/her/their own.

Where the supervisory committee or shareholders decide(s) to convene the general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall file with the dispatched office of the CSRC at the locality of the Company and the stock exchange. The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The supervisory committee or the convening shareholders shall submit relevant evidence to the dispatched office of the CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

When the Company convenes a general meeting, the Board, supervisory committee or the shareholders either individually or collectively holding 3% or more of the Company's shares may put forward proposals to the Company.

Shareholders either individually or collectively holding 3% or more of the Company's shares may submit their provisional motions to the convener 10 days before the date fixed for convening of the meeting. The convener shall issue a supplementary notice of the general meeting two days after the motions have been received and announce the name of the shareholder submitting the provisional motions, shareholding percentage and the contents of the motions.

Save for the circumstances referred to in the preceding paragraph, after the convener has issued the notice on the general meeting, no change shall be made to the motions listed in the notice of the meeting nor new motions shall be added. The general meeting shall not vote on or resolve motions not listed in the notice of the general meeting or motions which do not meet the following requirements:

Content of proposals at the shareholders' general meeting shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, administrative regulations and the requirements in the Articles of Association.

SHAREHOLDERS' ENQUIRIES

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Board Office at the Company's principal place of business in the PRC (for holders of A shares) or at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares).

The address and contact details of the Company's principal place of business in the PRC are as follows:

North of Yihe, Huamei Shan Road, Chengdong New District
Luanchuan County
Luoyang City
Henan Province
The People's Republic of China
Telephone No.: (+86) 379 6860 3993
Facsimile No.: (+86) 379 6865 8017

The address and contact details of the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:

17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Telephone No.: (+852) 2862 8555
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087

ENQUIRIES ABOUT CORPORATE GOVERNANCE OR OTHER MATTERS TO BE PUT TO THE BOARD AND THE COMPANY

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send written enquiries to the Company, for the attention of the Board Office, by email: 603993@cmoc.com, fax: (+86) 379 6865 8017, or mail to North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the People's Republic of China (Attention: Mr. Gao Fei). Shareholders may call the Company at (+86) 379 6860 3993 for any assistance.

Note: Shareholders' information may be disclosed as required by law.

CONSTITUTIONAL DOCUMENTS

In the year of 2023, the Articles of Association did not have any changes.

On 22 March 2024, the Board resolved to seek approval from the shareholders of the Company for the proposed amendments to the Articles of Association as well as its appendices. The proposed amendments are subject to the approval at the AGM.

Dear Shareholders,

The Board of the Company is pleased to present its 2023 annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2023.

ESTABLISHMENT OF THE COMPANY

The Company was incorporated in the PRC on 25 August 2006 as a joint stock limited company in preparation for the listing of the Company's shares on the Stock Exchange. Details are set out in the H share prospectus of the Company dated 13 April 2007.

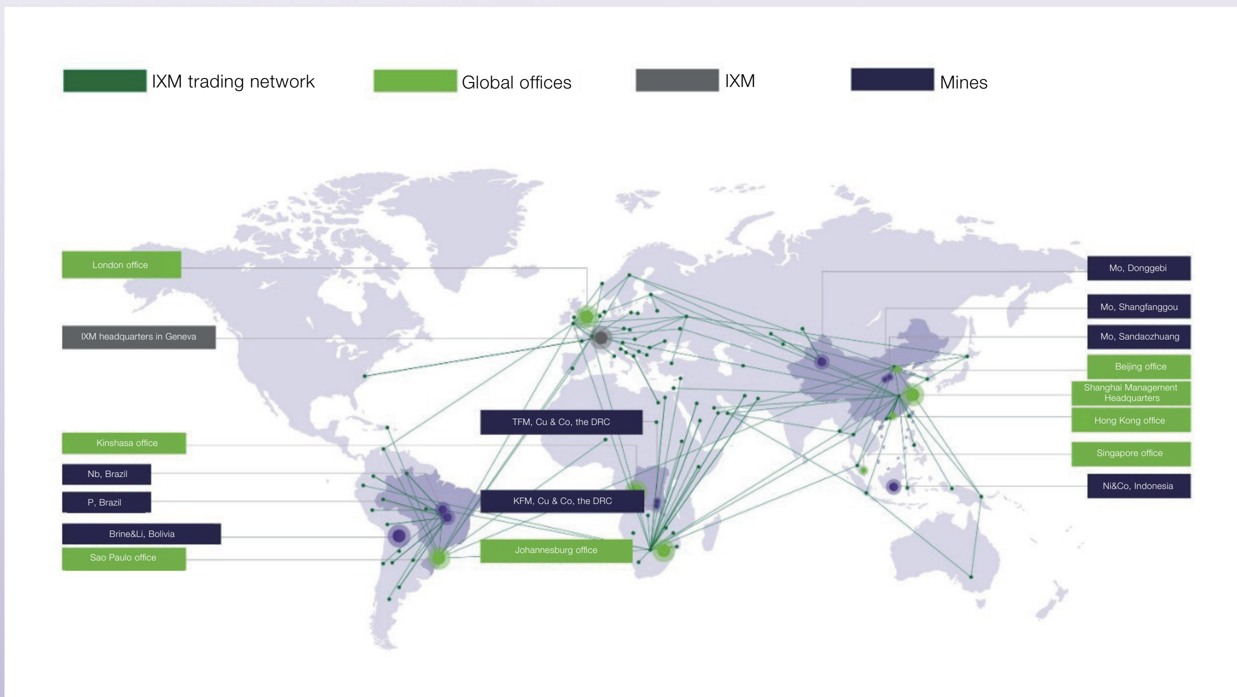
On 26 April 2007, the Company completed its initial public offering of H shares and the H shares of the Company were successfully listed on the Stock Exchange.

On 24 September 2012, the Company completed its initial public offering of A shares. On 9 October 2012, the A shares of the Company were successfully listed on the SSE.

PRINCIPAL ACTIVITIES

(I) Principal Businesses

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 the world's leading producer of copper, cobalt, molybdenum, tungsten and niobium. It is also a leading producer of phosphatic fertilizers in Brazil. In terms of trading business, the Company is one of the leading base metal traders in the world. The Company ranks 841st among the top 2,000 global listed companies by Forbes 2023, 28th among the top 50 global mining companies (by market value) in 2023, and 158th among the Fortune China 500 in 2023.



1. *Mining and Processing Business*

(1) *Domestic*

During the reporting period, the Company mainly operated Sandaozhuang Molybdenum & Tungsten Mine and Shangfanggou Molybdenum Mine which belongs to the joint venture in the PRC, being engaged in the mining, smelting, deep processing and scientific research of molybdenum, tungsten metals, and possessed a complete business which integrated upstream and downstream processes including mining, processing, roasting and chemical products, with its main products including ferromolybdenum, ammonium paratungstate, tungsten concentrate and other molybdenum & tungsten related products, as well as the recovery of the by-product concentrates including iron, copper, fluorite and rhenium.

(2) *Overseas*

TFM Copper and Cobalt Mine and KFM Copper and Cobalt Mine operated in the DRC

The Company indirectly holds 80% equity interests in the TFM Copper and Cobalt Mine, which covers an area of over 1,500 square kilometers, and its businesses cover the exploration, mining, refining, processing and marketing, with a complete range of processes and procedures from mining to processing. The main products of TFM are copper cathode and cobalt hydroxide.

The Company indirectly held 71.25% equity interests in KFM Copper and Cobalt Mine. The KFM Development Project (oxide and mixed ores) (phase I) in the DRC reached production capacity in the second quarter of 2023, with the main products being copper cathode, cobalt hydroxide and a small amount of copper and cobalt sulfide concentrate.

CIL Phosphate and NML Niobium Mine operated in Brazil

The Company indirectly held 100% equity interests in the Brazil CIL Phosphate, covering the whole industry chain of phosphate. Its main products included: high-analysis phosphate fertilizer (MAP, NPS), low-analysis phosphate fertilizer (SSG and SSP powder), animal feed supplements (DCP), intermediate products (phosphoric acid and sulfuric acid, the latter mainly used by own use) and relevant by-products (gypsum, fluosilicic acid).

The Company indirectly held 100% equity interests in the Brazil NML Niobium Mine, covering exploration, mining, refining, processing and marketing of niobium, with main product of ferroniobium.

NPM Copper and Gold Mine operated in Australia

The Company indirectly held 80% equity interests in the NPM Copper and Gold Mine, covering the mining and processing of copper metal, its main products including copper concentrates and by-products gold and silver. The sale of the NPM Copper and Gold Mine assets was delivered on 15 December 2023.

2. *Mineral Trading Business*

The headquarters of IXM locates in Geneva, Switzerland, which is one of the leading base metal traders in the world. IXM and its member units constitute a global metals trading network with operations in over 80 countries, mainly in China, Latin America, North America and Europe, as well as a global logistics and warehousing system. The products are mainly sold to Asia and Europe. Over these years, IXM has deeply developed in the minerals trading industry, accumulated a wealth of experience in the minerals trading industry, built up a good reputation, and established certain barriers in the industry.

(II) BUSINESS MODEL

1. *Mineral mining and processing business*

The Company's mine business adopts a model of centralized operation and level-to-level management. Besides, the Company has been seeking for investment, merger and acquisition opportunities on the projects of high-quality resources in a global scale.

(1) *Procurement model*

The Company adopts a tendering system for the procurement of materials in large quantities and for materials below the standards for tendering, the Company adopts centralized competitive bidding and separate hearings, resulting in a system that allows centralized procurement, division of responsibilities and a multi-layered supply chain. In particular, blasting equipment used in mining is a special commodity under governmental regulation, the trading of which is subject to a licensing system. Within the scope permitted by the laws and regulations, the Company could carry out designated procurement of this class of materials.

(2) *Production model*

A large-scale, batch-based and continual production model is adopted. Moreover, the production plan is formulated and the best level of output is decided in line with the reserves of mines and the service life and on the basis of the market research.

(3) *Sales model*

Principal products of the Company include copper, cobalt, molybdenum, tungsten, niobium, and phosphate and other related products, wherein:

① The principal copper and cobalt products are copper cathode, copper concentrate and cobaltous hydroxide. The copper cathode and copper concentrate businesses have also established a business model of mine-IXM-terminal processing plant and smelter; while the cobaltous hydroxide is mainly sold to downstream cobalt smelting plants and downstream producers in the new energy supply chain through IXM's trading network;

② The direct sales model of "manufacturer – sales company – consumer" has been mainly adopted in molybdenum, tungsten and related products, with the indirect sales model of "manufacturer – third party dealer – consumer" as the auxiliary;

③ Niobium products are ferroniobium. The Company has also established a distribution model of "manufacturer – IXM – consumer", integrating the IXM global sales network and the sales network of ferroniobium customers of the domestic sales team in China, and continuously increasing the profit of ferroniobium sales.

④ Phosphate products are produced and sold locally. The fertilizer mixers mix the Company's phosphate fertilizer with other auxiliary materials according to different formulas to produce mixed fertilizers and sell them to the end customers within Brazil.

2. Mineral Trading Business

Spot trading of IXM mainly seeks low-risk arbitrage opportunities in the value chain, and hedges the price change risks of spot positions through derivative financial instruments such as futures contracts to reduce potential price risks and gain returns, for example, arbitrage between different qualities and grades of the goods (quality spread), arbitrage between different locations or futures exchanges (location spread) and arbitrage based on different delivery periods (time spread) based on judgement on market supply and demand. After discovering the above mismatch opportunities, IXM locked in profits by buying in the cheap market and selling in the expensive market.

(1) Concentrate metal trading

The gross profit of this business mainly comes from the difference between treatment charge/refining charge (TC/RC). IXM obtains profit from the difference between TC/RC agreed between the mine and the smelter through its deep understanding and prediction of market supply and demand, and the establishment of a strong cooperative relationship with mineral producers and smelters. It accounts for a large proportion of the gross profit of IXM's concentrate business.

(2) Refined metal trading

The gross profit of this business mainly comes from changes in basis premiums and discounts and cash arbitrage (the difference between the spot price and the futures price or the difference between the recent and forward futures contracts). With the layout of IXM in the entire value chain, the position-holding cost (including storage, insurance and financing costs, etc.) is kept at a low level. When the profits obtained through the cash basis difference can fully cover the corresponding position-holding cost, IXM is able to lock profits with lower risks.

(3) *Sourcing, sales and risk control*

IXM is based on a commercial and logistics network in key regions, an integrated supply chain, as well as long- and short-term strategic mining off-takes and downstream investment to ensure that its sourcing and sales strategies are effectively implemented, and the flow of exclusive funds is unblocked. IXM dedicates considerable time and resources to analyzing market balances and seeking possible trading opportunities through regular contact with IXM market research team and research institutes of this field.

IXM has built a diversified supplier and customer portfolio which includes mines, integrated mineral companies, smelters and refined metal retailers, etc., on the basis of the substantial network of contacts all along the global supply and sale chains. IXM tends to work mostly with proven and performing counterparties.

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, through the combined business model of futures business and spots trading, in the upswing cycle of the spot market, the profits of the spot trading side make up for the losses of the futures business; in the downward cycle of the spot market, the profits of the futures business make up for the losses of the spot trading side. This business model reduces the risks caused by industry cyclical and price fluctuations, and creates stable and sustainable profits for enterprises.

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 (committee members) of IXM. IXM has set up a special risk management department to ensure that IXM's risk control policies can be strictly implemented.

BUSINESS REVIEW

According to the Schedule 5 of the Companies Ordinance of Hong Kong (Chapter 622 of The Laws of Hong Kong), discussion and analysis were made including the business review for the year ended 31 December 2023 and discussion on business development in the future which are described on the section headed "Business Review and Prospects" on page 42 to page 47 of this annual report, while description of principal risks and uncertainties facing by the Group can be found in different parts of this annual report, including the descriptions under the section headed "Risk Warning" on page 69 to page 72. Analysis using financial key performance indicators is described in the section headed "Management Discussion and Analysis" on page 48 to page 60 of this annual report. The above discussion forms part of the Report of the Board of Directors.

CORPORATE BONDS

Basic information about issue of corporate bonds is as follows:

Name of bonds	Abbreviation	Code	Issue date	Mature date	Balances of bonds	Interest Rate (%)	Payment method for principal and interest	Trading venues
Public issuance of 2022 Renewable Corporate Bonds (first tranche) of CMOC Group Limited to professional investors	22CMOCY1	138732	2022/12/16	2025/12/16 (Pending)	RMB 1 billion	5.62	Interest payment once a year, one-off payment of principal upon expiry	Shanghai Stock Exchange
CMOC Group Limited 2023 first tranche super short-term financing instruments (Technology Innovation Instrument)	23 CMOC SCP001 (Technology Innovation Instrument)	012381224	2023/3/28	2023/5/25	RMB 600 million	2.48	one-off payment of principal and Interest upon expiry	National Association of Financial Market Institutional Investors
CMOC Group Limited 2023 second tranche green super short-term financing instruments	23 CMOC SCP002 (green)	012384473	2023/12/14	2023/12/28	RMB 700 million	2.5	one-off payment of principal and Interest upon expiry	National Association of Financial Market Institutional Investors

1. Pursuant to the "resolution on the granting of authorization to the Board to decide on the issuance of debt financing instruments" and other bond issuance-related resolutions considered and approved at the 2021 annual general meeting of the Company, it was agreed to issue debt financing instruments with a total nominal amount not exceeding RMB20 billion or its equivalent in foreign currencies and to authorize the Board to handle all matters related to this corporate bonds issue.

   On 22 August 2022, upon the approval of Zheng Jian Xu Ke [2022] No. 1901 published by the CSRC, the Company was approved to issue corporate bonds to qualified investors with a total nominal amount not exceeding RMB10 billion. On 16 December 2022, the Company issued the first tranche of renewable corporate bonds on the SSE, with a scale of RMB1 billion and a final nominal rate of 5.62%. After deducting the issuing expenses from the principal and interest of the raised funds of current bonds of the Company, the proceeds will be used for the optimization of debt structure, the repayment of corporate loans, the replenishment of liquidity and other purposes as permitted by laws, regulations and relevant requirements.

   Please refer to the relevant announcements disclosed by the Company on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com) for details.

2. On 28 March 2023, the Company issued the first tranche super short-term financing instruments (Technology Innovation Instrument) on the National Association of Financial Market Institutional Investors, with a scale of RMB600 million and a final nominal rate of 2.48%. After deducting the issuing expenses from the principal and interest of the raised funds of current bonds of the Company, the proceeds will be used for the optimization of debt structure, the repayment of corporate loans, the replenishment of liquidity and other purposes as permitted by laws, regulations and relevant requirements.

   Please refer to the relevant announcements disclosed by the Company on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com) for details.

3. On 14 December 2023, the Company issued the second tranche green super short-term financing instruments on the National Association of Financial Market Institutional Investors, with a scale of RMB700 million and a final nominal rate of 2.5%. After deducting the issuing expenses from the principal and interest of the raised funds of current bonds of the Company, all proceeds will be used for the operation of green projects.

   Please refer to the relevant announcements disclosed by the Company on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com) for details.

ENVIRONMENTAL PROTECTION POLICIES AND PERFORMANCE

Regarding the collective environmental protection policy and performance, the Company maintains its high-quality services in the industry while adhering to the philosophy of "environmental protection goes first with green development", in building itself into a resource-saving and eco-friendly company. It takes the harmonious development of energy business and environment as a critical responsibility of the Company and a priority in production and operation, and follows through the green mining concepts of resource saving, eco-friendliness and harmonious mining field in establishing its cultural system. It conscientiously implements the guidelines and policies of environmental protection, comprehensively builds up safe and eco-friendly environmental protection engineering and supporting facilities that are beneficial to water and soil conservation as well as recovery and management of mine ecosystem, tracks and supervises the construction of environmental protection engineering, maintains strict control over construction, and ensures "not to commence operation without satisfactory acceptance". Production and operation projects are comprehensively implemented with energy saving and emission reduction and pollution prevention measures to ensure long-term and stable operation in compliance with relevant standards. The Company insists on the development principle of "ecological development, scientific usage and cyclic economy", actively adopts advanced technology, advanced process, advanced equipment, and endeavors to improve efficient use of resources and the level of discharge recycling and reuse. It promotes clean production, improves the system of energy saving and emission reduction, and practically steps up the reduction of pollutant emissions. It endeavors to promote its ability of environment management, and strives for the sustainable development of environmental protection.

The Company prepared the 2023 Environmental, Social and Governance Report of CMOC Group Limited, pursuant to the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange, and the Environmental Information Disclosure Guide for Listed Companies issued by the SSE in May 2008, and disclosed it separately. The report gives true information of CMOC in terms of environmental, social and governance activities. All information in the report is derived from the official documents and statistics reports of CMOC and the summary and statistics of its affiliated companies. The report gives full disclosure of concerns of the major interested parties (including shareholders, customers, employees, suppliers and partners) of the Company:

- Environment
- Employees
- Community
- Products

Please refer to the 2023 Environmental, Social and Governance Report of CMOC Group Limited disclosed by the Company on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.cmoc.com) for details.

COMPLIANCE WITH RELEVANT LAWS AND RULES

The Company devotes its efforts to strictly comply with regulated laws and rules in the jurisdictions where the Company is operating, and is also in compliance with applicable guidelines and rules issued by regulators. To the Directors knowledge, the Company has complied with all laws and rules which have material effect on the Company during the reporting period. In addition, compliance with the relevant laws and regulations which have significant impacts on the Group has been disclosed in various parts of this annual report (especially in the Corporate Governance Report). Descriptions of key relationships between employees of the Company, major customers and suppliers are set out on page 95 to page 133 of the Report of the Board of Directors in this annual report.

CORE COMPETITIVENESS

(I) Good institutional mechanism and governance structure

CMOC is one of the enterprises with the most in-depth and successful reform of governance mechanism among mining enterprises in China. Since 2004, the Company has undergone three ownership reforms, experiencing changes from the state-owned system, the mixed ownership to the private operation system, and has established a highly flexible institutional mechanism that fully adapts to the requirements of internationalization; the Company has two major substantial shareholders with tremendous strength, CFC plays a strategic layout and cultural leadership role, while CATL provides market and industry resources, both parties are highly consistent in strategies and closely cooperate in tactics to ensure the long-term stable development of the Company; the separation of the ownership and operational rights of the Company allows for fast and flat decision-making, flexible and efficient operation, and a simple and transparent culture; the Company has preliminarily set up a globally integrated governance system, with a management and technical team that is capable of fighting battles, is highly professional and exquisite, and possesses an international vision, laying a solid foundation for in-depth participation in the competition for global resources.

(II) World-class mineral resources and unique product portfolio

The competition in the mining industry is essentially a competition between cost and price, with the decisive factor being resource endowment. The Company's mines are all world-class resources, among which TFM in the DRC is one of the world's largest copper and cobalt mines, KFM is the world's largest cobalt mine, Niobium Mine in Brazil is the world's second largest niobium mine, and Sandaozhuang Molybdenum and Tungsten Mine in China is one of the world's largest molybdenum mines.

The Company's resource varieties cover the base and special metals, which are closely related to the energy transformation and industrial upgrading sectors, and enter into the market of agricultural applications with phosphorus resources. In the field of new energy metals, the Company has a complete portfolio of copper, cobalt, nickel and lithium, and is a leading new energy metals producer in the world, as well as having a unique and scarce product portfolio including molybdenum, tungsten, niobium and phosphorus, all of which have leading positions in the industry. The product portfolio with unique and diversified natures is beneficial for the Company to resist periodic fluctuation risks in resource sectors, enhance the ability to resist risks and enjoy the enormous benefits brought by the periodic changes in prices from various resources.

(III) Fully validated ability to engage in "counter-cyclical merger and acquisition and low-cost development"

The mining industry is cyclical, and accurately grasping the cycle is the key to mining business expansion. Based on its deep understanding of the industry and rich experience, the Company has developed the ability to engage in "counter-cyclical merger and acquisition and low-cost development". The Company has successfully acquired world-class mines at the bottom of the industry to realize its outward development. Due to each of the mines under the Company basically possessing the characteristics of open pit mining, large reserve and high grade, the Company's mining costs are highly competitive.

The conversion from reserve to production of world-class mine at low cost is the baseline for the Company's internal development. The Company has extended its "low cost and lean production" capability formed in China's mining areas through long-term experience to global mining areas, built world-class copper and cobalt mine projects at the leading speed in the industry, while continuing to carry out cost reduction and efficiency enhancement activities in all operating units, and adopted advanced modern mining technology, process and equipment to consolidate its low-cost operating advantage through centralized procurement, technology improvement and management reform, further validated the ability to engage in "counter-cyclical merger and acquisition and low-cost development" of the Company.

(IV) A modern business model of "Mining + Trading"

CMOC is the only Chinese mining company that has a world-class metal trading platform. IXM, a wholly-owned subsidiary, is a global leading metal trading platform, developed for more than 17 years, focusing on key metals, and has sales networks in more than 80 countries and regions around the world. Through the modern mining model combining "Mining + Trading", the Company achieves the extension of the mine industry chain, reduces costs and improves benefits through resource integration, exerts the information advantage of IXM around the world, and expands its layout in the global resource field; at the same time, the Company promotes its position and influence in the field of global mineral resources, and enhances its pricing rights for key mineral products.

(V) World-leading ESG Management System and Performance

Enabling to realize a high degree of synergy among mining exploitation, environmental protection and ecological construction, and thus promoting sustainable development is one of the core competitiveness of the mining company. CMOC is one of the earliest Chinese mining companies to introduce international ESG standards and systems, and established a world-leading ESG management framework that is fully compliant with international standards. Through the three-tier governance structure of the Board – Executive Management – Operation Management, the strong environmental, occupational health and safety, human resources, and community development teams at each operation mineral areas ensure the implementation of the Group's approach and policies, and the ESG concepts are implemented throughout the entire process of the Company's development. Meanwhile, the Company formulated the long-term visions and short-term performance objectives for climate change and biodiversity, drew up a roadmap for carbon neutrality, and took other practical actions, to contribute to global green sustainable development and the "net zero" goal. At present, the Company's ESG performance maintains a world-leading position in our industry according to the world authoritative MSCI ESG rating, thus escorting the steady development of the Company.

(VI) Advanced technical strength and strong innovative capability

The mineral resources are subject to constraints. People are the biggest variable in activating resources, and innovation is one of the driving forces for our business development. The Company has a strong technological research and development team, with industry-leading technical advantages in the comprehensive recovery of associated mines and intelligent mines. With the advanced comprehensive recovery technology of associated mines, the Company realized the comprehensive recovery of associated resources such as white tungsten, copper, iron, fluorite and rhenium from molybdenum tailings, pioneering in the recovery of the low-grade associated mines of its kind in the world. The Company has firstly created the first intelligent mine in the PRC through the application of 5G technology and unmanned driving, realizing unmanned mining and unmanned driving intelligent scheduling through remote operation; and it is equipped with all-electric truck with an intelligent driving new mode, which fully realizes zero-emission and improves the safety, and production efficiency increasing by more than 40%. The essence of technology innovation in the mining industry is integrated innovation. With the aim to maximize economic and social benefits, various results researched and developed by the Company, through openness and collaboration, not only have significant benefits but also take the lead in industrial improvement.

DIVIDEND

1. Cash dividend distribution policy

According to the requirements of the Articles of Association, the profit distribution of the Company attaches importance to the reasonable return on investment for investors and sustainable development of the Company, and the profit distribution policy of the Company shall maintain a certain degree of continuity and stability.

The Company adopts a proactive dividend distribution policy in the form of cash or shares, and implements such policy in accordance with the laws, regulations and regulatory requirements. Priority in profits distribution should be in cash rather than in shares. The Company shall distribute profits in the form of cash should such conditions be met. The Company may distribute interim cash dividends as and when appropriate.

On the premise of complying with the laws, regulations and regulatory requirements at that time, the Company distributes dividends in cash if it records earnings with positive distributable profits and the cash flow of the Company can accommodate the needs of both its daily operation and sustainable development. If the Company distributes cash dividends, the proportion for cash dividends should also comply with the following requirements simultaneously: the profits distributed by the Company in the form of cash each year shall not be less than 30% of distributable profits recorded in the year, in accordance with laws, regulations and regulatory requirements in the period.

Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits; where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits; where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits. The "Substantial Capital Expenditure Arrangement" refers to matters that the total assets of transactions, including asset acquisitions and external investments, by the Company within a year account for more than 30% (inclusive) of the latest audited total assets of the Company.

The Board of Directors shall propose a specific cash dividend distribution plan by differentiating the aforesaid circumstances after taking various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement.

Where the Company records earnings with positive distributable profits for the year and the valuation on the shares of the Company is in a reasonable range, the Company may distribute dividends in the form of shares without prejudice to the scale of the share capital and the reasonable structure of shareholdings of the Company on the basis of considering rewarding and sharing corporate value with investors.

2. Implementation of cash dividend distribution policy

The profit distribution plan for 2022 was considered and approved at the 2022 annual general meeting of the Company held on 9 June 2023. The profit distribution was based on the Company's total share capital of 21,599,240,583 shares before the implementation of the plan, and less the 204,930,407 A shares of the Company in the Company's dedicated repurchase securities account. The cash dividend for every 10 shares was RMB0.8508 (tax inclusive), and the total cash dividend of RMB1,820,227,909.77 (tax inclusive) was distributed. The dividend distribution was completed during the reporting period.

3. Proposal of Dividend Distribution

The Company plans to distribute profits based on the total share capital (deducting the number of shares in the Company's special account for repurchase) on the equity registration date for equity distribution, and distribute a cash dividend of RMB1.5425 (tax inclusive) per 10 shares to all shareholders with a total cash dividend of approximately RMB3,300,072,344.65 (tax inclusive), representing approximately 40% of the net profit attributable to the shareholders of listed company for the year.

If the total share capital of the Company changes as a result of the conversion of convertible bonds, share repurchases, cancellation or repurchase of shares granted under equity incentive, cancellation or repurchase of shares due to material asset restructuring, etc. during the period from the date of disclosure of the announcement on the profit distribution plan to the date of registration of the implementation of equity distribution, the Company proposes to remain the per share distribution proportion unchanged, while adjusting the total distribution amount accordingly.

This proposal has been considered and approved at the twelfth meeting of the sixth session of the Board of Directors and needs to be submitted to the AGM for approval.

The Company will send to shareholders a circular containing, among other things, further information in relation to the proposed distribution of the final dividend and the AGM as soon as practicable.

In accordance with the "Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅法》) and the "Rules for the Implementation of Enterprise Income Tax Law of the People's Republic of China" (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the "Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Non-resident Enterprise Holders of H Shares" (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897 號)) promulgated on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise Shareholders at a tax rate of 10%, when the Company distributes an annual dividend to non-resident enterprise Shareholders whose names appear on the H shares register of members on the reference date. As such, any H Shares registered in the name of a non-individual Shareholder, including shares registered in the name of HKSCC Nominees Limited, and other nominees, trustees, or other organizations and groups, shall be deemed to be H Shares held by non-resident enterprise Shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise Shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the "Notice on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020 號)) promulgated by the PRC Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Furthermore, the competent tax authority of the Company confirmed that the relevant requirements under the "Notice on Certain Issues Concerning the Policies of Individual Income Tax" (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020 號)) are applicable to the Company, the Company will not be required to withhold and pay any individual income tax on behalf of individual Shareholders when the Company distributes the final dividend to individual Shareholders whose names appear on the H shares register of members.

Pursuant to the "Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market" (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81 號)) promulgated on 17 November 2014:

- For mainland individual investors who invest in the H shares via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the 2017 final dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds that invest in the H Shares via the Shanghai – Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the final dividend pursuant to the foregoing provisions; and

- For mainland corporate investors that invest in the H shares via the Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the final dividend and the mainland corporate investors shall file the tax returns on their own.

H Shareholders are required to consult their tax advisors regarding the laws and regulations of the Company's dividend payments in China, Hong Kong and other countries, and the relevant tax implications of holding and trading H Shares.

FINANCIAL INFORMATION SUMMARY

The announced results, assets, and liabilities and non-controlling interests of the Group for the last five financial years are as below:

Unit: million Currency: RMB

Item	**2023**	2022	2021	2020	2019
Operating income	**186,269**	172,991	173,863	112,981	68,677
Total profit	**13,208**	9,804	8,755	2,876	2,358
Income tax expenses	**4,677**	2,612	3,327	397	592
Net profit	**8,531**	7,192	5,428	2,479	1,766
Net profit attributable to owners of the parent company	**8,250**	6,067	5,106	2,329	1,857
Profit or loss attributable to minority interests	**281**	1,125	322	150	-91

Item	**At the end of 2023**	At the end of 2022	At the end of 2021	At the end of 2020	At the end of 2019
Total assets	**172,975**	165,019	137,450	122,441	116,862
Total liabilities	**101,013**	102,982	89,186	75,106	67,366
Total equity attributable to shareholders of the parent company	**59,540**	51,699	39,845	38,892	40,803
Total minority interests	**12,422**	10,338	8,419	8,443	8,693

The summary does not constitute part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the property, plant and equipment of the Company and the Group during the year are set out in note (V).15 to the consolidated financial statements.

SHARE CAPITAL AND SHAREHOLDERS

1. Share Capital

Details of changes in the share capital of the Company during the year are set out in note (V).42 to the consolidated financial statements.

2. Shareholding structure of substantial shareholders

As at 31 December 2023, the number of shareholders of the Company amounted to 278,578, of which shareholders of H shares amounted to 7,406, and shareholders of A shares amounted to 271,172. By approximate percentage of shareholding in the registered capital, the shareholdings of the Company's top ten shareholders were as follows:

Name of shareholders (Full name)	Class of Share	Changes during the reporting period (10,000 shares)	Closing number of shares held (10,000 shares)	Proportion (%)
Cathay Fortune Corporation	A share and H share	0	533,322.00	24.69
Luoyang Mining Group Co., Ltd.	A share	0	532,978.04	24.68
HKSCC NOMINEES LIMITED	H share	109.60	359,756.88	16.66
Hong Kong Securities Clearing Company Limited	A share	15,820.08	64,110.30	2.97
China Securities – China Huarong Asset Management Co., Ltd. – China Securities – Pioneer Single Asset Management Plan	A share	3,016.30	35,570.98	1.65
China State-owned Enterprise Structure Adjustment Fund Co., Ltd.	A share	0	18,148.26	0.84
Ningbo Shanshan Venture Capital Co., Ltd.	A share	1.00	15,000.00	0.69
Dai Deming	A share	0	7,773.45	0.36
Agricultural Bank of China Limited – Dacheng New Industrial Mixed Securities Investment Fund	A share	6,279.49	6,279.49	0.29
National Social Insurance Fund No.118 Portfolio	A share	5,838.87	5,838.87	0.27

Notes:

1. Percentage calculation is based on the Company's total share capital of 21,599,240,583 shares.

2. HKSCC NOMINEES LIMITED held 3,597.5688 million H shares in the Company as a nominee, representing 16.66% of the Company's shares in issue. HKSCC NOMINEES LIMITED is a member of the Central Clearing and Settlement System, which carries out securities registration and custodian business for customers.

3. The Company's dedicated repurchase account was not set out in the "Top Ten Shareholder's shareholding". On 17 December 2021 and 8 June 2022, the Company respectively completed Phase II and Phase III of the A Share Repurchase Plan with an aggregate of 99,999,964 A shares and 104,930,443 A shares through centralized price bidding. As at the end of the reporting period, the number of shares in the Company's dedicated repurchase account was 204,930,407 A shares.

3. Substantial Shareholders' Interests in Shares

To the best knowledge of all Directors and Supervisors, as at 31 December 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 or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name	Number of shares held	Capacity	Class of Share	Approximate percentage of shares in relevant class of shares
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%
CFC[(1), (2)]	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), (2)]	91,518,000(L)	Beneficial owner	H share	2.33%(L)
Cathay Fortune International Company Limited[(1), (2)]	211,482,000(L)	Beneficial owner	H share	5.37%(L)
Yu Yong[(3)]	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.[(4)]	312,716,658(L)	Interest in controlled corporation	H share	7.95%(L)
	3,969,000(S)			0.10%(S)

Notes: (L) - Long position, (S) - Short position

(1) Mr. Yuan Honglin, a non-executive Director of the Company, also serves as a director of CFC, Cathay Hong Kong and Cathay Fortune International Company Limited.

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

(3) 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.

(4) BlackRock, Inc. is deemed to hold a total of long position of 312,716,658 H shares and short position of 3,969,000 H shares of the Company due to its control rights over a number of companies. Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.àr.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.àr.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 31 December 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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of the PRC that would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

BORROWINGS

Details of the borrowings of the Company and the Group are set out in notes (V).24, 33 and 35 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The amount of the Company's reserves available for distribution as of 31 December 2023, calculated in accordance with the PRC rules and regulations, was RMB23,977.73 million.

CHARITABLE DONATIONS

In 2023, the external donation expenses of the Group amounted to RMB17,888,511.28.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2023, the proportions of purchases and sales from the major suppliers and major customers of the Company to our total purchases and sales were as follows:

PURCHASES

The total purchases from our largest supplier were approximately 2.64% of our total purchase value.

The total purchases from our five largest suppliers were approximately 11.62% of our total purchase value.

SALES

The total sales to our largest customer was approximately 2.24% of our total sales value.

The total sales to our five largest customers was approximately 10.01% of our total sales value.

During the year, to the Directors' knowledge, none of the Directors or Supervisors or their respective close associates or any shareholders who hold more than 5% of our shares, had any material interest or rights in our five largest customers and our five largest suppliers.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, Supervisors and senior management of the Company during the year and up to the date of this annual report are:

EXECUTIVE DIRECTORS

Mr. Sun Ruiwen
Mr. Li Chaochun

NON-EXECUTIVE DIRECTORS

Mr. Yuan Honglin
Mr. Lin Jiuxin (appointed on 9 June 2023)
Mr. Jiang Li (appointed on 9 June 2023)
Mr. Guo Yimin (resigned on 9 June 2023)
Mr. Cheng Yunlei (resigned on 9 June 2023)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Gerry Yougui
Ms. Yan Ye
Mr. Li Shuhua

SUPERVISORS

Mr. Zheng Shu (appointed on 9 June 2023)
Mr. Zhang Zhenhao
Mr. Xu Wenhui
Ms. Kou Youmin (resigned on 9 June 2023)

SENIOR MANAGEMENT

Mr. Zhou Jun
Mr. Li Guojun
Ms. Liang Wei
Mr. Xu Hui
Mr. Wang Hanyuan (resigned on 25 August 2023)

Pursuant to the Articles of Association, the term of office of all Directors and Supervisors is three years (the expiry date of the tenure being the date of the annual general meeting of the Company to be held in 2024), and may stand for re-election upon expiry of the term.

The Company has received an annual confirmation from each of Mr. Wang Gerry Yougui, Mr. Li Shuhua and Ms. Yan Ye, all being the independent non-executive Directors, in respect of their independence and is of the opinion that they remained independent as at the date of this report.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S PROFILES

Profile details of the Directors and Supervisors of the Company and the senior management of the Group are set out on pages 138 to 144 of the annual report.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION

The Directors' and Supervisors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of Directors of the Company with reference to the Directors' and Supervisors' duties, responsibilities and performance and the results of the Group. In compliance with the Corporate Governance Code, the Company has set up the Remuneration Committee to formulate remuneration policies. Details of the remuneration of the Directors and Supervisors are disclosed in note (XI).7 to the consolidated financial statements.

The remuneration of the senior management for the year ended 31 December 2023 fell within the following range (Note):

Remuneration bands	**Number of Individual(s)** **Year 2023**
RMB1,500,000 and above	5

Note: Directors and Supervisors of the Company were excluded; Ms. Ng Sau Mei, a joint company secretary, was an external service provider, and as such, she was not part of the Company's senior management.

EMPLOYEES AND PENSION PLAN

1. Employees

As at 31 December 2023, the Group had a total of 11,995 full-time employees, classified as follows:

Professional composition

Category of professional composition	Number of professionals
Production staff	7,146
Technical staff	975
Finance staff	358
Administration staff	1,355
Sales staff	2,161
Total	11,995

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 employee's performance in order to provide a consistent, fair and equitable remuneration system for all employees. The employees of the Company domiciled 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 labour and social welfare 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% to 10%, 0.5% to 0.7%, 0.16% 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. In the DRC, the Company pays a monthly social insurance contribution of 13%, and undertakes all medical treatment for employees and their families. At the same time, in line with the local situation in the DRC, in order to stabilise the workforce, an employee career development plan has been established, such as a promotion of outstanding employees at a rate of 5% of the number of employees every year; according to the demand for positions, some outstanding employees from labour service companies have been recruited and employed to strengthen the workforce; a loyalty award has been set up, 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, and a retirement subsidy for employees upon retirement. In Brazil, the Company makes monthly contribution of 37% to social insurance and the Length-of-Service Guarantee Fund for employees. Employees enjoy vacation allowances (double pay during annual leave) after one year of service, and the Company provides medical support and dental insurance for employees and their families, as well as employee childcare allowance, annual physical examination, meal subsidies in addition to working meals, employee loyalty awards, and a retirement subsidy for employees upon retirement.

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

ANALYSIS ON MAJOR SUBSIDIARIES

Basic information of major subsidiaries

Company name	Principal business	Shareholding method	Shareholding proportion
TF Holdings Limited	TFM copper and cobalt mine assets/business	Indirect	80%
KFM Holding Limited	KFM copper and cobalt mine assets/business	Indirect	71.25%
CMOC Brasil	Niobium and phosphates mine assets/business	Indirect	100%
IXM	Trading business	Indirect	100%

Financial Indicators of Major Subsidiaries during the Reporting Period

Unit: Yuan Currency: RMB

Company name	Operating revenue	Operating profit	Net profit attributable to shareholders of the parent company	Total assets	Net assets
TF Holdings Limited	22,840,948,357.59	5,036,690,273.27	1,940,187,579.78	74,266,556,514.07	42,617,916,048.00
KFM Holding Limited	8,143,615,270.64	3,404,807,526.94	1,657,755,825.50	16,721,918,441.41	4,019,283,993.17
CMOC Brasil	6,311,246,918.82	1,068,228,831.98	986,636,386.85	12,687,339,379.67	8,441,323,585.24
IXM	169,368,128,531.52	1,178,991,743.47	913,294,852.36	37,257,353,185.09	7,661,638,400.29

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

All Directors and Supervisors of the Company have each entered into a service contract with the Company for a term of not more than three years until the annual general meeting of the Company to be held in 2024.

None of the Directors and Supervisors has a service contract with the Company which is not terminable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors and Supervisors or entities connected to the Directors and Supervisors had material interests in the Company, its controlling companies or any subsidiaries either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group subsisting or entered into during or at the end of the year.

MATERIAL INVESTMENTS

The material investments held by the Group and the performance and prospects of such investments during the accounting year are set out in notes (V).11, 12 and 13 and note (VII).2 to the consolidated financial statements and the section headed "Material Events" of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed in 2023.

PERMITTED INDEMNITY

Except the liability insurance described below, the Company did not enter into any agreement with indemnity provisions with Directors or Supervisors of the Company to provide indemnity to Directors or Supervisors for legal liabilities caused to third parties or other types of legal liabilities.

The Company considered and passed the purchase of liability insurance for the risks of domestic and overseas litigations or regulatory investigations that the Directors, Supervisors and senior management of the Group may be exposed to when carrying out their duties in executing the business decisions and information disclosure, at the ninth extraordinary meeting of the sixth session of the Board. The insurance covers management liabilities of the Directors, Supervisors and senior management, the Company's equity securities claims and the Company's inappropriate employment practices claims. The annual compensation limit per insurance item is up to US$150,000,000 per annum, with the total annual premium not more than US$1,500,000 per annum.

The proposal will be submitted to the AGM for consideration and approval.

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

As at 31 December 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 employee share ownership plan of the Company adopted on 21 May 2021 (the "**Employee Share Ownership Plan**"). 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 Yuan Honglin, Li Chaochun and Sun Ruiwen were awarded 2,404,000 A shares, 2,250,000 A shares and 5,400,000 A shares, respectively. On 2 December 2023, as approved by the management committee of the Employee Share Ownership Plan, the First Phase of Employee Share Ownership Plan assigned relevant interests to relevant incentive recipients who had accomplished the performance appraisal indicators during the corresponding interest allocation period in 2022, 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.

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

As at 31 December 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 31 December 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 the Company and Stock Exchange to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code.

CONNECTED TRANSACTION

Connected Transaction of Additional Capital Contribution to Joint Venture Company

On 9 June 2023, the Board approved CMOC Beta Limited ("**CMOC Beta**"), a wholly-owned subsidiary of the Company, to enter into the Capital Increase Agreement with Hongkong Brunp and CATL Co., Limited ("**Brunp-CATL**"), pursuant to which each of the shareholders of Hong Kong CBC Investment Limited ("**CBC Investment**") (a company owned as to 34% and 66% by CMOC Beta and Brunp-CATL) agrees to increase the registered share capital of CBC Investment from US$10,000 to US$100,000,000 in proportion to their respective shareholdings in CBC Investment. The amount of capital contribution to be made by CMOC Beta is US$33,996,600, and the amount of capital contribution to be made by Brunp-CATL is US$65,993,400. The Capital Increase Agreement has been executed on 21 June 2023.

CBC Investment is a joint venture company of the Company for implementing the strategic cooperation on the investment and development of renewable energy metal resources. The additional contribution to CBC Investment will mainly be used to supplement its working capital and promote its daily investment and operation activities, which will in turn be conducive to the business of the Company as well as its profitability.

As at the date of approval by the Board, Brunp-CATL is a subsidiary of Contemporary Amperex Technology Co., Limited ("**CATL**"), which is a substantial shareholder of the Company, and therefore is a connected person of the Company. As such, the transactions contemplated under the Capital Increase Agreement constitute a connected transaction of the Company under the Hong Kong Listing Rules.

For details and progress of the connected transaction, please refer to the announcements of the Company dated 9 June 2023 and 21 June 2023.

CONTINUING CONNECTED TRANSACTIONS

The CATL Product Sales and Procurement Framework Agreement and the KFM Sales and Procurement Framework Agreement

1. *the CATL Product Sales and Procurement Framework Agreement*

On 21 July 2023, the Board approved CMOC Limited ("**CMOC Limited**"), a wholly-owned subsidiary of the Company, to enter into the CATL Product Sales and Procurement Framework Agreement (the "**Original CATL Product Sales and Procurement Framework Agreement**") with CATL, with a term until 31 December 2023, pursuant to which, (i) CMOC Limited Group agrees to sell and CATL Group agrees to purchase metal products, including copper, cobalt and nickel products; and (ii) CMOC Limited Group agrees to purchase and CATL Group agrees to sell nickel products. The original CATL Product Sales and Procurement Framework Agreement was executed on 28 July 2023.

On 27 October 2023, the Board approved CMOC Limited, a wholly-owned subsidiary of the Company, to enter into the CATL Product Sales and Procurement Framework Agreement (the "**CATL Product Sales and Procurement Framework Agreement**") with CATL, which adjusted the caps for the transaction amount for 2023, agreed on the transaction contents for 2024 simultaneously and set annual caps for the transaction amount. The term of the CATL Product Sales and Procurement Framework Agreement is from the date of the agreement to 31 December 2024. Pursuant to the agreement, (i) CMOC Limited Group agrees to sell and CATL Group agrees to purchase metal products, including but not limited to copper, cobalt, nickel and lithium products; and (ii) CMOC Limited Group agrees to purchase and CATL Group agrees to sell metal products, including but not limited to nickel products. The Original CATL Product Sales and Procurement Framework Agreement has been terminated on the date of the CATL Product Sales and Procurement Framework Agreement approved at the extraordinary general meeting, and replaced and superseded by the CATL Product Sales and Procurement Framework Agreement. The CATL Product Sales and Procurement Framework Agreement has been executed on 22 November 2023. The above-mentioned matters have been considered and approved at the extraordinary general meeting convened by the Company on 8 December 2023.

2. the KFM Sales and Procurement Framework Agreement

On 21 July 2023, the Board approved the Company to enter into the KFM Sales and Procurement Framework Agreement (the "**Original KFM Sales and Procurement Framework Agreement**") with KFM Holding Limited ("**KFM Holding**") and CMOC KISANFU MINING SARL ("**KFM Mining**"), which are both connected subsidiaries of the Company, with a term until 31 December 2023, pursuant to which, (i) CMOC Group agrees to purchase and KFM Group agrees to sell copper and cobalt products; and (ii) CMOC Group agrees to sell and KFM Group agrees to purchase equipment and materials. The KFM Sales and Procurement Framework Agreement has been executed on 28 July 2023.

On 27 October 2023, the Board approved the Company to enter into the KFM Sales and Procurement Framework Agreement (the "**KFM Sales and Procurement Framework Agreement**") with KFM Holding and KFM Mining, which are both connected subsidiaries of the Company, which adjusted the caps for the transaction amount for 2023, agreed on the transaction contents for 2024 simultaneously and set annual caps for the transaction amount. The term of the KFM Sales and Procurement Framework Agreement is from the date of the agreement to 31 December 2024. Pursuant to the Agreement, (i) CMOC Group agrees to purchase and KFM Group agrees to sell copper and cobalt products; and (ii) CMOC Group agrees to sell and KFM Group agrees to purchase the equipment, materials, relevant services, etc. The Original KFM Sales and Procurement Framework Agreement has been terminated on the date of the KFM Sales and Procurement Framework Agreement approved at the extraordinary general meeting, and replaced and superseded by the KFM Sales and Procurement Framework Agreement. The KFM Sales and Procurement Framework Agreement has been executed on 8 December 2023. The above-mentioned matters have been considered and approved at the extraordinary general meeting convened by the Company on 8 December 2023.

As at the date on which the Board approved the signing of the CATL Product Sales and Procurement Framework Agreement and the KFM Sales and Procurement Framework Agreement, CATL is a substantial shareholder of the Company. KFM Holding is ultimately owned as to 75% and 25% by the Company and CATL, respectively, and KFM Mining is a subsidiary of KFM Holding. CATL, KFM Holding and KFM Mining are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Thus, the transactions contemplated under (i) the CATL Product Sales and Procurement Framework Agreement between CMOC Limited Group and CATL Group and (ii) the KFM Sales and Procurement Framework Agreement between CMOC Group and KFM Group shall constitute continuing connected transactions of the Company under the Hong Kong Listing Rules.

As of 31 December 2023, the annual caps and actual transaction amounts of the above-mentioned continuing connected transactions are as follows:

	Annual Caps for the Year Ended 31 December 2023 *(US$)*	Actual Transaction Amounts for the Year Ended 31 December 2023 *(US$)*	Annual Caps for the Year Ending 31 December 2024 *(US$)*
CATL Product Sales and Procurement Framework Agreement			
Products to be sold by CMOC Limited Group to CATL Group	1,500,000,000	255,392,065	1,800,000,000
Products to be purchased by CMOC Limited Group from CATL Group	600,000,000	—	600,000,000
Interests to be paid by CMOC Limited Group to CATL Group in relation to the prepayment	120,000,000	72,364,167	110,000,000
KFM Sales and Procurement Framework Agreement			
Products to be purchased by CMOC Group from KFM Group	1,600,000,000	1,158,331,483	2,400,000,000
Equipment, materials, and relevant services, etc. to be provided by CMOC Group to KFM Group	400,000,000	192,954,677	400,000,000
Interests to be paid by KFM Group to CMOC Group in relation to the prepayment	25,000,000	3,979,752	45,000,000

Property Leasing Framework Agreement

To ensure the stable development of the Company's business, meet the requirements of the Company's internal reorganization and business layout, and reduce administrative expenses, on 29 January 2021, the Company (as the lessee) and CFC (as the lessor), a controlling Shareholder, entered into the property leasing framework agreement (the "**Property Leasing Framework Agreement**") in respect of the property leasing services provided by CFC to the Group for a term of three years commencing from 1 January 2021 and ended on 31 December 2023. The annual caps under the Property Leasing Framework Agreement are RMB30 million per year and the actual amounts of transactions contemplated thereunder for the year ended 31 December 2023 was RMB29.6319 million.

On 27 October 2023, the Board approved the Company (as the lessee) to enter into the Property Leasing Framework Agreement with CFC (as the lessor) (the "**2023 Property Leasing Framework Agreement**") in respect of the property leasing services and relevant property management services provided by CFC to the Group for a term of one year commencing from 1 January 2024 and ending on 31 December 2024. For details of the 2023 Property Leasing Framework Agreement, please refer to the announcement of the Company dated 27 October 2023.

The auditors of the Company have implemented the review procedures for the above-mentioned continuing connected transactions and sent a letter to the Board, stating that:

1) they did not discover anything that made them believe that the disclosed continuing connected transactions had not been approved by the Board;

2) regarding the above-mentioned continuing connected transactions, they did not discover anything that caused them to believe that the transactions were not carried out in accordance with the Group's pricing policy in all material respects;

3) they did not discover anything that led them to believe that the transactions had not been carried out in accordance with the relevant agreements of the transactions in all material respects;

4) regarding the total amount of the above-mentioned continuing connected transactions, they did not discover anything that caused them to believe that the disclosed continuing connected transactions had exceeded the annual caps contemplated by the Company.

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that:

1) the continuing connected transactions were entered into in the usual and ordinary course of business of the Company;

2) the continuing connected transactions were entered into on normal commercial terms or better; and

3) the continuing connected transactions were conducted based on the relevant transaction agreements, and the terms were fair and reasonable and in the interests of the Company's shareholders as a whole.

Save as disclosed above, other related parties transactions disclosed in note XI to the consolidated financial statements do not fall under connected transactions or continuing connected transactions under Chapter 14A of the Hong Kong Listing Rules.

NON-COMPETITION AGREEMENTS

On 6 September 2006, non-compete agreements were entered into between the Company and each of CFC and LMG, respectively. CFC and LMG agreed not to compete with the Company in our businesses and granted the Company certain options and right of first refusal pursuant to the non-compete agreements. Details of the non-compete agreements had been disclosed in the prospectus of the Company dated 13 April 2007, under the section headed "Relationship with Controlling Shareholders – Non-Compete Agreements". Each of CFC and LMG had executed a Non-Competition Undertaking Letter with the Company on 30 January 2011 and 18 May 2011 respectively, pursuant to which each of them had undertaken not to compete with the Company in the businesses it operated or businesses to be further expanded. Details of the Non-competition Undertaking letters had been disclosed in "Peer Competition and Connected Transactions (同業競爭與關聯交易)" set out in Section VII to the prospectus of A Shares dated 8 October 2012. CFC (together with its parties acting in concert, Cathay Hong Kong) and Luoyang Guohong Investment Group Co., Ltd. had executed the Acquisition Report of CMOC Group Limited* on 23 January 2014 and 29 November 2013 respectively, pursuant to which each of them undertook not to compete with the Company in the businesses we operated. Details of the Acquisition Reports were disclosed in the announcements of the Company dated 23 January 2014 and 27 January 2014.

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

To further deal with the potential horizontal competition, the Company and Fuchuan Mining entered into an entrusted operation agreement in July 2019, in which Fuchuan Mining entrusts the Company to fully manage its overall business and take full responsibility for its production, operation and management for a term of three years, during which, the property right of Fuchuan Mining remains unchanged and the assets and profits belong to Fuchuan Mining according to law. Fuchuan Mining has resumed its production and operation activities since December 2019.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance had been entered into between the Company or any of its subsidiaries and any controlling Shareholders or any of its subsidiaries during the reporting period.

No contracts of significance had been entered into by the controlling shareholder of the Company or any of its subsidiaries for provision of services to the Company or any of its subsidiaries during the reporting period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Guo Yimin, a Director of the Company, served as the chairman of LMG. Save as disclosed above, in 2023, none of the Directors had any interest in any business which competes or is likely to compete either directly or indirectly, with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on public information and to the knowledge of the Directors, at least 50.6% of the Company's total issued share capital was held by the public as at the date of this report. The Company has been maintaining the public float required by the Hong Kong Listing Rules. In particular, the public float of H shares accounted for 16.8%.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors and Supervisors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

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 year ended 31 December 2023.

EQUITY-LINKED AGREEMENT

In 2023, the Company has not implemented any equity-linked agreement.

SHARE SCHEME

Share Option Scheme

In 2023, the Company has not implemented any share option scheme.

Employee Share Ownership Plan

On 5 May 2021, the Company convened the seventeenth meeting of the fifth session of the Board to consider and approve the "Resolution on the 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited (Draft) and Its Summary". On 21 May 2021, the Company convened its 2020 annual general meeting to consider and approve the "Resolution on the 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited (Draft) and Its Summary".

On 10 June 2022, the Company convened the second holders' meeting of the First Phase of Employee Share Ownership Plan in 2021, the fifth extraordinary meeting of the sixth session of the Board, and the ninth meeting of the sixth session of the Supervisory Committee to consider and approve the "Resolution on Adjusting the 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited", the "Resolution on Amending the 2021 First Phase of Employee Share Ownership Phan of CMOC Group Limited" and the "Resolution on Amending the Management Measures for 2021 First Phase of Employee Share Ownership Plan of CMOC Group Limited", respectively. Due to the resignation of Ms. Wu Yiming, the original incentive recipient who participated in the Company's Employee Share Ownership Plan, the Company transferred the unvested shares of the Employee Share Ownership Plan held by Ms. Wu Yiming to Mr. Zhou Jun, an incentive recipient who is eligible for the Employee Share Ownership Plan as determined by the management committee of the Company's 2021 First Phase of Employee Share Ownership Plan, and correspondingly amended the relevant documents of the Employee Share Ownership Plan. For details, please refer to the relevant announcements of the Company disclosed on the designated information media.

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 order to cope with the challenges brought about by 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 an employee share ownership plan or equity incentive plan that is 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 non-executive 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 RMB97.026574 million, 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. As at the date of this annual report, the total number of shares that can be subscribed under the Employee Share Ownership Plan accounted for 0.2246% of the total share capital of the Company. 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 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 48.513287 million 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.

   4) 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. The payment of the subscription price of the Employee Share Ownership Plan shall be arranged by a unified notice of the Company upon approval at the shareholders' general meeting.

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*

Performance appraisal indicators for the Company: During the implementation period of the Employee Share Ownership Plan, the Company will conduct an appraisal in each fiscal year, and the performance appraisal objectives are 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 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 trading companies 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 additional issuance, 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 provisions of Item 2 of Article 6(3) of the measures, as Mr. Zhou Jun, the new incentive recipient of the Employee Share Ownership Plan, will be the transferee to obtain the relevant shares held by Ms. Wu Yiming, the original incentive recipient, and the corresponding interests, the interest allocation period and performance appraisal year for Mr. Zhou Jun will be automatically extended for one year, and the interest allocation period and performance appraisal year for Mr. Zhou Jun are 2022-2024, namely:

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 Corresponding Interest Allocation Period in 2022 of the First Phase of Employee Share Ownership Plan*

According to the Audit Report (De Shi Bao (Shen) Zi (23) No. P02013) issued by Deloitte Touche Tohmatsu Certified Public Accountants LLP, the Company's performance appraisal during the corresponding interest allocation period in 2022 under the 2021 First Phase of Employee Share Ownership Plan has been accomplished, 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
5	Zhou Jun	Vice President	4,500,000
Total			29,107,972

Approximately 14,553,986 A Shares of the Company (representing 0.067% of the total share capital of the Company in aggregate) corresponding to 29,107,972 units unlocked during the corresponding interest allocation period in 2022 under the Employee Share Ownership Plan have been transferred to the person acting in concert designated by the relevant incentive participants by way of block trades on 1 December 2023. As of 1 December 2023, the allocation has been completed.

6. *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 in 2023 are as follows:

Unit: A share

Participants	Date of grant	Number of unvested shares as of 1 January 2023[(1)]	Number of shares granted in 2023	Number of shares vested in 2023[(2)]	Number of shares cancelled in 2023	Number of shares lapsed in 2023	Number of shares repurchased in 2023	Number of unvested shares as of 31 December 2023[(3)]	Subscription price[(4)] *(RMB/share)*
Directors and senior 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 unvested shares as of 1 January 2023, for the vesting period of shares granted on 21 May 2021, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 3) Allocation" under this section; for the vesting period of shares granted on 10 June 2022, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 4) Performance Appraisal Indicators" under this section.

(2) The weighted average closing price of shares vested in 2023 immediately before the share vesting date was RMB5.33/share.

(3) Among the unvested shares as of 31 December 2023, for the vesting period of shares granted on 21 May 2021, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 3) Allocation" under this section; for the vesting period of shares granted on 10 June 2022, please refer to "4. Term, Lock-Up Period and Allocation of the Employee Share Ownership Plan – 4) Performance Appraisal Indicators" under this section.

(4) Included the subscription prices for unvested shares as of 1 January 2023, shares vested in 2023 and unvested shares as of 31 December 2023.

Save as disclosed above, the Company has not granted relevant shares to (i) other Directors; (ii) five individuals (other than Directors) with highest total emoluments in 2023; or (iii) other persons.

7. *Fair value of Employee Share Ownership Plan as at the date of grant and the accounting standards and policies adopted*

According to relevant provisions in the Accounting Standards for Business Enterprises No. 11 – Share – based Payment and the Accounting Standards for Business Enterprises No. 22 – Financial Instruments: Recognition and Measurement, the Company measures the fair value of shares under the Employee Share Ownership Plan on share market price basis; fair value of share-based payment per share = Market price of shares of the Company as at the date of grant – Grant price.

As estimated, the total fair value of equity instruments granted to incentive participants under the Employee Share Ownership Plan is RMB184.27 million. The amortization for 2021-2025 is set out in table below:

RMB million

Total expenses to be amortized	2021	2022	2023	2024	2025
184.27	63.06	63.62	41.95	14.11	1.53

Notes:

1. The above results do not represent the final accounting costs. Apart from being affected by factors such as actual date of grant, grant price and number of shares granted, the actual accounting costs are related to the number of valid and invalid shares. Investors are advised to be cautious about the potential effects.

2. Based on the accounting prudent principle, the estimation does not take into account the future non–fulfillment of unlocking conditions of shares granted.

3. The impacts of the above amortized expenses on results of the Company are subject to final annual audit report prepared by auditors.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2023 were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP. The financial report for the year 2023 prepared in accordance with the PRC Accounting Standards by the Company has been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP and an auditor's report with unqualified opinions has been issued.

The Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP, as the auditor of the Company, with term of office until the conclusion of the next annual general meeting of the Company.

By order of the Board
Yuan Honglin
Chairman

Luoyang City, Henan Province, the PRC
22 March 2024

REPORT OF THE SUPERVISORY COMMITTEE

Dear Shareholders,

In 2023, in strict compliance with the requirements of the Company Law, Securities Law, Articles of Association, Rules of Procedure for the Supervisory Committee and relevant laws and regulations, the Supervisory Committee conducted supervision and inspection over the Company's operation and finance, implementation of resolutions passed at general meetings, the lawfulness and compliance of material decision-making procedures by the Board and the operational and management activities of the Company, and the performance of duties by the Board and the senior management, with a view to fostering standardized operation of the Company. For the sake of safeguarding the benefits of the Company and maximizing the interests of all the Shareholders, the Supervisory Committee performed its supervisory duty earnestly. We attended Board meetings in 2023 and considered that the Board, Directors and the senior management diligently and earnestly implemented all resolutions of the Company, without damaging the interests of the Company and the Shareholders. The resolutions of the general meetings and the Board were in compliance with the requirements of Company Law, other relevant laws and regulations and the Articles of Association.

I. MEETINGS CONVENED

In 2023, the Supervisory Committee held seven meetings. Apart from holding Supervisory Committee meetings, the Supervisory Committee also sat in and attended the meetings of the Board and general meeting of the Company and listened to and adopted important proposals and resolutions from the Company. We understood the process of how the Company's material decisions were formed, had a grasp on the operational results of the Company, and simultaneously performed the Supervisory Committee's functions of knowing facts, monitoring and investigation.

Meetings attended by the Supervisors in 2023:

	Number of Attendance in person/ Number of Meetings Eligible to Attend		
Supervisors	**Supervisory committee**	**Board**	**General meeting**
Mr. Zheng Shu[(1)]	4/4	6/6	1/1
Mr. Zhang Zhenhao	7/7	10/10	3/3
Mr. Xu Wenhui	7/7	10/10	3/3
Ms. Kou Youmin[(2)]	3/3	4/4	2/2

Notes:

(1) Mr. Zheng Shu was appointed as the non-employee representative Supervisor on 9 June 2023.

(2) Ms. Kou Youmin resigned as the chairperson of the Supervisory Committee on 9 June 2023 due to work adjustment.

II. COMPLETION OF MAJOR DUTIES

In 2023, in strict compliance with the requirements of relevant laws and regulations and the Articles of Association, the Supervisory Committee prudently reviewed the compliant operations, finance and internal control, connected transactions and other issues of the Company. The Supervisory Committee also raised reasonable recommendations and opinions to the Board. It also effectively supervised as to whether the major and specific decisions made by the management of the Company were in compliance with the laws and regulations of the State and the Articles of Association, and whether they were made to safeguard the benefits of the shareholders.

1. Inspection of lawfulness of the Company's operations

Pursuant to the relevant provisions of relevant laws and regulations of the State, the Listing Rules in Mainland China and Hong Kong and the Articles of Association, the Supervisory Committee conducted inspection and supervision over the procedures for convening general meetings and Board meetings of the Company, items to be resolved, implementation of resolutions passed at general meetings by the Board, the codes of conduct of senior management of the Company and internal control system of the Company by attending the general meetings and the meetings of the Board of the Company. Upon inspection, the Supervisory Committee is of the view that the decision-making procedures at the general meetings and Board meetings of the Company are lawful, the resolutions of the general meetings and the Board can be effectively implemented and the internal control system of the Company is well established. The Directors and senior management are diligent and responsible. No violation of any laws, regulations, Listing Rules in Mainland China and Hong Kong and Articles of Association and no other circumstances which are harmful to interests of shareholders and the Company have been found in the performance of duties.

2. Inspection of the Company's financial status

During the reporting period, the Supervisory Committee conducted effective supervision and inspection over the performance of the Company's financial system. Upon inspection, the Supervisory Committee is of the view that the financial operation of the Company was conducted in strict compliance with the financial management and the internal control system of the Company. Through the inspection over each auditing material (including the financial data) provided by the Company, the Company has built a sound financial internal control system, which could effectively guarantee the efficient operation of corporate funding and the safety and integrity of the Company's properties. The Company has neither acted against the wishes of the shareholders nor violated the internal control system of the Company during the course of operation. The utilization of funds was in the interests of the shareholders and met the principle of maximizing the Company's benefits. The financial position of the Company is solid with true financial information, and there is no false record, misrepresentations, or major omissions. There exists neither guarantee in violation of rules nor any guaranteed items which should be disclosed but have not been disclosed yet. Deloitte Touche Tohmatsu Certified Public Accountants LLP audited the annual financial report and issued a standard and unqualified audit report.

3. Inspection of the implementation of the information disclosure systems

During the reporting period, the Supervisory Committee urged the Company's relevant departments to be in strict compliance with the requirements of regulatory policies to perform its obligations of information disclosure, to seriously implement each information disclosure management system, and to timely and fairly disclose information which is true, accurate and complete on the whole.

4. Review of the internal control evaluation report

After the careful review of the 2023 Internal Control Evaluation Report of the Company (《公司二零二三年度內部控制評價報告》), the Supervisory Committee is of the opinion that the compilation is in compliance with such requirements as the Basic Rules for Internal Control of Enterprise (《企業內部控制基本規範》) and the Internal Control Evaluation Guidelines of Enterprise (《企業內部控制評價指引》). By establishing efficient internal control system and management, the Company has improved its internal control system, which plays a better role in risk prevention and control during the Company's production, operation and management to ensure an orderly development of various business activities of the Company and safeguard the interest of the Company and the shareholders. The report objectively and accurately reflected the actual situation of the Company's internal control, and no false records, misleading statements or major omissions have been found. The Supervisory Committee approved the 2023 Internal Control Evaluation Report of the Company.

5. Supervisions on connected transactions

During the course of conducting resolutions in relation to connected transactions by the Board of the Company, the approval procedures were in compliance with the laws and regulations, and were fair and reasonable without damaging the rights of non-controlling shareholders.

6. Opinions on the use of funds by related parties and external guarantee

In 2023, there was no non-operational use of the funds by the controlling shareholder; and there was no illegal external guarantee and guarantees provided in favor of the shareholders, controlling subsidiaries and subsidiary enterprises of the shareholders, and non-legal entities or individuals; and was in the interests of the Company and the shareholders as a whole.

7. Trainings

In order to consistently increase professional knowledge and enhance the business level, to execute the supervisory function of the Supervisory Committee in a perfect way and to strictly comply with laws, regulations and the Articles of Association, relevant supervisors participated in the training courses according to requirements in respect of corporate governance and regulatory development organized by the Listed Companies Association of Henan Province or held by the Company, and received and read the relevant materials including updates of laws and rules sent by the Board Office of the Company.

III. SUMMARY AND EVALUATION

The Supervisory Committee is of the view that the Board of Directors of the Company duly performed its operation in strict compliance with the requirements under the laws and regulations including the Company Law, the Articles of Association and Hong Kong and Shanghai Stock Exchange Listing Rules. The Company kept the due process of the production and operation, and ensured the stability of the production of the Company and the interests of the shareholders to the greatest extent. The major business decision-making procedures of the Company were legitimate and effective. The Directors and senior management of the Company performed their duties duly and seriously, and proactively and normatively conducted their work in accordance with the national laws, regulations, the Articles of Association and resolutions of the general meetings and the Board. The Supervisory Committee had not found any acts in breach of laws and regulations and the Articles of Association or against the interests of the shareholders and the Company by the Board and senior management of the Company during the course of performing their duties. The Supervisory Committee expressed its deep appreciation for the performance of the Board and management.

IV. WORKING PLAN

In 2024, the Supervisory Committee of the Company will be in strict compliance with the requirements of the Company Law, the Articles of Association, the Rules of Procedure for the Supervisory Committee, relevant laws and regulations and departmental rules, earnestly perform the supervisory function, and further enhance its supervision strength on the financial position, major issues, connected transactions and the compliance of the Directors and senior management personnel of the Company, thereby promoting continuous optimization of the internal control, standardization of operation and management of the Company, and safeguarding and guaranteeing the interests of the Company and investors.

By order of the Supervisory Committee
Zheng Shu

Luoyang City, Henan province, the PRC
22 March 2024

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Sun Ruiwen, born in 1969, is a professor-level senior engineer. Mr. Sun Ruiwen has been the chief executive officer of the Company since August 2020 and the executive Director and chief executive officer of the Company since May 2021. Mr. Sun graduated from East China Jiaotong University (華東交通大學), majoring in safety engineering. From 1990 to 2008, he worked in China Railway No. 3 Engineering Group (中鐵三局集團), Qinghai China Railway Mining (青海中鐵礦業), China Railway Resources Guojin Mining (中鐵資源國金礦業) and Chifeng China Railway Mining (赤峰中鐵礦業). From 2008 to 2009, he served as the deputy chief economist of China Railway Resource Group Co., Ltd. (中鐵資源集團有限公司), and the chairman of China Railway Resources Trading Co., Ltd. (中鐵資源商貿公司). From 2009 to 2012, Mr. Sun served successively as the chairman of Congo (DRC) Luisha Mining (剛果(金)綠紗礦業), MKM Mining (MKM 礦業), Congo (DRC) International Mining Corporation (剛果(金)國際礦業公司) and the deputy general manager of China Railway Resource Group (中鐵資源集團). From 2012 to 2017, he served as the general manager of Huagang Mining Co., Ltd. (華剛礦業公司) and chairman of Busanga Hydropower Station Co., Ltd. (布桑加水電站公司). From 2017 to 2019, Mr. Sun served as the general manager of China Railway Resource Group Co., Ltd. (中鐵資源集團有限公司). Mr. Sun has been awarded many awards, such as "Young Hero of Shenshuo Railway Construction", "Top Ten Outstanding Youth of China Railway", "Second Class and First Class of China Non-ferrous Science Improvement Award", "Meritorious Person of Resources Development outside China", etc.

Mr. Li Chaochun, born in February 1977, has been an executive Director of the Company since January 2007, vice chairman of the Board of the Company from January 2007 to January 2014, chairman of the Board of the Company from January 2014 to June 2020, currently vice chairman of the Company and a member of the Strategic and Sustainability Committee of the Company. Mr. Li graduated from Shanghai Jiao Tong University with a bachelor's degree in law in July 1999. From July 1999 to December 1999, he was a staff accountant of the tax division of Arthur Andersen (Shanghai) Business Consulting Co., Ltd. He was with Arthur Andersen Hua Qiang CPA from January 2000 to March 2002, where his last position was as a senior consultant of the tax division. From April 2002 to February 2003, he was a deputy manager of planning and strategy implementation of the general representative office of The Hong Kong and Shanghai Banking Corporation Limited. From July 2003 to January 2007, Mr. Li was an executive director of the investment department of Cathay Fortune Corporation.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Non-Executive Directors

Mr. Yuan Honglin, born in November 1967, has been our non-executive Director and a member of the Audit and Risk Committee, Remuneration Committee and Strategic and Sustainability Committee of the Company since November 2013. He has over 20 years of experience in the banking industry. Since June 2020, he has served as the Chairman of the Board, Chairman of the Strategic and Sustainability Committee and Vice Chairman of the Nomination and Governance Committee of the Company. Mr. Yuan graduated from Nanjing University in July 1990 with a bachelor's degree in economics. In July 2004, Mr. Yuan obtained an MBA degree from Shanghai Jiao Tong University. From August 1990 to May 2000, Mr. Yuan worked at Bank of China Limited, Nantong Branch where he held various positions including vice president of the Rudong sub-branch and manager of the credit management department of Nantong Branch. Between June 2000 and August 2007, Mr. Yuan worked at China Merchants Bank Limited, Shanghai Branch where he held various positions including president of Jiang Wan sub-branch and general manager of corporate banking department. From September 2007 to September 2012, Mr. Yuan worked at Ping An Bank Co., Ltd. where he held various positions including assistant to the president of the Shanghai Branch, vice president (responsible for the overall business operations) of the Shanghai Branch and general manager of the corporate banking department responsible for the northern region of China. From October 2012 to the present, Mr. Yuan has been the director of Cathay Fortune Corporation (鴻商產業控股集團有限公司) as well as the director of Cathay Fortune Capital Investment Co., Ltd. (鴻商資本股權投資有限公司), the general manager of Sino-French Life Insurance Co., Ltd. (中法人壽保險有限責任公司), the executive director of Cathay Fortune Tibet Capital Investment Co., Ltd. (西藏鴻商資本投資有限公司), Cathay Fortune Venture Capital Investment Co., Ltd. (上海鴻商創業投資管理有限公司), Honghui Tibet New Material Science And Technology Co., Ltd. (西藏鴻輝新材料科技有限公司), Cathay Fortune Caihui Co., Ltd. (上海鴻商材薈投資有限公司), and the director of Cathay Fortune Investment Limited (鴻商投資有限公司), Najing Technology Co., Ltd. (納晶科技股份有限公司), Cathay Fortune Singapore Pte. Ltd (鴻商產業(新加坡)有限公司), Cathay Fortune International Company Limited (鴻商產業國際有限公司), and Cathay Fortune Holdings Limited (鴻商控股有限公司).

Mr. Jiang Li, born in 1979, Chinese nationality with no right of permanent residency abroad, holds a master's degree from Peking University. He has been the non-executive Director of the Company since June 2023. Mr. Jiang served as a business manager of the investment banking department of China Galaxy Securities Co., Ltd. from 2004 to 2007. He successively held the positions of deputy director, director and executive director in the investment banking department of UBS Securities Co., Limited. from 2008 to 2015. He acted as the director of the board office of China Development Bank Securities Co., Ltd. from 2015 to 2017. He has been the deputy general manager and secretary to the board of CATL since June 2017 and now concurrently serves as the director of Tianjin Binhai Industry Fund Management Co., Ltd. (天津市濱海產業基金管理有限公司), Ningpu Times Battery Technology Co., Ltd. (寧普時代電池科技有限公司) and Livit Life Insurance Company Limited (小康人壽保險有限責任公司).

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lin Jiuxin, born in 1968, Chinese nationality with no right of permanent residency abroad, holds a master's degree. He has been the non-executive Director of the Company since June 2023. Mr. Lin served as the vice district chief of Haicang District Government of Xiamen City from August 2001 to January 2016. He held the positions of the member of the Standing Committee of the District Committee and the executive vice district chief of the District Government of Xiang'an District of Xiamen City from January 2016 to February 2017. Mr. Lin has been working for CATL since March 2017 and now serves as the deputy director of the Safety Production Committee and a member of the Resources Committee of CATL, and the chairman of the board of Yichun Shidai New Energy Resources Co., Ltd. (宜春時代新能源資源有限公司).

Independent Non-Executive Directors

Mr. Wang Gerry Yougui, born in May 1962, Hong Kong resident, Canadian citizen, has served as the independent non-executive Director of the Company, the chairman of the Nomination and Governance Committee and Remuneration Committee, and a member of the Strategic and Sustainability Committee since August 2018. Mr. Wang received his Bachelor's degree in Navigation from Shanghai Maritime University in 1983 and was awarded his Master's degree in International Economics from the program sponsored by the United Nations Economic and Social Commission in 1986. In 1993, he obtained his Master of Science degree in Business Administration from the University of British Columbia in Canada. Mr. Wang was the Company Secretary & Business Development Deputy Manager at China Merchants Group from 1986 to 1989. He joined Seaspan Canada in 1990 and founded its containership business. In 2005, Mr. Wang successfully took Seaspan's containership business public, and successfully traded on the New York Stock Exchange. Mr. Wang worked as the Chief Executive Officer and Co-chairman of Seaspan (NYSE: SSW) for 12 years, making it the largest company of containership business in the world. Mr. Wang retired from Seaspan at the end of 2017 to turn his focus on investment and development in the field of clean energy. Later on, Mr. Wang founded the Tiger Gas Group (Tiger Clean Energy). Mr. Wang was named 2016 the Most Influential Person of Shipping in the world. Mr. Wang is serving as a consultant of Hong Kong and China region of the University of Pennsylvania in Asia. He is also an expert in shipping on BLOOMBERG TV & CNBC.

Ms. Yan Ye, born in May 1958, holds a degree of Master of Laws and is a registered lawyer. Ms. Yan has been the independent non-executive Director of the Company, and a member of the Audit and Risk Committee and Nomination and Governance Committee since August 2018. Ms. Yan graduated from the faculty of law in Peking University in 1982 with a bachelor's degree in law specializing in politics and law. She received a master's degree in civil law from the faculty of law of Renmin University of China in 1984. She served as a lecturer and associate professor of the School of Law of the Party School of the Central Committee of C.P.C. from 1984 to 1994. She served as a lawyer at Shaanxi Xiehui Law Firm from 1994 to 2003 and served as a lawyer at Shaanxi Win Law Firm from 2003 to 2008 and has served as a lawyer and a partner at Shaanxi Yanfeng Law Firm since 2008. Ms. Yan concurrently serves as an independent director of Beijing Shenogen Pharma Group Ltd. (北京盛諾基醫藥科技股份有限公司).

Mr. Li Shuhua, born in 1971, has been the independent non-executive Director of the Company, the chairman of the Audit and Risk Committee and a member of the Nomination and Governance Committee and Remuneration Committee since August 2018. He obtained a bachelor's degree in management majoring in auditing from Southwest University in 1993, a master's degree in economics majoring in accounting from Xiamen University in 1996, and a doctor's degree in management majoring in accounting from Shanghai University of Finance and Economics in 1999. During 2002 and 2004, he pursued his postdoctoral research in Finance and Law in Peking University, and obtained a Finance Executive Master of Business Administration (EMBA) degree from Shanghai Advanced Institute of Finance during 2013 and 2015. He served consecutively as director-level clerk of general office division, deputy division director of auditing division, deputy division director of general office division, division director of financial budgeting management division and division director of general office division of accounting department in CSRC between 1999 and 2010. During 2010 and 2018, he worked for China Galaxy Securities Co., Ltd. and acted as Chief Risk Officer/Chief Compliance Officer and member of the Executive Committee. He currently serves as a professor and supervisor of postgraduates at Xiamen National Accounting Institute, Peking University, Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University and a professor of Tsinghua University PE Program. Mr. Li is currently the chairman of Changzhou Guangyang Bearing Co., Ltd. (常州光洋軸承股份有限公司), an independent director of Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司), Shengyi Technology Co., Ltd.(廣東生益科技股份有限公司), and Xi'an Shaangu Power Co., Ltd. (西安陝鼓動力有限公司), the chairman of the supervisory committee of Shenzhen Capital Fortune Investment Co., Ltd. (深圳市遠致富海投資管理有限公司), the executive partner of the merger and acquisition fund of Shenzhen Oriental Fortune Capital Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) and the chairman of Weihai Shiyi Electronics Co., Ltd. (威海世一電子有限公司).

SUPERVISORS

Mr. Zheng Shu, born in 1979, Chinese nationality with no right of permanent residency abroad, holds a dual bachelor's degree in accounting and computer science and technology from Fuzhou University, and is an accountant. He has been the non-employee representative Supervisor and the chairman of the supervisory committee of the Company since June 2023. He served as the deputy manager of the finance department of Fujian Branch of China Tietong Telecommunications Corporation from 2002 to 2006. He held the positions of the overseas regional budget manager of Huawei Technologies Co., Ltd. and the person in charge of finance of a subsidiary from 2006 to 2009. He acted as the general manager of the finance department of Oneding Silicon Steel Group Co., Ltd. from 2009 to 2013. He was the chief financial officer of ChangYou.com (搜狐暢遊) (NASDAQ stock code: CYOU) from 2013 to 2016. He was the person in charge of the finance department of CATL from April 2016 to June 2017. He has been the chief financial officer of CATL since June 2017 and now concurrently serves as the director of Jinjiang Mintou Power Energy Storage Technology Co., Ltd. (晉江閩投電力儲能科技有限公司), Beijing Pride New Material Company Limited (北京普萊德新材料有限公司) and Shanghai Energiex New Energy Technology Company Limited (上海捷能智電新能源科技有限公司).

Mr. Zhang Zhenhao, born in June 1973, obtained the CFA qualification from the CFA Institute. Mr. Zhang has been a Supervisor of the Company since August 2009. Mr. Zhang concurrently acts as a director of Cathay Fortune Corporation, a director of Cathay Fortune Capital Investment Co., Ltd. (鴻商資本股權投資有限公司), a director of Cathay Fortune Investment Limited (鴻商投資有限公司), a director of Cathay Fortune International Company Limited (鴻商產業國際有限公司), a director of Cathay Fortune Singapore Pte. Ltd. (鴻商產業(新加坡)有限公司), a director of Cathay Fortune Holdings Limited (鴻商控股有限公司), a director of Shanghai CFC Puyuan Investment Management Co., Ltd (上海鴻商普源投資管理有限公司), a director of Shanghai CFC Datong Industrial Co., Ltd. (上海鴻商大通實業有限公司), a director of Shanghai Shanglue Trading Co., Ltd (上海商略貿易有限公司), and a director of Beijing Huiqiao Investment Co., Ltd (北京匯橋投資有限公司). He is an executive director of Cathay Fortune Overseas Investment Co., Ltd (鴻商海外投資有限公司), a supervisor of Sino-French Life Insurance Co., Ltd (中法人壽保險有限公司), an executive director of Tibet Hongming Investment Company Limited (西藏鴻銘投資有限公司), an executive director of Tibet Yongce Investment Company Limited (西藏永策投資有限公司), an executive director of Tibet Hongyin Enterprise Management Service Company Limited (西藏鴻胤企業管理服務有限公司), an executive director of Shanghai Shangju Enterprise Company Limited (上海商聚實業有限公司) and an executive director of Shanghai Yunsheng International Trading Company Limited (上海匀盛國際貿易有限公司). Mr. Zhang graduated from Tianjin Polytechnic University with a bachelor's degree in textile engineering. Mr. Zhang also obtained a master's degree in finance from the Graduate School of The Chinese Academy of Social Sciences. From 1993 to 1999, Mr. Zhang held positions at Tianjin Yarndyed Company (天津色織公司), Tianjin Weaving Materials Exchange and Hainan Zhongshang Futures Exchange* (海南中商期貨交易所). From May 1999 to December 2001, Mr. Zhang was employed by Zhongfu Securities Dealer Co. Ltd. as a member of the preparatory division, general manager of the business management department and supervisor of the company. From January 2002 to May 2007, Mr. Zhang was employed by Zhongfu Securities Co. Ltd. as a member of the preparatory division, general manager of the sales department of Haikou Securities, executive director of the sales management department, secretary to the board of directors of the company and general manager of the chief executive office and the human resources department. Since June 2007, Mr. Zhang has been the general manager of the finance department of Cathay Fortune Corporation.

Mr. Xu Wenhui, born in 1979, obtained a bachelor's degree, an accountant. He has been the Supervisor of the Company since March 2021. From October 1999 to May 2010, he worked at the audit department and finance department of CMOC, responsible for budget, cost analysis, tax management and financial reporting. From 2010 to May 2015, he served successively as chief financial officer of Luoyang Kunyu Mining Co., Ltd., and Luoyang Yongning Gold & Lead Refining Co., Ltd., the subsidiaries of CMOC. From July 2015 to January 2020, he served successively as deputy director and director of the Board Office of CMOC. He has been the head of the financial management department of CMOC in the PRC since January 2020.

JOINT COMPANY SECRETARIES

Mr. Xu Hui, born in 1978, graduated from Hebei University of Economics and Business (河北經貿大學) with a bachelor's degree in Investment Economics Management in 2001. From July 2001 to September 2022, he served at Great Wall Motor Company Limited (長城汽車股份有限公司) successively as the director of securities and legal department, the secretary to the board of directors, and the chairman of the financial business segment, responsible for in information disclosure, investor relationship management, corporate financing, equity investment, legal and compliance, business financial management and other relevant works. Since October 2022, he has been the board secretary and joint company secretary of the Company.

Ms. Ng Sau Mei, born in Hong Kong, obtained a Master's Degree in Law. She is a fellow member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the UK, and a director of the Listing Services Department of TMF Hong Kong Limited. Ms. Ng has over 20 years of experience as a corporate secretary for providing corporate secretarial of related matters and compliance services to Hong Kong listed companies. Ms. Ng currently serves as company secretary/joint company secretary for a number of Hong Kong listed companies including Metallurgical Corporation of China Ltd. (中國冶金科工股份有限公司), Shandong Gold Mining Co., Ltd. (山東黃金礦業股份有限公司), The People's Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) and China Reinsurance (Group) Corporation (中國再保險(集團)股份有限公司).

SENIOR MANAGEMENT

Senior management consists of the following individuals:

Mr. Zhou Jun, obtained a bachelor's degree, a senior engineer. From 1992 to 2008, he successively worked in Changzhibei Cement Plant and Luzhou Cement Industrial Development Company, both affiliates to China Railway No. 3 Engineering Group; from 2008 to 2010, he served as the deputy general manager of Guojin Mining of China Railway Resources Group; from 2010 to 2013, he served as the general manager of MKM Mining of China Railway Resources Group; from 2013 to 2018, Mr. Zhou successively held positions of commercial director, operation director, site leader, party committee member and general manager of Sicomines of China Railway Resources Group. Since April 2019, he has been serving as the general manager of Tenke Fungurume Mining S.A. in DRC. Mr. Zhou has served as a vice president of the Company since 12 June 2020.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Li Guojun, born in 1975, has a doctor's degree in management. He is a member of the First MOF China Accounting Standards Committee (財政部第一屆會計準則諮詢委員會), a member of the Third MOF Management Accounting Consultants (財政部第三屆管理會計諮詢專家) and a MPAcc part-time tutor of Anhui University (安徽大學). Mr. Li served as a financial manager, the financial director of a holding company of Chery Automobile Co., Ltd.* (奇瑞汽車股份有限公司) and the deputy general manager of the Finance Center of Zhejiang CHINT Electrics Co., Ltd.* (浙江正泰電器股份有限公司) successively from July 2005 to April 2012 and the financial director of Sungrow Power Supply Co., Ltd. (陽光電源股份有限公司) from May 2012 to June 2022. Mr. Li has been the chief financial officer of the Company since August 2022.

Ms. Liang Wei, born in 1983, graduated from Shanghai International Studies University (上海外國語大學) with a bachelor's degree of arts in French in 2005 and École Supérieure d'Interprètes et de Traducteurs with a master's degree in conference interpretation in 2009. Prior to joining the Company, Ms. Liang served at the Foreign Affairs Office of Shanghai Municipal People's Government (上海市政府外事辦公室) from 2005 to 2015; Ms. Liang served as a lecturer at the Graduate Institute of Interpretation and Translation of Shanghai International Studies University from 2016 to 2017. Ms. Liang joined the Company in 2017 and currently serves as the ESG director of the Company, responsible for the establishment and improvement of the Company's ESG management system. Ms. Liang has been a vice president of the Company since August 2022.

Mr. Xu Hui, born in 1978, has served as the board secretary and joint company secretary of the Company since October 2022. For the profile of Mr. Xu Hui, please refer to "Profiles of Directors, Supervisors and Senior Management – Joint Company Secretaries" in this section.

* *for identification purposes only*

De Shi Bao (Shen) Zi (24) No. P02686

To all shareholders of China Molybdenum Co., Ltd.:

I. OPINION

We have audited the financial statements of China Molybdenum Co., Ltd. ("CMOC", or the "Company"), which comprise the consolidated and Company's balance sheets as at 31 December 2023, the consolidated and Company's income statements, the consolidated and Company's cash flow statements, and the consolidated and Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements of CMOC are prepared and present fairly, in all material respects, the consolidated and Company's financial position as at 31 December 2023, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CMOC in accordance with the Code of Ethics for Chinese Certified Public Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. KEY AUDIT MATTERS

The key audit matters are the most important matters that we consider to the audit of financial statements based on our professional judgment. The responses to these matters are based on the audit of the financial statements as a whole and the formation of an audit opinion. We do not express an opinion on these matters separately. We determine that the following matters are the key audit matters that need to be communicated in the auditor's report.

(I) Revenue Recognition

Description

We identify the revenue recognition as a key audit matter, mainly because, as an A+H Share listed company, the revenue is a key business indicator. As stated in Note (V)50, the CMOC's revenue includes the revenue from the sales of molybdenum-and-tungsten-related products, niobium-and-phosphorus-related products, copper-and-cobalt-related products and copper-and-gold-related products of the mining and processing business, as well as the revenue from the trade of mineral metals and refined metals of the metal trading segment. Considering the complexity of relevant revenue process and corresponding internal controls, we identify the revenue recognition as a key audit matter.

III. KEY AUDIT MATTERS (CONTINUED)

(I) Revenue Recognition (Continued)

Audit response

The major audit procedures we performed for revenue recognition include:

1. Understanding and assessing relevant internal controls in the sales and collection cycle of CMOC, and testing their operating effectiveness;

2. Reviewing the significant sales contract, identifying the contract terms and conditions related to the transfer of control of the commodity, and evaluating whether the timing of revenue recognition of CMOC complies with the Accounting Standards for Business Enterprises;

3. Performing test of details for revenue recognition, selecting samples from the recorded revenue transactions and obtaining supporting documents, so as to test whether relevant performance obligations have been performed and accounted for accordingly at the time point of revenue recognition;

4. Performing analytical review procedures based on the sales prices and actual sales volumes of goods in open market to review the reasonableness of revenue recognition in current period in respect of business revenue from sales of goods;

5. Selecting metal trading contract samples to check the terms and transaction dates specified in the contracts against the transaction information in business system, so as to test the completeness of revenue recognition in respect of the revenue from metal trading.

(II) Fair value measurement of the financial instruments and trading inventories related to metal trading of IXM Holding S.A and its subsidiaries ("IXM")

Description

Metal trading of IXM involves large quantity of financial instruments and trading inventories measured at fair value, the inputs involved in the recognition of fair values of related assets and liabilities include observable inputs such as the quoted price of similar assets or liabilities in active market and unobservable inputs such as the yield of similar financial products in private market. As at 31 December 2023, the financial instruments held by IXM include held-for-trading financial assets of RMB7,579,846,013.59, derivative financial assets of RMB693,496,770.83, held-for-trading financial liabilities of RMB2,507,809,678.06, derivative financial liabilities of RMB411,077,859.82 and trading inventories measured at fair value of RMB12,503,588,496.71. The selection of the inputs may have material impact on financial statements. Therefore, we identify the fair value measurement regarding the financial instruments and trading inventories related to the metal trading of IXM as a key audit matter.

III. KEY AUDIT MATTERS (CONTINUED)

(II) Fair value measurement of the financial instruments and trading inventories related to metal trading of IXM Holding S.A and its subsidiaries ("IXM") (Continued)

Audit response

The major audit procedures we performed for the fair value measurement of the financial instruments and trading inventories related to metal trading of IXM include:

1. Understanding and assessing the internal controls related to fair value measurement in the metal trading cycle of IXM, and testing their operating effectiveness;

2. Understanding the methods adopted by IXM to measure fair value, and assessing whether such methods comply with the Accounting Standards for Business Enterprises;

3. Selecting samples from the forward commodity contracts, receivables at FVTPL and payables at FVTPL, reviewing the terms of relevant contracts, understanding the valuation methods of fair values of selected samples, and verifying the quoted price of similar assets or liabilities in active market or other inputs adopted by the fair value measurement and their measurement results, so as to evaluate the reasonableness of the closing fair values.

4. Selecting samples from the trading inventories measured at fair value, and verifying the inputs such as the quoted price of similar assets or liabilities in active market, the premium/discount prices in the place of origin or nearby regions in the industry research report adopted by the fair value measurement and their measurement results, so as to evaluate the reasonableness of the closing fair values.

IV. OTHER INFORMATION

The management of CMOC is responsible for preparation of the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance opinion thereon.

IV. OTHER INFORMATION (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. In this respect, we have no matter to report.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of CMOC is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements, and for the design, implementation and maintenance of internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing CMOC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate CMOC or to cease operations, or has no other realistic alternative but to do so.

Those charged with governance are responsible for overseeing CMOC's financial reporting process.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

(4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CMOC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CMOC to cease to continue as a going concern.

(5) Evaluate the overall presentation (including the disclosure), structure and content of the financial statements, and whether the financial statements represent the transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within CMOC to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu
Certified Public Accountants LLP
Shanghai, China

Chinese Certified Public Accountant:
(Engagement partner)

Chinese Certified Public Accountant:

22 March 2024

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2023

RMB

ASSETS	Notes	31 December 2023	31 December 2022
Current Assets:			
Cash and bank balances	(V)1	**30,716,077,208.96**	32,647,565,268.28
Held-for-trading financial assets	(V)2	**8,284,638,370.17**	4,236,792,942.19
Derivative financial assets	(V)3	**2,213,551,710.77**	1,944,853,567.32
Accounts receivable	(V)4	**1,132,003,814.45**	800,256,289.83
Financing with receivables	(V)5	**260,311,068.16**	388,389,728.54
Prepayments	(V)6	**1,181,770,447.66**	2,129,545,006.22
Other receivables	(V)7	**4,252,138,393.05**	5,017,084,484.19
Including: Interest receivable	(V)7.2	**263,164,810.93**	618,379,463.56
Dividends receivable	(V)7.3	**13,108,902.07**	–
Inventories	(V)8	**31,430,496,020.23**	32,254,722,426.64
Non-current assets due within one year	(V)9	**1,092,589,539.03**	1,757,787,239.02
Other current assets	(V)10	**3,084,006,776.18**	4,504,795,377.38
Total Current Assets		**83,647,583,348.66**	85,681,792,329.61
Non-current Assets:			
Long-term equity investments	(V)11	**2,228,736,782.08**	1,933,910,294.77
Investments in other equity instruments	(V)12	**7,729,190.40**	14,827,558.48
Other non-current financial assets	(V)13	**3,199,384,854.99**	3,554,476,351.83
Fixed assets	(V)15	**35,603,658,029.61**	28,055,742,014.75
Construction in progress	(V)16	**10,621,107,850.33**	13,659,085,249.76
Inventories	(V)8	**7,136,659,350.36**	7,001,735,495.28
Right-of-use assets	(V)17	**345,706,233.11**	264,313,360.66
Intangible assets	(V)18	**22,960,384,817.88**	19,447,513,419.29
Goodwill	(V)19	**430,141,140.73**	422,968,781.50
Long-term prepaid expenses	(V)20	**227,766,417.14**	217,666,607.09
Deferred tax assets	(V)21	**1,665,443,079.84**	1,111,487,581.86
Other non-current assets	(V)22	**4,900,229,607.48**	3,653,700,493.89
Total Non-current Assets		**89,326,947,353.95**	79,337,427,209.16
TOTAL ASSETS		**172,974,530,702.61**	165,019,219,538.77

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2023

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 December 2023	31 December 2022
Current Liabilities:			
Short-term borrowings	(V)24	**24,954,249,917.03**	20,107,509,714.04
Held-for-trading financial liabilities	(V)25	**2,948,580,363.16**	3,651,811,361.47
Derivative financial liabilities	(V)26	**1,108,796,282.04**	2,350,847,071.76
Notes payable	(V)27	**1,142,025,881.71**	2,409,419,326.42
Accounts payable	(V)28	**3,556,152,616.98**	1,547,305,043.03
Contract liabilities	(V)29	**2,515,301,405.33**	1,689,792,175.08
Employee benefits payable	(V)30	**1,472,512,919.45**	1,017,993,590.42
Taxes payable	(V)31	**2,118,205,384.20**	804,749,758.78
Other payables	(V)32	**4,773,801,730.98**	6,861,265,106.60
Including: Interest payable	(V)32.2	**–**	234,561,190.61
Dividends payable	(V)32.3	**27,885,796.67**	27,885,796.67
Non-current liabilities due within one year	(V)33	**3,769,999,779.97**	6,905,036,819.39
Other current liabilities	(V)34	**620,646,123.74**	2,715,386,791.93
Total Current Liabilities		**48,980,272,404.59**	50,061,116,758.92
Non-current Liabilities:			
Non-current derivative financial liabilities	(V)14	**–**	230,168,848.27
Long-term borrowings	(V)35	**18,767,717,544.93**	18,975,172,198.88
Bonds payable	(V)36	**2,000,000,000.00**	2,150,000,000.00
Lease liabilities	(V)37	**230,938,527.58**	209,349,065.29
Long-term employee benefits payable	(V)38	**471,660,892.08**	356,539,615.25
Provisions	(V)39	**2,837,087,652.97**	3,167,361,155.32
Deferred income	(V)40	**38,532,783.50**	45,713,239.10
Deferred tax liabilities	(V)21	**5,991,178,925.91**	6,092,532,551.64
Other non-current liabilities	(V)41	**21,694,967,763.74**	21,693,849,406.96
Total Non-current Liabilities		**52,032,084,090.71**	52,920,686,080.71
TOTAL LIABILITIES		**101,012,356,495.30**	102,981,802,839.63
SHAREHOLDERS' EQUITY:			
Share capital	(V)42	**4,319,848,116.60**	4,319,848,116.60
Other equity instruments	(V)43	**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	(V)44	**27,694,825,276.01**	27,681,918,087.25
Less: Treasury shares	(V)45	**1,266,543,810.15**	1,325,021,131.22
Other comprehensive income	(V)46	**1,574,263,722.33**	294,879,708.74
Special reserve	(V)47	**140,310,748.25**	22,655,587.06
Surplus reserve	(V)48	**2,099,837,960.76**	1,684,388,527.69
Retained profits	(V)49	**23,977,727,693.23**	18,019,893,163.56
Total shareholders' equity attributable to equity holders of the Company		**59,540,269,707.03**	51,698,562,059.68
Minority interests		**12,421,904,500.28**	10,338,854,639.46
TOTAL SHAREHOLDERS' EQUITY		**71,962,174,207.31**	62,037,416,699.14
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**172,974,530,702.61**	165,019,219,538.77

The accompanying notes form part of the financial statements.

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

BALANCE SHEET OF THE COMPANY

AT 31 DECEMBER 2023

RMB

ASSETS	Notes	31 December 2023	31 December 2022
Current Assets:			
Cash and bank balances	(XVI)1	**9,480,998,128.25**	8,958,241,995.55
Held-for-trading financial assets		**10,149,030.84**	65,004,265.31
Accounts receivable	(XVI)2	**1,013,718,567.21**	846,728,976.47
Financing with receivables		**11,700,000.00**	23,568,174.55
Prepayments		**28,612,571.55**	48,180,221.62
Other receivables	(XVI)3	**8,882,661,447.55**	6,523,434,232.49
Including: Interest receivable		**295,803,008.94**	582,664,067.06
Dividends receivable		**1,544,006,084.08**	244,006,084.08
Inventories		**166,593,689.27**	196,779,778.83
Non-current assets due within one year	(XVI)4	**460,673,819.59**	1,485,000,000.00
Other current assets		**20,393,245.43**	20,820,228.33
Total Current Assets		**20,075,500,499.69**	18,167,757,873.15
Non-current Assets:			
Long-term equity investments	(XVI)5	**35,667,685,946.41**	31,383,435,254.25
Other non-current financial assets		**68,039,832.38**	441,617,664.08
Fixed assets		**2,245,847,925.86**	2,314,140,257.30
Construction in progress		**232,686,529.68**	168,974,058.10
Intangible assets		**169,515,081.85**	248,332,438.02
Long-term prepaid expenses		**112,040,348.37**	72,268,173.79
Deferred tax assets		**159,871,373.47**	64,894,436.49
Other non-current assets		**474,813,884.98**	47,752,981.20
Total Non-current Assets		**39,130,500,923.00**	34,741,415,263.23
TOTAL ASSETS		**59,206,001,422.69**	52,909,173,136.38

BALANCE SHEET OF THE COMPANY

AT 31 DECEMBER 2023

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 December 2023	31 December 2022
Current Liabilities:			
Short-term borrowings		**1,101,657,777.78**	997,000,000.00
Held-for-trading financial liabilities		**418,253,537.70**	676,512,725.59
Notes payable		**1,000,059,603.31**	714,014,262.47
Accounts payable		**296,964,576.00**	442,894,736.90
Contract liabilities		**252,772,663.01**	46,694,091.36
Employee benefits payable		**132,448,236.93**	104,910,055.17
Taxes payable		**286,749,773.28**	84,739,146.59
Other payables		**6,360,013,544.50**	3,589,599,404.72
Including: Interest payable		**43,098,117.98**	182,145,756.58
Dividends payable		**–**	–
Non-current liabilities due within one year		**521,168,227.38**	998,200,000.00
Other current liabilities		**222,405,242.66**	474,168,460.69
Total Current Liabilities		**10,592,493,182.55**	8,128,732,883.49
Non-current Liabilities:			
Non-current derivative financial liabilities		**–**	230,168,848.27
Long-term borrowings		**7,808,274,584.70**	6,764,400,000.00
Bonds payable		**2,000,000,000.00**	2,150,000,000.00
Provisions		**94,190,807.77**	71,753,870.18
Deferred income		**17,245,652.90**	17,631,238.70
Other non-current liabilities		**580,280,900.00**	–
Total Non-current Liabilities		**10,499,991,945.37**	9,233,953,957.15
TOTAL LIABILITIES		**21,092,485,127.92**	17,362,686,840.64
SHAREHOLDERS' EQUITY			
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		**27,930,079,604.42**	27,800,962,401.65
Less: Treasury shares		**1,266,543,810.15**	1,325,021,131.22
Special reserve		**122,482,119.17**	21,113,064.91
Surplus reserve		**2,099,837,960.76**	1,684,388,527.69
Retained profits		**3,907,812,303.97**	2,045,195,316.11
TOTAL SHAREHOLDERS' EQUITY		**38,113,516,294.77**	35,546,486,295.74
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**59,206,001,422.69**	52,909,173,136.38

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

Item		Notes	2023	2022
I.	**Total operating income**	(V)50	**186,268,971,920.54**	172,990,857,221.36
	Including: Operating income		**186,268,971,920.54**	172,990,857,221.36
II.	**Total operating costs**		**177,115,447,407.40**	162,246,417,529.62
	Including: Operating costs	(V)50	**168,158,197,786.94**	156,926,248,131.67
	Taxes and levies	(V)51	**3,084,375,433.21**	1,235,110,800.28
	Selling expenses	(V)52	**155,415,623.44**	97,171,422.69
	Administrative expenses	(V)53	**2,386,530,147.14**	1,790,812,081.35
	Research and development expenses		**327,085,170.70**	388,609,726.55
	Financial expenses	(V)54	**3,003,843,245.97**	1,808,465,367.08
	Including: Interest expenses		**4,138,052,209.88**	2,795,047,621.88
	Interest income		**1,643,253,592.10**	1,189,038,307.66
	Add: Other income	(V)55	**112,142,038.86**	85,350,604.54
	Investment income (losses are indicated by "-")	(V)56	**2,483,302,857.88**	725,919,489.77
	Including: Income from investments in associates and joint ventures		**374,876,198.04**	645,307,049.56
	Gains from changes in fair value (losses are indicated by "-")	(V)57	**1,680,503,555.45**	(1,610,830,289.45)
	Gains from credit impairment (losses are indicated by "-")	(V)58	**(3,664,369.40)**	(19,677,971.29)
	Gains from assets impairment (losses are indicated by "-")	(V)59	**(140,665,034.28)**	(65,273,094.66)
	Gains from disposal of assets (losses are indicated by "-")		**2,834,594.73**	29,128,043.33
III.	**Operating profit (loss is indicated by "-")**		**13,287,978,156.38**	9,889,056,473.98
	Add: Non-operating income	(V)60	**25,173,020.39**	19,666,081.51
	Less: Non-operating expenses	(V)61	**105,187,883.51**	104,255,849.70
IV.	**Total profit (loss is indicated by "-")**		**13,207,963,293.26**	9,804,466,705.79
	Less: Income tax expenses	(V)62	**4,677,340,664.42**	2,612,765,878.42
V.	**Net profit (loss is indicated by "-")**		**8,530,622,628.84**	7,191,700,827.37
	(I) Classified by business continuity:			
	1. Net profit from continuing operations (net loss is indicated by "-")		**6,756,372,961.63**	7,084,625,495.13
	2. Net profit from discontinued operations (net loss is indicated by "-")	(XV)1	**1,774,249,667.21**	107,075,332.24
	(II) Classified by ownership:			
	1. Net profit attributable to shareholders of the parent company (net loss is indicated by "-")		**8,249,711,872.51**	6,066,946,564.19
	2. Profit or loss attributable to minority interests (net loss is indicated by "-")		**280,910,756.33**	1,124,754,263.18

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

Item	Notes	2023	2022
VI. Other comprehensive income, net of tax	(V)46	**1,447,456,637.93**	7,493,237,348.93
Other comprehensive income attributable to shareholders of the Company, net of tax		**1,279,384,013.59**	6,701,106,739.39
(I) Other comprehensive income that cannot be reclassified to profit or loss		**(4,443,560.37)**	(28,675,646.01)
1. Remeasurement of changes in defined benefit plans		**880,215.69**	10,901,976.24
2. Changes in fair value of investments in other equity instruments		**(5,323,776.06)**	(39,577,622.25)
(II) Other comprehensive income that will be reclassified to profit or loss		**1,283,827,573.96**	6,729,782,385.40
1. Cash flow hedges reserve		**311,627,988.37**	3,064,856,969.64
2. Translation differences of financial statements denominated in foreign currencies		**972,199,585.59**	3,664,925,415.76
Other comprehensive income attributable to minority interests, net of tax		**168,072,624.34**	792,130,609.54
VII. Total comprehensive income		**9,978,079,266.77**	14,684,938,176.30
Total comprehensive income attributable to shareholders of the Company		**9,529,095,886.10**	12,768,053,303.58
Total comprehensive income attributable to minority interests		**448,983,380.67**	1,916,884,872.72
VIII. Earnings per share:			
(I) Basic earnings per share		**0.38**	0.28
(II) Diluted earnings per share		**0.38**	0.28

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

INCOME STATEMENT OF THE COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

Item	Notes	2023	2022
I. Operating income	(XVI)6	**7,267,921,552.86**	5,551,311,403.06
Less: Operating costs	(XVI)6	**3,583,855,804.32**	3,112,252,750.50
Taxes and levies		**589,715,680.14**	354,487,861.86
Selling expenses		**–**	99,900.70
Administrative expenses		**224,642,485.18**	237,301,913.95
Research and development expenses		**258,452,329.11**	193,262,184.08
Financial expenses		**81,188,016.40**	10,583,950.47
Including: Interest expenses		**603,902,314.80**	527,962,835.54
Interest income		**534,277,736.02**	538,862,249.68
Add: Other income		**15,636,573.38**	15,594,711.94
Investment income (losses are indicated by "-")	(XVI)7	**2,392,487,403.20**	696,323,714.53
Including: Income from investments in associates and joint ventures		**64,573,515.66**	(91,275,045.47)
Gains from changes in fair value (losses are indicated by "-")		**9,155,993.00**	164,008,127.71
Gains from credit impairment (losses are indicated by "-")		**1,676,557.83**	(1,584,511.41)
Gains from assets impairment (losses are indicated by "-")		**(3,932,040.31)**	(8,908,424.44)
Gains from disposal of assets (losses are indicated by "-")		**109,478,406.90**	13,907,723.17
II. Operating profit (loss is indicated by "-")		**5,054,570,131.71**	2,522,664,183.00
Add: Non-operating income		**20,384,273.61**	3,675,130.44
Less: Non-operating expenses		**52,319,048.74**	63,836,083.73
III. Total profit (loss is indicated by "-")		**5,022,635,356.58**	2,462,503,229.71
Less: Income tax expenses		**868,141,025.88**	252,327,519.31
IV. Net profit (loss is indicated by "-")		**4,154,494,330.70**	2,210,175,710.40
(I) Net profit from continuing operations (net loss is indicated by "-")		**4,154,494,330.70**	2,210,175,710.40
V. Other comprehensive income		**–**	–
VI. Total comprehensive income		**4,154,494,330.70**	2,210,175,710.40

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

Item	Note (V)	2023	2022
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		**188,702,400,717.88**	181,115,607,819.21
Receipts of tax refunds		**220,971,353.25**	179,958,356.30
Other cash receipts relating to operating activities	63(1)	**3,543,808,317.28**	5,824,961,505.57
Sub-total of cash inflows from operating activities		**192,467,180,388.41**	187,120,527,681.08
Cash payments for goods purchased and services received		**162,817,147,360.25**	158,344,577,825.15
Cash payments to and on behalf of employees		**3,466,771,675.00**	3,036,911,440.69
Payments of various types of taxes		**9,781,686,371.45**	9,598,244,714.12
Other cash payments relating to operating activities	63(1)	**859,571,485.97**	687,032,628.44
Sub-total of cash outflows from operating activities		**176,925,176,892.67**	171,666,766,608.40
Net Cash Flow from Operating Activities	64(1)	**15,542,003,495.74**	15,453,761,072.68
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		**4,012,517,610.49**	7,994,947,087.13
Cash receipts from investment income		**2,467,269,032.47**	1,599,113,255.66
Net cash recovered from disposals of fixed assets, intangible assets and other long-term assets		**397,535,162.96**	48,037,339.88
Net cash receipts from disposals of subsidiaries and other operating units	64(2)	**1,010,846,451.20**	73,757,200.00
Other cash receipts relating to investing activities	63(2)	**596,070,181.89**	1,910,915,060.38
Sub-total of cash inflows from investment activities		**8,484,238,439.01**	11,626,769,943.05
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**12,924,398,131.61**	10,517,759,270.88
Cash payments to acquire investments		**5,645,523,061.67**	6,264,524,646.22
Other cash payments relating to investing activities	63(2)	**573,003,513.95**	2,216,140,264.62
Sub-total of cash outflows from investment activities		**19,142,924,707.23**	18,998,424,181.72
Net Cash Flow from Investment Activities		**(10,658,686,268.22)**	(7,371,654,238.67)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

Item	Note (V)	**2023**	2022
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		**–**	997,034,823.00
Including: Cash receipts from capital contributions from minority shareholders of subsidiaries		**–**	34,823.00
Cash receipts from borrowings		**71,744,175,889.11**	59,482,719,800.04
Other cash receipts relating to financing activities	63(3)	**3,150,518,801.15**	5,076,200,366.50
Sub-total of cash inflows from financing activities		**74,894,694,690.26**	65,555,954,989.54
Cash repayments of borrowings		**73,908,354,465.49**	61,359,033,301.53
Cash payments for distribution of dividends or profits or settlement of interest expenses		**6,762,255,256.09**	4,791,671,968.37
Including: Payments for distribution of dividends to minority shareholders of subsidiaries		**491,655,500.00**	–
Other cash payments relating to financing activities	63(3)	**2,830,552,523.09**	1,501,795,631.15
Sub-total of cash outflows from financing activities		**83,501,162,244.67**	67,652,500,901.05
Net Cash Flow from Financing Activities		**(8,606,467,554.41)**	(2,096,545,911.51)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		**796,365,652.48**	2,667,296,884.74
V. Net (Decrease) Increase in Cash and Cash Equivalents		**(2,926,784,674.41)**	8,652,857,807.24
Add: Opening balance of cash and cash equivalents	64(3)	**29,045,548,650.93**	20,392,690,843.69
VI. Closing Balance of Cash and Cash Equivalents	64(3)	**26,118,763,976.52**	29,045,548,650.93

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

CASH FLOW STATEMENT OF THE COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

Item		Notes	2023	2022
I.	**Cash Flows from Operating Activities:**			
	Cash receipts from the sale of goods and the rendering of services		**8,310,519,384.32**	6,773,737,153.89
	Other cash receipts relating to operating activities		**445,921,838.45**	373,265,310.30
	Sub-total of cash inflows from operating activities		**8,756,441,222.77**	7,147,002,464.19
	Cash payments for goods purchased and services received		**3,043,710,220.63**	2,504,881,793.24
	Cash payments to and on behalf of employees		**436,385,030.82**	516,894,003.33
	Payments of various types of taxes		**1,980,456,242.36**	997,126,184.43
	Other cash payments relating to operating activities		**181,921,763.28**	405,371,641.75
	Sub-total of cash outflows from operating activities		**5,642,473,257.09**	4,424,273,622.75
	Net Cash Flow from Operating Activities	(XVI)8	**3,113,967,965.68**	2,722,728,841.44
II.	**Cash Flows from Investing Activities:**			
	Cash receipts from disposals and recovery of investments		**4,557,920,820.85**	3,383,008,588.50
	Cash receipts from investment income		**433,165,008.91**	839,737,810.15
	Net cash recovered from disposals of fixed assets, intangible assets and other long-term assets		**243,903,265.20**	40,037,500.00
	Net cash receipts from disposals of subsidiaries and other operating units		**–**	73,757,200.00
	Other cash receipts relating to investing activities		**19,578,404,933.06**	23,798,982,937.56
	Sub-total of cash inflows from investment activities		**24,813,394,028.02**	28,135,524,036.21
	Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		**635,504,782.75**	121,185,245.99
	Cash payments to acquire investments		**7,879,257,221.65**	2,311,510,000.00
	Other cash payments relating to investing activities		**15,939,444,947.54**	26,121,365,223.86
	Sub-total of cash outflows from investment activities		**24,454,206,951.94**	28,554,060,469.85
	Net Cash Flow from Investment Activities		**359,187,076.08**	(418,536,433.64)

CASH FLOW STATEMENT OF THE COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2023

Item	Notes	2023	2022
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		**–**	997,000,000.00
Cash receipts from borrowings		**11,087,074,584.70**	21,592,375,668.34
Other cash receipts relating to financing activities		**26,167,863,675.23**	24,294,908,105.01
Sub-total of cash inflows from financing activities		**37,254,938,259.93**	46,884,283,773.35
Cash repayments of borrowings		**10,773,200,000.00**	17,789,186,168.34
Cash payments for distribution of dividends or profits or settlement of interest expenses		**2,549,301,707.45**	1,963,775,834.64
Other cash payments relating to financing activities		**26,872,545,636.86**	24,736,280,802.33
Sub-total of cash outflows from financing activities		**40,195,047,344.31**	44,489,242,805.31
Net Cash Flow from Financing Activities		**(2,940,109,084.38)**	2,395,040,968.04
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		**(8,281,491.92)**	(6,276,664.01)
V. Net Increase in Cash and Cash Equivalents		**524,764,465.46**	4,692,956,711.83
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		**9,426,057,531.60**	8,901,293,066.14

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

	2023										
	Equity attributable to shareholders of the Company								Minority interests		
Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Ordinary shares	Preference shares	Total shareholders' equity
I. Balance at 1 January 2023	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	10,338,854,639.46	-	62,037,416,699.14
II. Changes for the year											
(I) Total comprehensive income	-	-	-	-	1,279,384,013.59	-	-	8,249,711,872.51	411,406,853.17	37,576,527.50	9,978,079,266.77
(II) Shareholders' contributions and reduction in capital											
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribution from holders of other equity instruments (Note (V)34)	-	-	-	-	-	-	-	-	-	2,124,810,000.00	2,124,810,000.00
3. Share-based payments included in owners' equity (Note (V)44 and 45)	-	-	12,907,188.76	(58,477,321.07)	-	-	-	-	-	-	71,384,509.83
(III) Profit distribution											
1. Transfer to surplus reserve	-	-	-	-	-	-	415,449,433.07	(415,449,433.07)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	(1,820,227,909.77)	(491,655,500.00)	-	(2,311,883,409.77)
3. Distribution of dividends of perpetual bonds	-	-	-	-	-	-	-	(56,200,000.00)	-	-	(56,200,000.00)
(IV) Special reserve											
1. Transfer to special reserve in the year	-	-	-	-	-	199,607,810.60	-	-	3,667,633.46	-	203,275,444.06
2. Amount utilized in the year	-	-	-	-	-	(81,952,649.41)	-	-	(2,755,653.31)	-	(84,708,302.72)
III. Balance at 31 December 2023	4,319,848,116.60	1,000,000,000.00	27,694,825,276.01	1,266,543,810.15	1,574,263,722.33	140,310,748.25	2,099,837,960.76	23,977,727,693.23	10,259,517,972.78	2,162,386,527.50	71,962,174,207.31

	2022									
	Equity attributable to shareholders of the Company									
Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained profits	Minority interests	Total shareholders' equity
I. Balance at 1 January 2022	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	8,418,925,710.77	48,264,212,337.07
II. Changes for the year										
(I) Total comprehensive income	–	–	–	–	6,701,106,739.39	–	–	6,066,946,564.19	1,916,884,872.72	14,684,938,176.30
(II) Shareholders' contributions and reduction in capital										
1. Ordinary shares contributed by owners	–	–	22,447,195.19	–	–	–	–	–	34,823.00	22,482,018.19
2. Repurchase of treasury shares	–	–	–	499,999,996.32	–	–	–	–	–	(499,999,996.32)
3. Share-based payments included in owners' equity	–	–	16,615,373.67	(51,335,885.06)	–	–	–	–	–	67,951,258.73
4. Capital contribution from holders of other equity instruments (Note (V)43)	–	1,000,000,000.00	(3,000,000.00)	–	–	–	–	–	–	997,000,000.00
5. Others	–	–	–	–	–	–	–	–	2,755,966.27	2,755,966.27
(III) Profit distribution										
1. Transfer to surplus reserve	–	–	–	–	–	–	221,017,571.04	(221,017,571.04)	–	–
2. Distributions to shareholders	–	–	–	–	–	–	–	(1,524,344,600.04)	–	(1,524,344,600.04)
(IV) Special reserve										
1. Transfer to special reserve in the year	–	–	–	–	–	147,803,291.66	–	–	1,618,778.26	149,422,069.92
2. Amount utilized in the year	–	–	–	–	–	(125,635,019.42)	–	–	(1,365,511.56)	(127,000,530.98)
III. Balance at 31 December 2022	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	10,338,854,639.46	62,037,416,699.14

The financial statements were signed by the following:

Legal Representative	Chief Accountant	Person in Charge of the Accounting Body

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

RMB

	2023							
Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Balance at 1 January 2023	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. Changes for the year								
(I) Total comprehensive income	-	-	-	-	-	-	4,154,494,330.70	4,154,494,330.70
(II) Shareholders' contributions and reduction in capital								
1. Ordinary shares contributed by owners	-	-	-	-	-	-	-	-
2. Share-based payments included in owners' equity	-	-	12,907,188.76	(58,477,321.07)	-	-	-	71,384,509.83
(III) Profit distribution								
1. Transfer to surplus reserve	-	-	-	-	-	415,449,433.07	(415,449,433.07)	-
2. Distributions to shareholders	-	-	-	-	-	-	(1,820,227,909.77)	(1,820,227,909.77)
3. Distribution of dividends of perpetual bonds							(56,200,000.00)	(56,200,000.00)
(IV) Special reserve								
1. Transfer to special reserve in the year	-	-	-	-	176,901,289.83	-	-	176,901,289.83
2. Amount utilized in the year	-	-	-	-	(75,532,235.57)	-	-	(75,532,235.57)
(V) Others (Note)	-	-	116,210,014.01	-	-	-	-	116,210,014.01
III. Balance at 31 December 2023	4,319,848,116.60	1,000,000,000.00	27,930,079,604.42	1,266,543,810.15	122,482,119.17	2,099,837,960.76	3,907,812,303.97	38,113,516,294.77

Note: On 11 September 2023, the Company entered into an equity transfer agreement with CMOC Holding Limited ("CMOC Limited"), a wholly-owned subsidiary of the Company, pursuant to which the Company would purchase 100% equity of CMOC Mining Pty Ltd at a consideration of USD401,746,589 (equivalent to RMB2,898,521,290.99), and the equity transfer was completed within that month. The Company adjusted the difference between the initial investment cost and the cash paid to capital reserve of RMB116,210,014.01.

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Item				2022				
Item	Share capital	Other equity instruments	Capital reserve	Less: Treasury shares	Special reserve	Surplus reserve	Retained profits	Total shareholders' equity
I. Balance at 1 January 2022	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. Changes for the year								
(I) Total comprehensive income	–	–	–	–	–	–	2,210,175,710.40	2,210,175,710.40
(II) Shareholders' contributions and reduction in capital								
1. Ordinary shares contributed by owners	–	–	22,447,195.19	–	–	–	–	22,447,195.19
2. Repurchase of treasury shares	–	–	–	499,999,996.32	–	–	–	(499,999,996.32)
3. Share-based payments included in owners' equity	–	–	16,615,373.67	(51,335,885.06)	–	–	–	67,951,258.73
4. Capital contribution from holders of other equity instruments (Note (V)43)	–	1,000,000,000.00	(3,000,000.00)	–	–	–	–	997,000,000.00
5. Others	–	–	65,605,210.41	–	222,285.23	–	(158,446,714.17)	(92,619,218.53)
(III) Profit distribution								
1. Transfer to surplus reserve	–	–	–	–	–	221,017,571.04	(221,017,571.04)	–
2. Distributions to shareholders	–	–	–	–	–	–	(1,524,344,600.04)	(1,524,344,600.04)
(IV) Transfers within the shareholders' equity								
1. Other comprehensive income transferred to retained earnings	–	–	–	–	–	–	–	–
(V) Special reserve								
1. Transfer to special reserve in the year	–	–	–	–	121,778,450.74	–	–	121,778,450.74
2. Amount utilized in the year	–	–	–	–	(101,261,230.71)	–	–	(101,261,230.71)
(VI) Others	–	–	–	–	–	–	–	–
III. Balance at 31 December 2022	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

The financial statements were signed by the following:

Legal Representative | Chief Accountant | Person in Charge of the Accounting Body

(I). BASIC INFORMATION ABOUT THE COMPANY

1. Basic Information about the Company

China Molybdenum Co., Ltd. (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"). Details of share capital are set out in Note (V)42.

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 melting of copper, cobalt and niobium series products; mining and deep processing of phosphorus products; mining, processing and sale of gold and silver, and metal trading.

2. Approval Date of the Financial Statements

The consolidated and the Company's financial statements have been approved by the board of directors of the Company on 22 March 2024.

(II). PREPARATION BASIS OF THE FINANCIAL STATEMENTS

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 (2023 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.

Going concern

The Group assessed its ability to continue as a going concern for 12 months from 31 December 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.

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments and inventories held for trading which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash and cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash and cash equivalents expected to be paid to settle the liabilities in the normal course of business.

(II). PREPARATION BASIS OF THE FINANCIAL STATEMENTS (CONTINUED)

Basis of accounting and principle of measurement (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurements date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

For non-financial assets measured at fair value, the capacity of market participants to realize the maximum profit of non-financial assets, or the capacity of other participants who acquired non-financial assets to realize the maximum profit will be considered when measuring fair values of such non-financial assets.

For financial assets with transaction prices as the fair value upon initial recognition and the valuation technique of unobservable inputs employed in the subsequent measurement at the fair value, the technique is adjusted during the valuation to match the initial recognition results determined with the transaction prices.

Fair value measurements are categorized into Level 1, 2 or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than inputs within Level 1, that are observable for the asset or liability, either directly or indirectly;

- Level 3 inputs are unobservable inputs for the asset or liability.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Specific accounting policies and accounting estimates:

The Group has formulated specific accounting policies and accounting estimates for the determination and selection basis of materiality standards, provision for decline in value of inventories, depreciation of fixed assets, fixed assets transferred from construction in progress, amortization of intangible assets, and transactions or events related to the recognition of revenue, stripping cost and exploration, assessment and development expenditures in accordance with actual production and operation characteristics of the Group. Details of significant judgements, accounting estimates and key assumptions used by the Group in determining significant accounting policies are set out in Note (III)37.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

1. Statement of compliance with Accounting Standards for Business Enterprises ("ASBE")

The financial statements of the Company have been prepared, in all material materials, in accordance with ASBE, and present fairly, the consolidated and Company's financial position as at 31 December 2023, the consolidated and Company's results of operations, the consolidated and Company's cash flows, and the consolidated and Company's changes in shareholders' equity for the year then end.

2. Accounting period

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

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.

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. Determination and selection basis of materiality standards

Item	**Materiality standards**
Significant recovery or reversal amount of bad debt provision for receivables for the current period	RMB10 million
Significant write-off of receivables for the current period	RMB10 million
Significant construction in progress for the current period	RMB10 million
Significant cash relating to investing activities for the current period	RMB20 million
Significant non-wholly owned subsidiaries	The proportion of minority interests to shareholders' equity ≥5%
Significant joint ventures or associates for the current period	The carrying amount of long-term equity investments ≥RMB75 million

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. 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.

6.1 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.

6.2 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 purchase 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

6.2 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.

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

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Basis of control and preparation of the consolidated financial statements

7.1 Basis of control

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

7.2 Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. For a subsidiary disposed of 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, the subsidiary acquired through a business combination involving enterprises under common control or the acquiree in a 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. The effects of all intra-group transactions on the consolidated financial statements are eliminated on consolidation.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Basis of control and preparation of the consolidated financial statements (Continued)

7.2 Preparation of consolidated financial statements (Continued)

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "profit or loss attributable to 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 "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.

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.

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 determines if these transactions are considered to be "a bundled transaction". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, these transactions are accounted for as multiple transactions where control is obtained at the acquisition date; In this case, the acquirer remeasures its previously-held equity interests in the acquiree at their fair value on the acquisition date and recognizes any differences between such fair value and carrying amounts in profit or loss for the period. Where equity interests in an acquiree held before the acquisition date involve changes in other comprehensive income or changes in other owners' equity under equity method, they are transferred to income for the period that the acquisition date belongs to.

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 at the same time adjusted 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. Classification of joint arrangements and accounting treatment for joint ventures

There are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operator to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement.

The Group adopts the equity method to account for the investments in joint ventures. Please specifically refer to Note (III) "17.3.2. Long-term equity investments accounted for using the equity method".

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.

9. Standards for determining cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. 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.

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

10.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

10.1 Transactions denominated in foreign currencies (Continued)

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.

10.2 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

10.2 Translation of financial statements denominated in foreign currencies (Continued)

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.

11. Financial Instrument

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

Financial assets and financial liabilities are initially measured at fair value (The determination of fair value of financial assets and financial liabilities is set out in relevant disclosure of basis of accounting and principle of measurement in Note (II)). 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 net carrying amount 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).

11.1 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 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 to hold financial assets in order to collect contractual cash flows, such asset is classified into financial asset measured at amortized cost. The financial assets classified as at amortized cost include cash and bank balances, accounts receivable, other receivables, deposits for derivative financial instruments in other current assets, and borrowings receivable, accounts receivable from minority shareholders, litigation deposits, supplier loans, related party borrowings, certificates of deposit, etc. in other non-current assets.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

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

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 1 year since acquisition are presented as other debt investments and those due within 1 year (inclusive) since balance sheet date are presented as other current assets due within one year; notes receivable classified as at FVTOCI on acquisition are presented under financing with receivables, and those due within 1 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 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.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

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

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.

11.1.1 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 carrying amount 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 carrying amount of the financial asset.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

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

11.1.2 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.

11.1.3 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.

11.2 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.2 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.

11.2.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 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;

(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;

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.2 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.2 Impairment of financial instruments (Continued)

11.2.3 Recognition of expected credit loses

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 (III) 11.4.1.2.1 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 carrying amount 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.

11.2.4 Write-down of financial assets

The Group shall directly write down the carrying amount 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.

11.3 Transfer of financial assets

The Company 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 Company 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.3 Transfer of financial assets (Continued)

If the Company 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.3 Transfer of financial assets (Continued)

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.

11.4 Classification of financial liabilities and equity instrument

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.

11.4.1 Classification, recognition and measurement of financial liabilities

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

11.4.1.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.4 Classification of financial liabilities and equity instrument (Continued)

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

11.4.1.1 Financial liabilities at FVTPL (Continued)

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.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.4 Classification of financial liabilities and equity instrument (Continued)

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

11.4.1.2 *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.

11.4.1.2.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.4 Classification of financial liabilities and equity instrument (Continued)

11.4.2 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.

11.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognized as changes of equity. 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.

11.5 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.5 Derivatives and embedded derivatives (Continued)

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.

11.6 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Financial Instrument (Continued)

11.7 Compound instrument

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 Company'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 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.

12. Accounts receivable

12.1 Determination of and accounting treatment for ECL of accounts receivable

The Group determines provision for ECL of accounts receivable on a portfolio basis using the impairment matrix. The increase or reversal amount of ECL of accounts receivable is included in profit or loss for the period as credit impairment loss or gain.

12.2 Portfolios for which bad debt provision is collectively assessed based on credit risk characteristics and their basis:

The Group classifies accounts receivable into different portfolios in accordance with internal credit rating. The internal credit rating adopted by the Group takes into account the aging of accounts receivable and historical repayment of customers on the balance sheet date.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Financing with receivables

Notes receivable classified as at FVTOCI due within 1 year (inclusive) since acquisition are presented as financing with receivables, and those due over 1 year since acquisition are presented as other debt investments.

13.1 Determination of and accounting treatment for ECL of financing with receivables

Bad debt provision is measured based on lifetime ECL, and the credit loss provision on financing with receivables is recognized in other comprehensive income and the impairment loss or gain is included in profit or loss for the period without reducing the carrying amount of the financing with receivables.

13.2 Portfolios for which bad debt provision is collectively assessed based on credit risk characteristics and their basis:

All financing with receivables are bank acceptances, and the possibility of significant losses due to bank default is low. The Group believes that there is no significant credit risk in the bank acceptances held.

14. Other receivables

14.1 Determination of and accounting treatment for ECL of other receivables

The Group determines provision for ECL of other receivables on an individual asset basis. The increase or reversal amount of ECL of other receivables is included in profit or loss for the period as credit impairment loss or gain.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories

15.1 Category of inventories, valuation methods of the inventory delivered, inventory system, amortization method for low cost and short-lived consumable items and packaging materials

15.1.1 Category 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 costs to sell 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.

15.1.2 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.

15.1.3 The inventory system for inventories

The Group uses a perpetual inventory system.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

15. Inventories (Continued)

15.1 Category of inventories, valuation methods of the inventory delivered, inventory system, amortization method for low cost and short-lived consumable items and packaging materials (Continued)

15.1.4 Amortization method of low-value consumables and packaging materials

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

15.2 Determination basis of and accrual method for provision for decline in value of inventories

On 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.

The net realizable value represents the amount derived by deducting the potential cost, estimated sale cost and relative taxes to the completion date from the estimated selling price of the inventory in daily activities. The Company determined net realizable value of inventories, made the obtained conclusive evidence as basis, and considered the purposes of holding inventories, events after the balance sheet date and other factors.

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 current profit or loss.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Held-for-sale non-current assets and disposal groups

16.1 Determination basis of and accounting treatment for non-current assets and disposal groups classified as held for sale

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the carrying amount through a sale 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Held-for-sale non-current assets and disposal groups (Continued)

16.2 Determination basis and presentation of discontinued operations

A discontinued operation is a component of an entity that can be clearly distinguished and satisfies one of the following conditions, and such component has been disposed of or is classified as held for sale:

– Such component represents a separate major line of business or geographical area of operations;

– Such component is part of the separate major line of business or geographical area of operations to be disposed of based on the associated plan;

– Such component is a subsidiary acquired exclusively for the purpose of resale.

The profit or loss from discontinued operations is listed separately from the profit or loss from continued operations in the income statement, and the operating profit or loss such as impairment loss and reversal amount from discontinued operations and disposal profit or loss is presented as profit or loss from discontinued operations. For profit or loss from discontinued operations presented for the current period, the Group restated the information originally presented as profit or loss from continued operations as the profit or loss from discontinued operations in comparable accounting periods in the financial statements for the period.

17. Long-term equity investments

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

Details of basis of control are set out in Note (III)7.1. 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Long-term equity investments (Continued)

17.2 Determination of initial investment cost

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

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial 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 determines if these transactions are considered to be "a bundled transaction". If yes, these transactions are accounted for as a single transaction where control is obtained. If no, the initial investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for investments in other equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognized in other comprehensive income are included in retained earnings for the current period.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fees, etc. and other related 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Long-term equity investments (Continued)

17.3 Subsequent measurement and recognition of profit or loss

17.3.1 Long-term equity investments 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.

17.3.2 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. Long-term equity investments (Continued)

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

17.3.2 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 made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; the carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of the changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve and the carrying amount of the long – term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

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.

17.4 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Fixed assets

18.1 The conditions of recognition

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 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 except for above expenditures that included in the cost of the fixed asset are recognized in profit or loss in the period in which they are incurred.

18.2 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, 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

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Fixed assets (Continued)

18.2 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

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18. Fixed assets (Continued)

18.2 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.

18.3 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. 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. Basis and time point of transferring all construction in progress to fixed assets are as follows:

Category	Basis of transfer		Time point of transfer
Lands and buildings and mining projects	(1)	The main construction project and supporting projects have been completed, the predetermined design requirements have been met and acceptance has been completed.	When it is available for expected use
	(2)	If a construction project is available for expected use but has not yet completed the final accounts, it will be transferred to fixed assets in accordance with the estimated value based on actual project cost from the date when it is available for expected use.	
Machinery and equipment, electronic equipment, appliances and furniture and transportation equipment to be installed	(1)	Relevant equipment and other supporting facilities have been installed.	When it is available for expected use
	(2)	The equipment can maintain normal and stable operation for a period of time after debugging.	

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. 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.

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.

21. Biological assets

Biological assets of the Group are timber forests that will be harvested as agricultural products in the future.

Upon harvest of timber forests, the Group uses the weighted average method to carry forward the cost by carrying amount.

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

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Intangible assets

22.1 Useful life and its basis, valuation, amortization method or review procedures

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) and its basis**	**Residual value rate (%)**
Land use rights	Straight-line method	50 years, the time when the lands are available for use	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, the expected period that it can bring economic benefits to the Company	0

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

22.2 Scope of and related accounting treatment for research and development expenditure

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;

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Intangible assets (Continued)

22.2 Scope of and related accounting treatment for research and development expenditure (Continued)

(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.

The scope of research and development expenditure includes salaries and welfare expenses of personnel directly engaged in research and development activities, materials, fuel and power expenses directly consumed in research and development activities, depreciation expenses of instruments and equipment in research and development activities, lease and maintenance expenses of research and development sites, travel, transportation and communication expenses required for research and experimental development. The Group takes whether the product design has been approved as the specific basis for classifying research and development projects into research stage and development stage.

23. Impairment of long-term assets

The Group reviews the long-term equity investments, fixed assets, construction in progress, right-of-use assets and intangible assets with finite useful life 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.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Impairment of long-term assets (Continued)

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.

24. 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.

25. 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.

26. Employee benefits

26.1 Accounting treatment of short-term remuneration

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.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits (Continued)

26.2 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
- Remeasurement of changes in 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.

Deficit or surplus generated from the present value of the obligation of defined benefit plan less the fair value of defined benefit plan asset is recognized as a net liability or a net asset of defined benefit plan. If there is a surplus in the defined benefit plan, the lower of the surplus of defined benefit plan and the asset ceiling is used to measure the net asset of the defined benefit plan.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Employee benefits (Continued)

26.3 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.

27. 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.

28. 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.

28.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Share-based payments (Continued)

28.2 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.

28.3 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).

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

29. 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue

30.1 Disclosure of accounting policies adopted in revenue recognition and measurement in accordance with business types

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

(2) Metal flow transaction

In respect of the Group's metal flow transactions, the Group receives payments in advance from customers for the sale of goods (gold, silver and other mineral products), which are first 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 a contract includes a variable consideration, the Group determines the best estimate of the variable consideration based on the volume of mineral reserve, the expected delivery time and quantity of goods and the expected market price of goods. 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30. Revenue (Continued)

30.1 Disclosure of accounting policies adopted in revenue recognition and measurement in accordance with business types (Continued)

(3) Hotel services

The Group provides housekeeping and catering services to the customers through its self-operated hotels and accordingly obtains revenue, of which the revenue from housekeeping service provided is recognized over the period when the customers obtain and consume the service, and the revenue from catering service provided is recognized at the time point when the customers obtain the control over relevant goods.

(4) Other revenue

Meanwhile, the Group sells auxiliary materials including scraps to the customers. Generally, there is only one performance obligation i.e. delivery of goods in the contract concerning sales of goods. Relevant revenue is recognized at the time point when the control over the relevant goods is transferred to the customers. The consideration for sales of goods is determined based on the fixed price agreed in the sales contract.

A performance obligation is a commitment that the Group transfers a distinct good or service to a customer in the contract.

31. 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.

31.1 Criterion 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. Government grants (Continued)

31.2 Criterion 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.

32. Leases

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.

32.1 The Group as a lessee

32.1.1 Separating components of a contract

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, 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:

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee (Continued)

32.1.2 Right-of-use assets (Continued)

- 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.

32.1.3 Lease liabilities

Except for short-term leases, 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee (Continued)

32.1.3 Lease liabilities (Continued)

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 Basis of adopting simplified methods and relevant accounting treatment for short-term leases as lessee

The Group elects not to recognize right-of-use assets and lease liabilities for short-term leases of transportation devices and machinery equipment. 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. The Group shall recognize the lease payments associated with short-term leases as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. Leases (Continued)

32.1 The Group as a lessee (Continued)

32.1.5 Lease modifications (Continued)

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.

33. Deferred tax assets/Deferred tax liabilities

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

33.1 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.

33.2 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) and does not give rise to equal taxable temporary differences and deductible temporary differences at the time of transaction, no deferred tax asset or liability is recognized.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

33.2 Deferred tax assets and deferred tax liabilities (Continued)

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.

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

33.3 Offsetting of income taxes

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.

34. 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 production 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 fixed assets. 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. 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 and exploration expenditures, including expenditures incurred in the development phase, are 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.

36. Other significant accounting policies and accounting estimates

36.1 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;

(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”.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

36.1 Safety production expenses (Continued)

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.

36.2 Hedge accounting

36.2.1 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.

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).

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

36.2 Hedge accounting (Continued)

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

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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

36.2 Hedge accounting (Continued)

36.2.1 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

36.2 Hedge accounting (Continued)

36.2.2 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.

36.3 Accounting treatment related to repurchase of the Company's shares

The consideration and transaction costs paid to repurchase shares are deducted from equity. No gain or loss is recognized in profit or loss on the repurchase, sale or cancellation of the Company's shares.

37. Key assumptions and uncertainties in the accounting estimates

In the application of the Group's accounting policies, which are described in Note (III), 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.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

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.

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 minerals and calculate depreciation and amortization of assets, 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. Estimate the currently effective assumptions and material changes in 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.

The useful life of fixed assets

The management judges the estimated useful life of fixed assets and their residual value. 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 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

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

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 and goodwill are tested for impairment annually, irrespective of whether there is any indication that the assets and goodwill may be impaired. 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. Impairment exists if the carrying amount of an asset or asset group is higher than recoverable amount, 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. For the estimated future cash flows, the changes in assumptions adopted by the Group, such as budgeted gross profits, discount rates and inflation rates of raw material prices, may have a significant impact on the present value of future cash flows used in the impairment test.

Revenue recognition – metal flow transactions

The Group's metal cash flow transaction contract contains variable considerations and significant financing components. The 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 include the discount rate of significant financing component, mineral reserves, expected time and quantity of delivery, 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 and rehabilitation costs

Provision for closure, restoration and rehabilitation costs has been determined by the directors based on their best estimates. The directors 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. The adjustments to the expected rehabilitation costs for the current year are detailed in Note (V) 15.

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Deferred tax assets

The realization of deferred tax assets mainly depends on actual future profits and taxable temporary differences. 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 profit or loss account for the period during which such reversals take place.

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. The income tax expenses accrued by the relevant subsidiaries during the reporting period are objectively estimated based on existing tax laws and other relevant tax policies. The provision for liabilities uses significant accounting estimates and is based on the management's best estimate of future income tax to be paid.

The subsidiaries of the Group situated in Congo (DRC) are subject to a series of local regulations in Congo (DRC), including but not limited to the Mining Law passed in 2018 ("2018 Mining Law of Congo (DRC)") and the constantly updated fiscal bill; under the relevant legal system, the Company may be exposed to a series of taxes and operating expenses, including royalties and excess profit tax. The tax regulations of Congo (DRC) are complicated and constantly updated. The relevant laws and regulations promulgated and updated at any time and the interpretation of relevant laws and regulations by local tax authorities may have a significant impact on the income tax currently 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. 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. Details are set out in Note (V)39 and Note (XIII).

(III). SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Fair value measurement and valuation procedure

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 (X).

38. Newly implemented accounting standards for the current year

The Interpretation No. 16 of the Accounting Standards for Business Enterprises (the "Interpretation No. 16") was issued by the Ministry of Finance on 30 November 2022, which stipulated that the accounting treatment concerning exemption of initial recognition of deferred income tax relating to assets and liabilities arising from a single transaction were not applicable. Interpretation No. 16 revised the coverage of exemption of the initial recognition of deferred income tax in the Accounting Standards for Business Enterprises No. 18 – Income Tax, and specified that the relevant provisions on the exemption of initial recognition of deferred tax liabilities and deferred tax assets are not applicable to a single transaction (not a business combination) that affects neither the accounting profit nor taxable income (or deductible losses) at the time of transaction, and where the assets and liabilities initially recognized generate equal taxable temporary differences and deductible temporary differences. The Interpretation became effective from 1 January 2023 and could be early applied. The Group applied the Interpretation from 1 January 2023.

Upon assessment, the Group considers that the adoption of this Interpretation has no significant impact on the financial statements of the Group.

(IV). TAXATION

1. Major categories of taxes and tax rates

Category of tax	Basis of tax assessment	Tax rate
Chinese VAT	The Company is a general taxpayer. Value-added Tax ("VAT") on sales is paid after deducting input VAT on purchases.	13%, 9%, 6%
Chinese urban maintenance and construction tax	Actual turnover tax	For city urban area, tax rate is 7%; For county town, tax rate is 5%; For others, tax rate is 1%.
Chinese resource tax	Sales volume of concentrate	6.5%, 8% collection on ad valorem basis (Note 1)
Chinese educational surtax and surcharge	Actual turnover tax	3%
Chinese regional educational surtax and surcharge	Actual turnover tax	2%
Transfer income from mining rights in China	Sales volume of relevant mineral products	2.3% for molybdenum concentrate, 2.3% for tungsten concentrate, 1.8% for iron ore concentrate and 1.2% for copper concentrate
Australia goods and services tax ("GST")	Amount of the income from rendering of goods and services in Australia less the deductible purchase cost. It is not required to pay goods and services tax for export goods and the refund policy of goods and services tax is also applicable.	10% of the sales price of goods or services
Australia mining royalty	Royalty of mineral resources can be levied by volume or by price. If levied by volume, the royalty will be levied per the unit of exploited minerals. If levied by price, it will be levied per 4% of the total value or the sales price of exploited minerals.	4% ex-mine value

(IV). TAXATION (CONTINUED)

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

Category of tax	Basis of tax assessment	Tax rate
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 Tenke Fungurume Mining S.A. ("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 2
Congo (DRC) exchange tax	The amount of foreign currency paid to or received from countries other than Congo (DRC).	0.2%
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 3

Note 1: 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 2: In accordance with the new mining act of Congo (DRC), the Group calculates and pays royalties of mining rights at 3.5% and 10% respectively in respect of the revenue from sales of products relating to copper and cobalt business in Congo (DRC).

(IV). TAXATION (CONTINUED)

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

Note 3: Applicable tax rates:

Except for the tax incentive disclosed below, 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 ("CMOC 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 Limited are 8.25% and 16.5%.

CMOC Mining Pty Ltd ("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 25%.

CMOC Brazil Mineração, Indústria e Participações Ltda. ("CMOC Brazil") are incorporated in Brazil, thus are 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 significantly increase by 25% on average basis comparing 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 of its subsidiaries in Switzerland is 13.99%.

2. Tax incentive and approval

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 sold 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 powdered Tungsten (scheelite concentrates) to taxable income during the year 2022 and 2023.

(IV). TAXATION (CONTINUED)

2. Tax incentive and approval (Continued)

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 22 November 2023, the Company received a "high-tech enterprise certificate", No. GR202341002662, which was jointly issued by the Henan Science and Technology Department, the Henan Finance Department, the State Taxation Administration and the Henan Provincial Tax Service. 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 will enjoy a preferential enterprise income tax from 1 January 2023 to 31 December 2025 and the applicable enterprise income rate during above period is 15% (2022: 15%).

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 Shmok Investment Co., Ltd. ("Tibet Shmok"), 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.

(V). NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB

	31 December 2023			31 December 2022		
Item	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash:			3,109,309.28			1,503,981.98
RMB	2,172.77	1.0000	2,172.77	3,020.77	1.0000	3,020.77
USD	413,838.94	7.0827	2,931,097.06	194,753.93	6.9646	1,356,383.22
CDF	64,019,400.00	0.0026	166,091.44	42,017,001.00	0.0034	142,330.45
ZAR	25,738.71	0.3865	9,948.01	5,491.82	0.4093	2,247.54
Bank balance:			26,115,654,667.24			29,044,044,668.95
RMB	10,554,299,407.74	1.0000	10,554,299,407.74	10,655,159,604.42	1.0000	10,655,159,604.42
USD	2,163,822,989.91	7.0827	15,325,709,088.79	2,400,935,097.76	6.9646	16,721,552,539.10
EUR	1,030,701.30	7.8245	8,064,728.58	1,111,313.24	7.4229	8,249,167.07
HKD	3,202,514.62	0.9070	2,904,557.97	3,422,391.04	0.8934	3,057,623.63
CAD	–	–	–	1,199,223.00	5.1385	6,162,207.39
AUD	8.62	4.8231	41.58	11,841,302.91	4.7185	55,873,383.15
BRL	97,364,658.09	1.4630	142,442,043.27	1,173,035,499.92	1.3348	1,565,770,941.75
GBP	103,009.71	9.0204	929,186.85	254,150.79	8.4011	2,135,140.42
SGD	490,270.78	5.3755	2,635,474.37	537,385.49	5.1852	2,786,470.85
CDF	23,203,787,584.00	0.0026	59,828,234.20	1,632,641,810.18	0.0034	5,530,513.64
ZAR	31,574,085.11	0.3865	12,203,236.20	34,364,272.91	0.4093	14,063,684.48
AED	–	–	–	2,583.99	1.8964	4,900.22
CHF	226,753.59	8.4228	1,909,891.35	59,872.18	7.5350	451,136.84
CLP	52,981,172.00	0.0080	424,207.55	8,721,054.00	0.0081	70,666.66
MXP	4,938,096.85	0.4193	2,070,326.40	4,504,865.20	0.3597	1,620,462.47
NAD	–	–	–	120,117.69	0.4088	49,102.10
PEN	1,086,115.26	1.9075	2,071,809.02	716,776.56	1.8232	1,306,823.42
TRY	1,974.19	0.2402	474.12	–	–	–
IDR	352,872,526.00	0.0005	161,881.62	448,424,717.00	0.0004	200,301.34
ZWD	4,150.70	0.0187	77.63	–	–	–
Other cash and bank balances:			4,597,313,232.44			3,602,016,617.35
RMB	1,011,489,900.71	1.0000	1,011,489,900.71	989,428,127.50	1.0000	989,428,127.50
USD	505,550,691.44	7.0827	3,580,663,882.26	361,932,083.73	6.9646	2,520,712,190.35
EUR	200.96	7.8245	1,572.78	7,379,165.13	7.4229	54,774,804.84
BRL	3,525,608.66	1.4630	5,157,876.69	3,512,820.65	1.3348	4,688,922.45
CDF	–	–	–	9,579,133,255.00	0.0034	32,412,572.21
Total			30,716,077,208.96			32,647,565,268.28
Including: Total amount deposited abroad			17,233,756,701.75			19,377,543,546.96

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

1. Cash and bank balances (Continued)

Note: At 31 December 2023, other cash and bank balances which are restricted for use mainly include deposits for mines, deposits for loan interest, certificates of deposit pledged for obtaining short-term borrowings, deposits for bills and other deposits, amounting to RMB52,701,895.53, RMB787,061,566.40, RMB200,000,000.00, RMB3,452,242,259.14 and RMB105,307,511.37 (31 December 2022: RMB53,906,031.56, RMB1,197,708,898.92, RMB737,000,000.00, RMB1,299,988,003.89 and RMB313,413,682.98).

2. Held-for-trading financial assets

RMB

Item	**Fair value at the end of the year**	Fair value at the beginning of the year
Financial assets at FVTPL		
Including: Receivables *(Note 1)*	**7,751,071,843.39**	4,105,796,953.55
Structured deposits *(Note 2)*	**502,249,297.87**	100,000,000.00
Wealth management products	**10,149,030.84**	10,231,506.89
Fund products of financial institutions	**21,168,198.07**	20,764,481.75
Total	**8,284,638,370.17**	4,236,792,942.19

Note 1: The major products of the Group are copper, lead, zinc concentrates, 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 31 December 2023, receivables with a carrying amount of USD901,438,528.91 (equivalent to RMB6,384,618,668.71) were pledged to obtain short-term borrowings (2022: USD367,659,035.48 (equivalent to RMB2,560,598,118.50)).

Note 2: They are the structured deposits of RMB purchased by the Group from domestic financial institutions in the current year, the yield of which is linked to the Shanghai gold benchmark price of Shanghai Gold Exchange and exchange rate, and the Group classifies such deposits as financial assets at fair value through profit or loss.

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

3. Derivative financial assets

RMB

Item	**Fair value at the end of the year**	Fair value at the beginning of the year
Derivative financial instruments of which hedging relationship is not designated *(Note 1)*		
Forward commodity contracts	**693,496,770.83**	804,889,379.70
Forward foreign exchange contracts	**60,971,669.73**	71,907,037.93
Commodity futures contracts	**1,429,986,975.53**	535,447,878.84
Commodity option contracts	**10,928,754.84**	37,497,782.49
Derivative financial instruments of which hedging relationship is designated		
Commodity futures contracts *(Note 2)*	**18,167,539.84**	495,111,488.36
Total	**2,213,551,710.77**	1,944,853,567.32

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 (V)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 (V)67 for details.

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

4. Accounts receivable

(1) Disclosure by aging

RMB

	31 December 2023		
Aging	**Accounts receivable**	**Loss allowance**	**Proportion (%)**
Within 1 year	**1,176,353,599.92**	**44,995,130.13**	**3.82**
1 to 2 years	**602,954.78**	**69,694.48**	**11.56**
2 to 3 years	**268,431.20**	**156,346.84**	**58.24**
Over 3 years	**20,016,173.85**	**20,016,173.85**	**100.00**
Total	**1,197,241,159.75**	**65,237,345.30**	**5.45**

RMB

	31 December 2022		
Aging	Accounts receivable	Loss allowance	Proportion (%)
Within 1 year	818,672,585.69	35,816,949.44	4.38
1 to 2 years	19,540,745.67	2,164,593.52	11.08
2 to 3 years	59,384.78	34,883.35	58.74
Over 3 years	20,636,571.91	20,636,571.91	100.00
Total	858,909,288.05	58,652,998.22	6.83

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

4. Accounts receivable (Continued)

(2) Disclosure by category under bad debt provision methods

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.

RMB

	31 December 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%	287,944,020.37	238,399.95	287,705,620.42	0.09%	417,676,924.84	390,328.82	417,286,596.02
Normal	2.83%	846,020,079.27	23,965,445.14	822,054,634.13	2.59%	158,382,584.69	4,103,048.24	154,279,536.45
Attention	9.86%	1,329,703.51	131,088.10	1,198,615.41	6.86%	228,194,762.60	15,664,851.04	212,529,911.56
Doubtful (impaired)	44.79%	38,114,673.43	17,069,728.94	21,044,944.49	52.50%	34,018,444.02	17,858,198.22	16,160,245.80
Loss (impaired)	100.00%	23,832,683.17	23,832,683.17	-	100.00%	20,636,571.90	20,636,571.90	-
Total		1,197,241,159.75	65,237,345.30	1,132,003,814.45		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 evaluation approach and significant assumption in 2023 and 2022.

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

4. Accounts receivable (Continued)

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

RMB

	Lifetime ECL
1 January 2023	58,652,998.22
Provision of ECL for the year	5,523,776.38
Reversal of ECL for the year	(1,859,406.98)
Changes in exchange rate	2,919,977.68
31 December 2023	65,237,345.30

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

RMB

Name of entity	Amount	Proportion of the amount to the total accounts receivable (%)	Credit impairment loss
31 December 2023			
HK Brunp Resource Recycling Technology Co. Limited ("HKBRRT") *(Note(XI)6)*	**520,744,775.10**	**43.50**	**–**
Company BM	**66,762,937.67**	**5.58**	**6,545,970.28**
Company BA	**64,929,560.74**	**5.42**	**1,645,574.79**
Company BC	**25,319,670.63**	**2.11**	**30,957.12**
Company BN	**22,563,085.46**	**1.88**	**29,168.26**
Total	**700,320,029.60**	**58.49**	**8,251,670.45**

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

4. Accounts receivable (Continued)

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

RMB

Name of entity	Amount	Proportion of the amount to the total accounts receivable (%)	Credit impairment loss
31 December 2022			
Company B	94,479,430.46	11.00	109,806.26
Company BA	74,652,318.58	8.69	86,762.72
Company BB	42,797,049.62	4.98	429,101.19
Company BC	39,448,979.65	4.59	1,002,964.88
Company BD	33,798,846.29	3.94	39,281.83
Total	285,176,624.60	33.20	1,667,916.88

5. Financing with receivables

RMB

Category	**31 December 2023**	31 December 2022
Notes receivable	**260,311,068.16**	388,389,728.54
Including: Bank acceptances	**260,311,068.16**	388,389,728.54
Total	**260,311,068.16**	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 31 December 2023, the Group measures bad debt provision at lifetime ECL. The Group considers that there is minor possibility of significant loss arising from the default of banks, therefore it has no significant credit risk on bank acceptances.

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

5. Financing with receivables (Continued)

(1) Financing with receivables endorsed or discounted and not yet matured of the Group at balance sheet date at the end and beginning of the year respectively are as follows:

RMB

Category	**Amount derecognized at the end of 2023**	Amount derecognized at the end of 2022
Bank acceptances	**2,311,782,673.46**	2,134,119,780.31
Total	**2,311,782,673.46**	2,134,119,780.31

(2) At 31 December 2023, the amount of financing with receivables of the Group pledged to issue notes payable is RMB234,755,241.41 (2022: RMB255,797,055.59).

6. Prepayments

(1) Aging analysis of prepayments is as follows:

RMB

	31 December 2023		31 December 2022	
Aging	**Amount**	**Proportion (%)**	Amount	Proportion (%)
Within 1 year	**1,154,734,879.55**	**97.71**	2,111,763,603.37	99.17
1 to 2 years	**24,879,900.40**	**2.11**	15,643,210.42	0.73
2 to 3 years	**–**	**–**	1,894,588.39	0.09
Over 3 years	**2,155,667.71**	**0.18**	243,604.04	0.01
Total	**1,181,770,447.66**	**100.00**	2,129,545,006.22	100.00

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

6. Prepayments (Continued)

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

RMB

31 December 2023			31 December 2022		
Name of entity	**Amount**	**Proportion of the amount to the total prepayments (%)**	Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Company BO	**118,776,483.08**	**10.05**	Company BE	169,594,265.25	7.96
Company BP	**68,673,427.44**	**5.81**	Company BF	125,347,717.30	5.89
Company P	**52,558,942.84**	**4.45**	Company BG	104,591,145.10	4.91
Company BH	**50,562,000.01**	**4.28**	Company G	97,945,710.24	4.60
Company G	**46,621,803.43**	**3.95**	Company BH	73,201,128.00	3.44
Total	**337,192,656.80**	**28.54**	Total	570,679,965.89	26.80

7. Other receivables

7.1 Summary of other receivables

RMB

Item	**31 December 2023**	31 December 2022
Interest receivable	**263,164,810.93**	618,379,463.56
Dividends receivable	**13,108,902.07**	–
Other receivables	**3,975,864,680.05**	4,398,705,020.63
Total	**4,252,138,393.05**	5,017,084,484.19

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

7. Other receivables (Continued)

7.2 Interest receivable

RMB

Item	31 December 2023	31 December 2022
Interest receivable on bank deposits	**94,098,798.35**	503,666,797.68
Interest receivable from related parties *(Note (XI) 6)*	**121,439,999.13**	95,540,087.29
Interest receivable from third parties	**47,626,013.45**	19,172,578.59
Total	**263,164,810.93**	618,379,463.56

7.3 Dividends receivable

RMB

Name of entity	31 December 2023	31 December 2022
Zhejiang Youqing Trade Co., Ltd ("You Qing Trade")	**9,958,646.03**	–
Tongxiang Huaang Trade Co., Ltd. ("Tongxiang Huaang")	**3,150,256.04**	–
Total	**13,108,902.07**	–

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

7. Other receivables (Continued)

7.4 Other receivables

(1) Other receivables disclosed by nature

RMB

Nature of other receivables	31 December 2023	31 December 2022
Deductible Brazil social contribution tax *(Note 1)*	**226,407,457.32**	409,920,481.10
Congo (DRC) VAT refunds and other taxes *(Note 2)*	**3,291,825,248.44**	2,149,432,124.83
Deposits	**25,484,157.08**	62,159,430.02
Gains in close position *(Note 3)*	**26,231,718.55**	107,227,531.80
Australia VAT refunds	**–**	56,471,337.10
Others	**434,327,814.88**	1,641,905,832.00
Total	**4,004,276,396.27**	4,427,116,736.85

Note 1: See Note (V) 22 (3) for details.

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: This represents the gains that will be received at the settlement after the period from the Group's forward commodity contracts that have been closed out.

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

7. Other receivables (Continued)

7.4 Other receivables (Continued)

(2) Credit risk of other receivables

The Group has other receivables of which the loss allowance is recognized on the basis of ECL as below:

RMB

	31 December 2023			31 December 2022		
	Book balance	Loss allowance	Carrying amount	Book balance	Loss allowance	Carrying amount
Other receivables of which the loss allowance was recognized on the basis of ECL	4,004,276,396.27	28,411,716.22	3,975,864,680.05	4,427,116,736.85	28,411,716.22	4,398,705,020.63

At 31 December 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 fully.

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

2023:

RMB

Item	1 January 2023	Increase	Decrease Reversal	Write-off	31 December 2023
Impairment provision	28,411,716.22	–	–	–	28,411,716.22

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

7. Other receivables (Continued)

7.4 Other receivables (Continued)

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

2022:

RMB

Item	1 January 2022	Increase	Decrease Reversal	Decrease Write-off	31 December 2022
Impairment provision	28,799,115.01	314.50	–	387,713.29	28,411,716.22

Note: Provision for expected credit losses on other receivables is made for other receivables that are credit impaired.

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

7. Other receivables (Continued)

7.4 Other receivables (Continued)

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

RMB

Name of entity	Closing balance	Proportion of the amount to the total other receivables (%)	Nature	Aging	Closing balance of bad debt provision
31 December 2023					
Congo (DRC) government	**3,291,825,248.44**	**82.21**	Tax refunds receivable	**Within 4 years**	**–**
Federal government of Brazil	**226,407,457.32**	**5.65**	Deductible tax	**Within 2 years**	**–**
Company BS	**155,819,400.00**	**3.89**	Advances receivable	**Within 1 year**	**–**
Company BK	**60,828,633.66**	**1.52**	Account current	**Within 1 year**	**–**
Company BR	**42,506,708.89**	**1.06**	Account current	**Within 1 year**	**–**
Total	**3,777,387,448.31**	**94.33**			**–**
31 December 2022					
Congo (DRC) government	2,149,432,124.83	48.55	Tax refunds receivable	Within 4 years	–
Company G	705,000,000.00	15.92	Account current	Within 1 year	–
Federal government of Brazil	409,920,481.10	9.26	Deductible tax	Within 2 years	–
Company BJ	283,726,723.35	6.41	Advances receivable	Within 1 year	–
Company BK	226,586,483.47	5.12	Account current	Within 1 year	–
Total	3,774,665,812.75	85.26			–

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

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

8. Inventories

RMB

Item	31 December 2023 Carrying amount	31 December 2022 Carrying amount
Inventories:		
– Measured at cost	**25,947,043,464.89**	22,454,745,274.32
– Measured at fair value	**12,620,111,905.70**	16,801,712,647.60
Total	**38,567,155,370.59**	39,256,457,921.92

Note: As at 31 December 2023, the carrying amount of the inventories measured at fair value, which are pledged by the Group to obtain short-term borrowings, is USD1,820,375,085.09, equivalent to RMB12,893,170,615.17 (2022: USD1,911,370,964.52, equivalent to RMB13,311,934,219.50).

As at 31 December 2023, the Group has no pledged warehouse receipts (As at 31 December 2022: the Group pledged warehouse receipts with a carrying amount of RMB8,669,184.00, which was measured at cost, to acquire forward trading quotas).

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

8. Inventories (Continued)

(1) Inventories measured at cost

(a) Categories of inventories

RMB

	31 December 2023			31 December 2022		
Item	Book balance	Provision for decline in value	Carrying amount	Book balance	Provision for decline in value	Carrying amount
Current:						
Raw materials	5,854,562,293.87	43,695,082.42	5,810,867,211.45	3,972,682,344.55	25,158,733.08	3,947,523,611.47
Work in progress	5,076,700,334.99	60,202,950.00	5,016,497,384.99	3,862,193,117.31	1,089,446.58	3,861,103,670.73
Finished goods	4,396,462,793.89	1,783,359.59	4,394,679,434.30	6,279,844,864.63	1,699,897.96	6,278,144,966.67
Trading inventories	3,704,863,492.78	–	3,704,863,492.78	1,458,624,346.26	–	1,458,624,346.26
Sub-total	19,032,588,915.53	105,681,392.01	18,926,907,523.52	15,573,344,672.75	27,948,077.62	15,545,396,595.13
Non-current:						
Raw materials *(note)*	7,020,135,941.37	–	7,020,135,941.37	6,928,568,085.30	19,219,406.11	6,909,348,679.19
Sub-total	7,020,135,941.37	–	7,020,135,941.37	6,928,568,085.30	19,219,406.11	6,909,348,679.19
Total	26,052,724,856.90	105,681,392.01	25,947,043,464.89	22,501,912,758.05	47,167,483.73	22,454,745,274.32

Note: Non-current raw materials are minerals reserved by the Group for future production or sales, mainly including the 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 sales within one year, so it is presented as non-current assets.

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

8. Inventories (Continued)

(1) Inventories measured at cost (Continued)

(b) Provision for decline in value of inventories

RMB

Categories of inventories	I January 2023	Increase Provision	Decrease Reversal	Decrease Write-off	Other transfer out *(Note)*	Translation differences of financial statements denominated in foreign currencies	31 December 2023
Raw materials	25,158,733.08	67,373,614.23	49,410,967.73	–		573,702.84	**43,695,082.42**
Work in progress	1,089,446.58	63,634,358.60	300,876.60	4,721,903.58		501,925.00	**60,202,950.00**
Finished goods	1,699,897.96	83,461.63	–	–		–	**1,783,359.59**
Sub-total	27,948,077.62	131,091,434.46	49,711,844.33	4,721,903.58		1,075,627.84	**105,681,392.01**
Non-current:							
Raw materials	19,219,406.11	58,595,582.67	–	–	77,977,942.36	162,953.58	**-**
Total	47,167,483.73	189,687,017.13	49,711,844.33	4,721,903.58	77,977,942.36	1,238,581.42	**105,681,392.01**

Note: It represents the transferred provision for decline in value of inventories of RMB77,977,942.36 due to the disposal of subsidiaries by the Group. See Notes (VI) 1 for details.

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

8. Inventories (Continued)

(2) Inventories measured at fair value

(a) Categories of inventories

RMB

Item	31 December 2023 Carrying amount	31 December 2022 Carrying amount
Current: Trading inventories outside the PRC	**12,503,588,496.71**	16,709,325,831.51
Non-current: Consumable biological assets	**116,523,408.99**	92,386,816.09
Total	**12,620,111,905.70**	16,801,712,647.60

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

RMB

Item	Quantity	1 January 2023	Increase Changes in fair value	Decrease Utilization	Translation differences of financial statements denominated in foreign currencies	31 December 2023
Eucalyptus forest in Brazil	1951 hectares	92,386,816.09	22,699,579.14	317,777.18	1,754,790.94	**116,523,408.99**

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

9. Non-current assets due within one year

RMB

Item	31 December 2023	31 December 2022
Borrowings due from SNEL (Note (V) 22)	**85,014,547.11**	83,843,527.02
Loans to suppliers (Note (V) 22)	**7,082,700.00**	18,943,712.00
Large deposits due within one year (Note (V) 22)	**1,000,492,291.92**	1,655,000,000.00
Total	**1,092,589,539.03**	1,757,787,239.02

10. Other current assets

RMB

Item	31 December 2023	31 December 2022
Derivative financial instruments deposits (Note 1)	**1,964,801,843.90**	3,676,924,347.48
VAT input to be deducted	**668,029,632.24**	458,285,373.37
Prepayment of enterprise income tax	**290,049,878.37**	101,943,837.59
Prepaid insurance expenses (Note 2)	**4,839,619.44**	66,739,930.10
Prepayment of VAT	**128,423,592.05**	176,950,530.58
Others	**27,862,210.18**	23,951,358.26
Total	**3,084,006,776.18**	4,504,795,377.38

The Group accounts the financial assets in the other current assets according to ECL model. At 31 December 2023, the management believes that the relevant financial assets have a low credit risk.

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

Note 2: It is the insurance expenses paid by the Group for the overseas business, which are amortized over the corresponding period of benefits.

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

11. Long-term equity investments

RMB

			Changes for the year							
Investee	Note	1 January 2023	Additional investments	Decreased investments	Investment income recognized under equity method	Cash dividends or profits declared for distribution	Provision for impairment losses	Translation differences of financial statements denominated in foreign currencies	Others	31 December 2023
I. Joint ventures										
Xuzhou Huanyu Molybdenum Co., Ltd. ("Huan Yu")	Note 1	498,114,521.25	–	–	(18,954,863.10)	–	–	–	–	**479,159,658.15**
USHAKA CARGO TERMINAL PROPRIETARY LIMITED ("USHAKA")	Note 14	–	1,912,539.97	–	–	–	–	16,079.32	–	**1,928,619.29**
Sub-total		498,114,521.25	1,912,539.97	–	(18,954,863.10)	–	–	16,079.32	–	**481,088,277.44**
II. Associates										
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining")	Note 2	68,919,332.33	–	–	81,994,163.73	(73,100,000.00)	–	–	–	**77,813,496.06**
Caly Nanomoly Development, Inc. ("Nanomoly Development")	Note 3	–	–	–	–	–	–	–	–	**-**
Luoyang Shenyu Molybdenum Co., Ltd ("Luoyang Shenyu")	Note 4	3,657,842.51	–	–	1,606,654.70	–	–	–	–	**5,264,497.21**
You Qing Trade	Note 5	15,570,169.76	–	–	230,655.74	(9,958,646.03)	–	–	–	**5,842,179.47**
Walvis Bay Cargo Terminal Pty. Ltd ("WalvisBay")	Note 6	15,986,766.75	–	–	11,475,252.76	(3,527,219.08)	–	(6,184.48)	–	**23,928,615.95**
PT.Huayue Nickel Cobalt ("Huayue Nickel Cobalt")	Note 7	1,324,676,890.53	–	–	308,600,552.95	–	–	24,763,904.03	(34,895,612.31)	**1,623,145,735.20**
Beijing Youhong Yongsheng Science & Technology Co., Ltd. ("Beijing Youhong")	Note 8	1,629,784.44	–	–	(1,629,784.44)	–	–	–	–	**-**
Tongxiang Huaang	Note 9	5,118,190.80	–	–	1,472,013.84	(3,150,256.04)	–	–	–	**3,439,948.60**
ENERLOG SA	Note 10	236,796.40	–	–	–	–	–	4,015.42	–	**240,811.82**
HongKong CBC Investment Limited ("CBC")	Note 11	–	7,164,123.00	–	(7,091,668.47)	–	–	(72,454.53)	–	**-**
Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd. ("Guochuang Intelligent")	Note 12	–	4,000,000.00	–	(72,439.67)	–	–	–	–	**3,927,560.33**
Ningbo Bangya Trading Co., Ltd. ("Ningbo Bangya")	Note 13	–	6,800,000.00	–	(2,754,340.00)	–	–	–	–	**4,045,660.00**
Sub-total		1,435,795,773.52	17,964,123.00	–	393,831,061.14	(89,736,121.15)	–	24,689,280.44	(34,895,612.31)	**1,747,648,504.64**
Total		1,933,910,294.77	19,876,662.97	–	374,876,198.04	(89,736,121.15)	–	24,705,359.76	(34,895,612.31)	**2,228,736,782.08**

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

11. Long-term equity investments (Continued)

Note 1: Huan Yu, a joint venture where the Group holds 50% equity, holds 90% equity in Luoyang Fuchuan Mining Co., Ltd. ("Fu Chuan"). Meanwhile, the Group directly holds 10% equity in Fu Chuan.

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

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

Note 3: The Group holds 40% of Nanomoly Development's equity and accounts investment therein based on equity method. In accordance with Articles of Association of Nanomoly Development, the Group does not assume any additional liabilities for additional loss. As at the end of the current year, the Group has written down its investment in Nanomoly Development to zero.

Note 4: In April 2016, the Company entered into a collaboration agreement with a third party, and the Company invested RMB1.5 million by way of intangible assets and the counterparty invested RMB8.5 million of cash to incorporate Luoyang Shenyu. Meanwhile, the Company appointed a director and a supervisor to Luoyang Shenyu. Therefore, Luoyang Shenyu is accounted for as an associate due to the Company's significant influence.

Note 5: In October 2019, the Company signed an equity transfer agreement with a third party, purchasing 30% of equity in You Qing Trade held by a third party at a cash consideration price 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 a joint venture 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, acquiring 100% of equity in W-Source Holding Limited ("W-Source Holding") at a consideration price of USD1,125.87, and indirectly acquiring 21% share of PT.Huayue Nickel Cobalt held by W-Source Holding. On 25 July 2020, CMOC Limited increased its equity held in PT.Huayue Nickel Cobalt to 30% in the way of subscribing the registered capital newly increased by PT.Huayue Nickel Cobalt through W-Source Holding. W-Source Holding assigned a director and a supervisor to PT.Huayue Nickel Cobalt. Therefore, it is accounted for as an associate due to the Company's significant influence.

Note 8: Beijing Youhong was incorporated in 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. The Group does not assume any additional liabilities for excess loss. As at the end of the current year, the Group has written down its investment in Beijing Youhong to zero.

Note 9: Tongxiang Huaang was incorporated in 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.

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

11. Long-term equity investments (Continued)

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

Note 11: In March 2022, the Company, as a shareholder with 34% equity therein, contributed USD3,400 and assigned one director. Therefore, CBC is accounted for as an associate due to the Company's significant influence. CBC transferred shareholder's borrowings of USD1,020,000 to capital for the current year, and the shareholding ratio of the Company remained unchanged.

Note 12: In February 2023, the Company contributed RMB4 million in cash to Guochuang Intelligent, accounting for 20% equity therein, and assigned one director. Therefore, Guochuang Intelligent Mining Equipment Research Institute (Luoyang) Co., Ltd. is accounted for as an associate due to the Company's significant influence.

Note 13: Ningbo Bangya was incorporated in March 2023 and the Company, as a shareholder with 34% equity therein, contributed RMB6.8 million in cash in April 2023. The Company assigned one director and one supervisor. Therefore, Ningbo Bangya is accounted for as an associate due to the Company's significant influence.

Note 14: USHAKA was incorporated in April 2023 and the Group, as a shareholder with 50% equity therein, contributed RMB5 million in cash in October 2023. USHAKA is accounted for as a joint venture.

No significant limits exist regarding cash transfer to the investees.

The entities invested by the Group are all unlisted entities.

12. Investments in other equity instruments

RMB

Item	1 January 2023	Additional investments	Decreased investments	Changes for the period: Gains (losses) included in other comprehensive income for the period	Others	31 December 2023	Accumulated gains (losses) included in other comprehensive income
Z company equity	9,022,570.00	–	–	(7,088,955.84)	–	**1,933,614.16**	(98,066,385.84)
AA company equity	5,795,576.24	–	–	–	–	**5,795,576.24**	–
AB company equity	9,412.24	–	–	(9,412.24)	–	**-**	(425,592.24)
Total	14,827,558.48	–	–	(7,098,368.08)	–	**7,729,190.40**	(98,491,978.08)

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.

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

13. Other non-current financial assets

The Group's financial assets at FVTPL are as follows:

RMB

Item	1 January 2023	Increase	Changes in fair value	Disposal	Translation differences of financial statements denominated in foreign currencies	31 December 2023	Dividends
Entrusted wealth management products of banking financial institutions *(Note 1)*	90,956,196.16	–	2,725,408.22	(25,646,700.00)	–	**68,034,904.38**	–
Fund trust *(Note 2)*	350,656,539.92	–	9,015,926.60	(359,672,466.52)	–	**–**	–
AC Partnership shares *(Note 3)*	599,927,415.40	–	(22,051,154.86)	(39,765,481.84)	–	**538,110,778.70**	2,945,180.68
AD Partnership shares	176,580,895.79	–	(37,852,172.43)	–	–	**138,728,723.36**	10,008,804.50
AE Partnership shares	84,200,874.32	–	(18,217,474.47)	–	1,274,649.73	**67,258,049.58**	3,616,427.87
AF Fund shares	273,807,564.20	2,633,868.75	(24,848,531.09)	(5,689,156.50)	4,408,409.06	**250,312,154.42**	–
Target asset management plans *(Note 4)*	1,071,213,564.32	–	28,235,032.75	–	18,402,145.68	**1,117,850,742.75**	1,740,982.26
AI company equity	364,870.38	–	(184,926.24)	–	4,632.44	**184,576.58**	–
AJ company equity	150,527,550.42	–	(31,642,677.43)	–	2,286,493.50	**121,171,366.49**	–
AK Fund shares	550,490,700.41	–	15,216,199.71	–	9,462,699.11	**575,169,599.23**	–
AL Partnership	202,971,418.35	50,000,000.00	(782,885.11)	–	–	**252,188,533.24**	–
AM company equity	2,773,416.27	–	(1,252,449.26)	–	36,499.60	**1,557,466.61**	–
IXM fund investments *(Note 5)*	–	68,238,901.10	–	–	573,705.57	**68,812,606.67**	–
Others	5,345.89	–	–	–	7.09	**5,352.98**	–
Total	3,554,476,351.83	120,872,769.85	(81,639,703.61)	(430,773,804.86)	36,449,241.78	**3,199,384,854.99**	18,311,395.31

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

13. Other non-current financial assets (Continued)

Note 1: It is the non-principle preservation wealth management products with floating yield purchased by the Group from banks and financial institutions in China, with an expected yield of 5.00% over a period of 5 years. Part of the investment cost recovered for the period is RMB25,646,700.00.

Note 2: It is the fund trust product purchased by the Group from non-banking financial institutions in China, which has been fully disposed for the period.

Note 3: It is the Group's partnership share, from which the Group received dividends of RMB2,945,180.68 in the current period. According to the partnership agreement, the Group recovered the investment cost of RMB39,765,481.84 and investment income of RMB2,945,180.68 from the partnership in the current year.

Note 4: It is the Group's target asset management plan, which mainly include shares and fund investments.

Note 5: It is the investment in Efficient Pure Trend Fund by IXM, a wholly-owned subsidiary of the Company. The Fund mainly invests in commodities and related derivative instruments.

14. Non-current derivative financial liabilities

RMB

Item	**31 December 2023**	31 December 2022
Non-current derivative financial liabilities – Interest rate swaps contracts *(Note)*	–	230,168,848.27
Total	–	230,168,848.27

Note: Interest rate swaps contracts are in relation to 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 (V) 67 for details.

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

15. Fixed assets

(1) Fixed assets

RMB

Item	Land, buildings and mining structures	Machinery and equipment	Electronic equipment, fixture and furniture	Transportation devices	Total
I. Total original carrying amount:					
1. Balance at 1 January 2023	20,946,128,448.15	24,775,256,410.22	269,037,229.36	106,577,858.02	46,096,999,945.75
2. Increase in the current year	8,155,208,999.24	4,903,071,511.56	72,623,807.02	50,283,829.68	13,181,188,147.50
(1) Purchase	931,172,834.83	10,083,052.81	7,008,930.60	2,172,233.39	950,437,051.63
(2) Transfer from CIP	7,224,036,164.41	4,892,988,458.75	65,614,876.42	48,111,596.29	12,230,751,095.87
3. Decrease in the current year	5,040,995,709.71	1,508,417,004.10	59,491,819.25	9,721,959.02	6,618,626,492.08
(1) Disposal or scrap	411,362,383.80	386,428,534.76	59,491,819.25	9,721,959.02	867,004,696.83
(2) Transfer to construction in progress	1,182,318,109.53	–	–	–	1,182,318,109.53
(3) Disposal of subsidiaries *(Note (VI) 1)*	3,447,315,216.38	1,121,988,469.34	–	–	4,569,303,685.72
4. Revaluation of rehabilitation and asset disposal cost *(Note 1)*	(87,279,367.68)	–	–	–	(87,279,367.68)
5. Translation differences of financial statements denominated in foreign currencies	285,407,876.18	440,452,522.47	938,030.62	749,672.66	727,548,101.93
6. Balance at 31 December 2023	24,258,470,246.18	28,610,363,440.15	283,107,247.75	147,889,401.34	53,299,830,335.42
II. Accumulated depreciation					
1. Balance at 1 January 2023	7,671,721,791.35	10,024,121,663.23	206,743,063.42	51,689,382.21	17,954,275,900.21
2. Increase in the current year	1,240,219,928.43	908,634,143.93	30,641,766.17	14,752,941.73	2,194,248,780.26
(1) Provision	1,240,219,928.43	908,634,143.93	30,641,766.17	14,752,941.73	2,194,248,780.26
3. Decrease in the current year	1,816,770,246.66	924,185,585.89	45,923,839.50	8,124,764.51	2,795,004,436.56
(1) Disposal or scrap	243,628,452.83	321,473,491.59	45,923,839.50	8,124,764.51	619,150,548.43
(2) Transfer to construction in progress	108,764,148.57	–	–	–	108,764,148.57
(3) Disposal of subsidiaries *(Note (VI) 1)*	1,464,377,645.26	602,712,094.30	–	–	2,067,089,739.56
4. Translation differences of financial statements denominated in foreign currencies	98,317,384.61	166,381,914.96	195,791.74	132,404.22	265,027,495.53
5. Balance at 31 December 2023	7,193,488,857.73	10,174,952,136.23	191,656,781.83	58,449,963.65	17,618,547,739.44

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

15. Fixed assets (Continued)

(1) Fixed assets (Continued)

Item	Land, buildings and mining structures	Machinery and equipment	Electronic equipment, fixture and furniture	Transportation devices	Total
III. Impairment provision					
1. Balance at 1 January 2023	29,238,730.65	56,054,142.51	1,553,588.21	135,569.42	86,982,030.79
2. Increase in the current year	21,407.04	569,646.48	65,384.33	33,423.63	689,861.48
(1) Provision	21,407.04	569,646.48	65,384.33	33,423.63	689,861.48
3. Decrease in the current year	635,651.93	9,653,525.20	37,603.19	60,594.13	10,387,374.45
(1) Disposal or scrap	635,651.93	9,653,525.20	37,603.19	60,594.13	10,387,374.45
4. Translation differences of financial statements denominated in foreign currencies	–	340,048.55	–	–	340,048.55
5. Balance at 31 December 2023	28,624,485.76	47,310,312.34	1,581,369.35	108,398.92	77,624,566.37
IV. Carrying amount					
1. Closing carrying amount	17,036,356,902.69	18,388,100,991.58	89,869,096.57	89,331,038.77	35,603,658,029.61
2. Opening carrying amount	13,245,167,926.15	14,695,080,604.48	60,740,577.73	54,752,906.39	28,055,742,014.75

Note 1: At the end of the year, 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 31 December 2023, no fixed assets are used as collateral.

(2) At the end and the beginning of the year, the Group has no fixed assets leased out under operating leases.

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

15. Fixed assets (Continued)

(3) Details of the fixed assets without certificate of titles

RMB

Item	Carrying amount	The reason of not completing the certificate of title
High-pressure roller mill workshop	20,296,532.22	Completed and settled, with asset right transaction in progress
High-pressure roller mill slope retaining	6,513,704.79	Completed and settled, with asset right transaction in progress
Main extraction workshop	4,911,299.29	Completed and settled, with asset right transaction in progress
Main decomposition workshop	5,000,385.20	Completed and settled, with asset right transaction in progress
Tungsten and molybdenum extraction and separation workshop	5,086,124.43	Completed and settled, with asset right transaction in progress
Office staff dining hall	4,594,838.48	Completed and settled, with asset right transaction in progress
Main crystallization workshop	4,120,471.85	Completed and settled, with asset right transaction in progress
Others	16,614,855.81	Completed and settled, with asset right transaction in progress
Total	67,138,212.07	

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

16. Construction in progress

(1) Construction in progress:

RMB

Item	31 December 2023 Book balance	31 December 2023 Impairment provision	31 December 2023 Net carrying amount	31 December 2022 Book balance	31 December 2022 Impairment provision	31 December 2022 Net carrying amount
Upfront cost of KFM development	43,211,344.68	–	43,211,344.68	839,479,959.31	–	839,479,959.31
TFM copper-cobalt mixed ore project	7,459,720,387.62	–	7,459,720,387.62	6,729,949,863.12	–	6,729,949,863.12
TFM dehydration equipment installation project	45,790,343.73	–	45,790,343.73	45,026,815.75	–	45,026,815.75
TFM mine transportation road repair and construction project	36,084,813.18	–	36,084,813.18	35,483,119.41	–	35,483,119.41
TFM mine power distribution project	26,471,172.59	–	26,471,172.59	21,459,439.11	–	21,459,439.11
TFM production process modeling and evaluation project	10,022,679.62	–	10,022,679.62	9,855,557.13	–	9,855,557.13
Copebras phosphorus production plant maintenance project	397,864,370.88	–	397,864,370.88	205,947,223.16	–	205,947,223.16
Copebras phosphorus production process improvement project	53,673,051.62	–	53,673,051.62	164,876,321.25	–	164,876,321.25
Niobras Niobium production plant maintenance project	131,691,511.86	–	131,691,511.86	68,925,660.89	–	68,925,660.89
Niobras tailings dam heightening project	16,783,997.00	–	16,783,997.00	60,574,358.68	–	60,574,358.68
KFM preliminary project	157,099,703.97	–	157,099,703.97	4,623,510,854.58	–	4,623,510,854.58
Hotel house acquisition and decoration project	1,002,710,747.10	–	1,002,710,747.10	–	–	–
Molybdenum mine project in East Gobi	105,515,426.89	31,615,388.19	73,900,038.70	95,099,450.68	31,615,388.19	63,484,062.49
Project replacing Xuansan Tailing	94,825,326.46	–	94,825,326.46	41,179,924.78	–	41,179,924.78
Tungsten No.2 Company sandaogou tailing pond phase II construction project	21,933,071.48	–	21,933,071.48	7,101,978.00	–	7,101,978.00
Tungsten No.2 Company sandaogou tailing pond phase I construction project – Beizhigou flood drainage system project	16,784,880.05	–	16,784,880.05	6,610,666.21	–	6,610,666.21
Mine Selection No.2 Company roughing process consolidation and floating grinding automation upgrade project	–	–	–	15,921,928.79	–	15,921,928.79
Others	1,032,540,409.79	–	1,032,540,409.79	719,697,517.10	–	719,697,517.10
Total	10,652,723,238.52	31,615,388.19	10,621,107,850.33	13,690,700,637.95	31,615,388.19	13,659,085,249.76

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

16. Construction in progress (Continued)

(2) Changes in significant construction in progress

RMB

Name of project	Budget	1 January 2023	Increase	Transfer to fixed assets	Transfer to Intangible assets	Other decreases	Translation differences of financial statements denominated in foreign currencies	31 December 2023	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated interest capitalization	Including: interest capitalization for the year	Capitalization rate for the current year (%)	Source of fund
Niobras tailings dam heightening project	155,672,302.66	60,574,358.68	59,479,488.54	103,776,099.04	147,268.24	-	653,517.06	**16,783,997.00**	78	78	-	-	-	Funds in hand
Copebras phosphorus production plant maintenance project	1,451,084,139.23	205,947,223.16	336,150,772.73	149,290,371.58	-	6,477.07	5,063,223.64	**397,864,370.88**	59	58	-	-	-	Funds in hand
Copebras phosphorus production process improvement project	329,914,508.74	164,876,321.25	43,370,346.29	156,413,312.81	-	5,705.94	1,845,402.83	**53,673,051.62**	85	85	-	-	-	Funds in hand
Niobras Niobium production plant maintenance project	721,779,835.91	68,925,660.89	165,136,537.28	103,899,150.72	118,024.85	35,843.86	1,682,333.12	**131,691,511.86**	61	61	-	-	-	Funds in hand
TFM dehydration equipment installation project	120,942,060.39	45,026,815.75	-	-	-	-	763,527.98	**45,790,343.73**	99	99	-	-	-	Funds in hand
TFM mine transportation road repair and construction project	167,169,674.64	35,483,119.41	-	-	-	-	601,693.77	**36,084,813.18**	45	45	-	-	-	Funds in hand
TFM production process modeling and evaluation project	2,177,221,980.00	9,855,557.13	-	-	-	-	167,122.49	**10,022,679.62**	98	99	-	-	-	Funds in hand
TFM mine power distribution project	100,970,971.20	21,459,439.11	4,609,091.77	-	-	-	402,641.71	**26,471,172.59**	96	95	-	-	-	Funds in hand
Hotel house acquisition and decoration project (Note)	1,080,918,330.67	-	1,002,710,747.10	-	-	-	-	**1,002,710,747.10**	93	93	-	-	-	Funds in hand
Molybdenum mine project in East Gobi	2,849,000,000.00	63,484,062.49	10,415,976.21	-	-	-	-	**73,900,038.70**	3	3	-	-	-	Funds in hand
Project replacing Xuansan Tailing	697,460,000.00	41,179,924.78	53,720,954.12	75,552.44	-	-	-	**94,825,326.46**	27	26	-	-	-	Funds in hand

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

16. Construction in progress (Continued)

(2) Changes in significant construction in progress (Continued)

Name of project	Budget	1 January 2023	Increase	Transfer to fixed assets	Transfer to Intangible assets	Other decreases	Translation differences of financial statements denominated in foreign currencies	31 December 2023	Proportion of project investment to budget amount (%)	Project progress (%)	Accumulated interest capitalization	Including: interest capitalization for the year	Capitalization rate for the current year (%)	Source of fund
Upfront cost of KFM development	12,162,167,166.10	839,479,959.31	17,146,472.50	820,892,957.32	-	-	7,477,870.19	**43,211,344.68**	56	55	-	-	-	Funds in hand
KFM preliminary project	917,191,376.63	4,623,510,854.58	998,050,006.44	5,514,167,509.83	-	-	49,706,352.78	**157,099,703.97**	49	50	-	-	-	Funds in hand
Tungsten No.2 Company sandaogou tailing pond phase II construction project	87,600,000.00	7,101,978.00	14,831,093.48	-	-	-	-	**21,933,071.48**	40	40	-	-	-	Funds in hand
Tungsten No.2 Company sandaogou tailing pond phase I construction project – Beizhigou flood drainage system project	37,760,000.00	6,610,666.21	10,174,213.84	-	-	-	-	**16,784,880.05**	77	80	-	-	-	Funds in hand
Mine Selection No.2 Company roughing process consolidation and floating grinding automation upgrade project	39,000,000.00	15,921,928.79	1,517,043.88	17,438,972.67	-	-	-	**-**	100	100	-	-	-	Funds in hand
TFM copper-cobalt mixed ore project	17,777,577,000.00	6,729,949,863.12	5,430,452,998.24	4,827,938,099.97	-	-	127,255,626.23	**7,459,720,387.62**	81	80	227,804,743.22	227,804,743.22	7	Funds in hand/raised

Note: During the year, the amount of fixed assets transferred to construction in progress of the hotel house acquisition and decoration project is RMB1,002,710,747.10.

As at 31 December 2023, the management of the Group does not identify any indication of impairment in construction in progress, therefore, no impairment test is performed.

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

17. Right-of-use assets

RMB

Item	Buildings	Machinery and equipment	Transportation devices	Total
I. Total original carrying amount:				
1. Balance at 1 January 2023	403,431,245.62	81,674,404.39	1,401,358.74	486,507,008.75
2. Increase	21,530,662.44	177,872,536.79	–	199,403,199.23
(1) Leasehold	21,530,662.44	177,872,536.79	–	199,403,199.23
3. Decrease	9,544,683.50	56,135,303.11	1,425,121.84	67,105,108.45
(1) Disposal	8,558,914.39	56,135,303.11	1,425,121.84	66,119,339.34
(2) Disposal of subsidiaries	985,769.11	–	–	985,769.11
4. Translation differences of financial statements denominated in foreign currencies	3,558,727.00	2,400,865.79	23,763.10	5,983,355.89
5. Balance at 31 December 2023	418,975,951.56	205,812,503.86	–	624,788,455.42
II. Accumulated depreciation				
1. Balance at 1 January 2023	163,012,991.55	57,779,297.80	1,401,358.74	222,193,648.09
2. Increase	63,035,501.56	55,123,511.56	–	118,159,013.12
(1) Provision	63,035,501.56	55,123,511.56	–	118,159,013.12
3. Decrease	6,418,157.22	56,135,303.11	1,425,121.84	63,978,582.17
(1) Disposal	6,034,172.87	56,135,303.11	1,425,121.84	63,594,597.82
(2) Disposal of subsidiaries	383,984.35	–	–	383,984.35
4. Translation differences of financial statements denominated in foreign currencies	1,720,697.14	963,683.03	23,763.10	2,708,143.27
5. Balance at 31 December 2023	221,351,033.03	57,731,189.28	–	279,082,222.31
III. Impairment provision				
1. Balance at 1 January 2023	–	–	–	–
2. Balance at 31 December 2023	–	–	–	–
IV. Carrying amount				
1. Closing carrying amount	197,624,918.53	148,081,314.58	–	345,706,233.11
2. Opening carrying amount	240,418,254.07	23,895,106.59	–	264,313,360.66

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

17. Right-of-use assets (Continued)

The Group's lease liabilities and interest expense on lease liabilities are set out in Note (V) 37, and Note (V) 54 respectively. As at 31 December 2023, except for the Group's payment of deposit to the lessor as guarantee for leasehold assets, lease agreements have no other additional guarantee terms.

As at 31 December 2023, the Group has no leases that have been entered into but not yet incepted.

As at 31 December 2023, the management of the Group does not identify any indication of impairment in right-of-use assets, therefore, no impairment test is performed.

18. Intangible assets

Details of intangible assets

RMB

Item	Land use rights	Exploration and mining rights *(Note 1)*	Copper supply concessions *(Note 2)*	Supplier relationship *(Note 2)*	Others	Total
I. Total original carrying amount:						
1. Balance at 1 January 2023	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	–	5,101,113,495.67	–	–	172,815,954.38	5,273,929,450.05
(1) Purchase	–	5,101,113,495.67	–	–	82,656,399.68	5,183,769,895.35
(2) Transfer from CIP	–	–	–	–	90,159,554.70	90,159,554.70
3. Decrease	254,671,700.98	2,789,565,266.81	–	–	82,238,294.32	3,126,475,262.11
(1) Disposal	254,671,700.98	–	–	–	70,943,203.14	325,614,904.12
(2) Disposal of subsidiaries	–	2,789,565,266.81	–	–	11,295,091.18	2,800,860,357.99
4. Translation differences of financial statements denominated in foreign currencies	–	476,231,904.96	2,265,113.22	4,842,100.00	5,063,719.61	488,402,837.79
5. Balance at 31 December 2023	319,814,053.29	31,462,239,821.46	135,843,500.03	290,390,700.00	408,559,692.35	32,616,847,767.13

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

18. Intangible assets (Continued)

Details of intangible assets (Continued)

Item	Land use rights	Exploration and mining rights *(Note 1)*	Copper supply concessions *(Note 2)*	Supplier relationship *(Note 2)*	Others	Total
II. Accumulated amortization						
1. Balance at 1 January 2023	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	9,330,634.63	378,608,418.67	21,204,854.41	1,000,253.17	90,830,669.82	500,974,830.70
(1) Provision	9,330,634.63	378,608,418.67	21,204,854.41	1,000,253.17	90,830,669.82	500,974,830.70
3. Decrease	63,878,944.34	1,460,749,250.85	–	–	13,199,100.39	1,537,827,295.58
(1) Disposal	63,878,944.34	–	–	–	2,067,582.16	65,946,526.50
(2) Disposal of subsidiaries	–	1,460,749,250.85	–	–	11,131,518.23	1,471,880,769.08
4. Translation differences of financial statements denominated in foreign currencies	–	154,928,923.09	1,067,469.63	1,111,332.22	2,730,367.08	159,838,092.02
5. Balance at 31 December 2023	102,619,693.25	9,160,235,118.98	74,709,915.19	67,153,211.26	231,260,690.97	9,635,978,629.65
III. Impairment provision						
1. Balance at 1 January 2023	–	20,484,319.60	–	–	–	20,484,319.60
2. Increase	–	–	–	–	–	–
3. Decrease	–	–	–	–	–	–
4. Translation differences of financial statements denominated in foreign currencies	–	–	–	–	–	–
5. Balance at 31 December 2023	–	20,484,319.60	–	–	–	20,484,319.60
IV. Carrying amount						
1. Closing carrying amount	217,194,360.04	22,281,520,382.88	61,133,584.84	223,237,488.74	177,299,001.38	22,960,384,817.88
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

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

18. Intangible assets (Continued)

Details of intangible assets (Continued)

As at 31 December 2023, the Group has no intangible assets formed through internal research and development.

As at 31 December 2023, there are no land use rights or mining rights used as collateral.

As at 31 December 2023, the Group has no land use rights without certificate of titles.

As at 31 December 2023, the management of the Group does not identify any indication of impairment in intangible, therefore, no impairment test is performed.

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

Note 1: Increase for the year refers to the settlement between the Group and Gécamines on the issue of equity premium. See Note (V) 41 for details.

Note 2: Copper supply concessions and supplier relationship are acquired through acquisition of IXM.

19. Goodwill

(1) Original carrying amount of goodwill

RMB

Investee	1 January 2023	Translation differences of financial statements denominated in foreign currencies	31 December 2023
Brazil phosphorus business	658,371,482.79	11,164,126.03	**669,535,608.82**

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

19. Goodwill (Continued)

(2) Provision for impairment losses of goodwill

RMB

Investee	1 January 2023	Translation differences of financial statements denominated in foreign currencies	31 December 2023
Brazil phosphorus business	235,402,701.29	3,991,766.80	**239,394,468.09**

(3) Information of the asset group or portfolio of asset groups with goodwill

Name	Constitution and basis of the asset group or portfolio	Operating segment and basis	Consistent with prior years or not?
Brazil phosphorus business	Major cash inflows from Brazil phosphorus business of CMOC Brazil are independent of other assets or asset groups	Niobium-and-phosphorus-related products segment Classified according to product types	Yes

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

19. Goodwill (Continued)

(4) Specific determination of recoverable amount

The recoverable amount is determined according to the present value of the expected future cash flows.

RMB

Item	Carrying amount	Recoverable amount	Impairment amount	Length of the expected period	Key parameters in the expected period	Basis of parameters in the expected period	Key parameters in the stable period	Basis of key parameters in the stable period
Brazil phosphorus business	5,316,199,575.61	5,637,745,552.65	–	5 years	Budgeted gross profit, discount rate, raw material price inflation	Market price of metal, remaining years of mining rights	Budgeted gross profit, discount rate	Market price of metal, remaining years of mining rights

The recoverable amount of the asset group of Brazil phosphorus business is determined according to the present value of the expected future cash flows. Future cash flows are determined based on the financial budget of the next five years approved by the management and based on the production life of available reserves and future mining plans, and discount rate of 10.64% is used. As the sale of the products in phosphorus business is priced in USD and settled in BRL, the management believes that the inflation risk faced with by the relevant business in the operation process mainly comes from the inflation risk in the environment denominated in USD. Therefore, the inflation rate used to infer the cash flow from the asset group after 5 years is 2.30% (based on the USD environment).

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

20. Long-term prepaid expenses

RMB

Item	1 January 2023	Increase	Amortization	Translation differences of financial statements denominated in foreign currencies	31 December 2023
Relocation compensation *(Note 1)*	51,902,257.72	–	12,288,918.50	–	39,613,339.22
Geological Museum project *(Note 2)*	24,000,000.00	–	600,000.00	–	23,400,000.00
Tailing pond maintenance fee *(Note 3)*	–	67,971,701.31	8,496,462.66	–	59,475,238.65
Others	141,764,349.37	7,607,665.58	44,104,860.28	10,684.60	105,277,839.27
Total	217,666,607.09	75,579,366.89	65,490,241.44	10,684.60	227,766,417.14

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

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

Note 3: The Company paid the maintenance fee for the Secao Lake tailing pond seepage prevention project.

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

21. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets before offsetting

RMB

Item	31 December 2023 Deductible temporary differences	31 December 2023 Deferred tax assets	31 December 2022 Deductible temporary differences	31 December 2022 Deferred tax assets
Provision for asset impairment	387,413,825.73	113,657,899.29	475,152,868.03	137,167,266.73
Deductible losses	242,324,697.12	60,115,890.17	532,913,250.63	137,817,596.30
Differences in inventory costs	–	–	292,374,924.83	87,712,477.45
Unrealized gross profit	6,239,028,221.59	1,363,087,054.46	5,425,551,350.11	767,423,698.46
Deferred income from government grants	37,092,783.50	7,548,630.59	44,483,239.13	9,357,685.91
Gains or losses from fair value changes	56,702,232.74	14,993,951.71	261,531,958.87	43,550,529.19
Outstanding expenses – net	2,556,199,156.68	563,214,051.91	2,593,955,675.86	654,634,327.39
Losses on disposal of fixed assets without filing	–	–	21,611,375.27	3,241,706.29
Equity incentives not yet unlocked	34,888,798.56	8,722,199.64	79,675,908.82	19,918,977.20
Differences in depreciation of fixed assets	16,857,022.33	4,838,663.16	29,406,953.47	5,391,099.21
Lease liabilities	360,645,474.23	104,809,050.87	255,268,937.00	66,625,925.70
Others	152,000,942.01	44,671,639.79	63,631,587.48	12,558,706.76
Total	10,083,153,154.49	2,285,659,031.59	10,075,558,029.50	1,945,399,996.59

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

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

(2) Deferred tax liabilities before offsetting

RMB

Item	31 December 2023 Taxable temporary differences	31 December 2023 Deferred tax liabilities	31 December 2022 Taxable temporary differences	31 December 2022 Deferred tax liabilities
Accrued interest income	**429,482,483.62**	**73,512,461.72**	738,772,989.32	126,423,047.64
Effect of exchange rate of non-monetary items *(Note 1)*	**599,298,603.77**	**216,275,987.93**	1,490,152,821.68	506,054,198.16
Differences in depreciation of fixed assets	**8,152,435,110.79**	**2,451,579,819.27**	8,422,501,055.62	2,526,680,139.15
Gains or losses from fair value changes	**698,450,651.52**	**141,466,134.37**	794,645,829.00	151,605,716.10
Additional provision under Switzerland tax laws *(Note 2)*	**3,315,289,617.99**	**497,293,442.68**	2,684,245,476.72	375,794,366.74
Adjustment to the fair value of assets in business combination not involving enterprises under common control *(Note 3)*	**10,454,616,334.27**	**3,117,372,476.04**	10,602,549,111.50	3,158,968,672.94
Differences in inventory costs	**14,383,653.40**	**4,315,096.02**	–	–
Right-of-use assets	**337,534,633.50**	**97,861,819.00**	255,268,937.00	66,625,925.70
Others	**46,632,601.84**	**11,717,640.63**	45,799,699.13	14,292,899.94
Total	**24,048,123,690.70**	**6,611,394,877.66**	25,033,935,919.97	6,926,444,966.37

Note 1: The amount of losses that the Group can finally deduct before income tax calculation for 2022 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 assets and makes it an adjusting item for tax. In the meanwhile, the non-monetary items including inventories and fixed assets of such enterprises on the balance sheet are recognized and subsequently measured at historical exchange rate, resulting temporary difference between their tax bases and carrying amounts upon tax accounting, the Company accordingly recognize the relevant temporary difference as one deferred tax asset/liability.

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. The Group made structural reorganization in 2020 to consolidate the three legal entities of the niobium phosphorus business in Brazil, redetermine the tax basis of their carrying assets and liabilities and adjust the deferred income tax liabilities mentioned above.

(V). 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

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	620,215,951.75	1,665,443,079.84	833,912,414.73	1,111,487,581.86
Deferred tax liabilities	620,215,951.75	5,991,178,925.91	833,912,414.73	6,092,532,551.64

The deferred tax assets of the year increase by RMB3,348,016.96 due to the translation of financial statements denominated in foreign currencies. The deferred tax liabilities of the year increase by RMB192,131,343.24 due to the translation of financial statements denominated in foreign currencies. Deferred tax assets transferred out due to the disposal of Australian business are RMB103,415,266.85.

(4) Details of unrecognized deferred tax assets

RMB

Item	31 December 2023	31 December 2022
Deductible losses	**162,391,568.52**	215,258,960.76
Deductible temporary differences	**76,615,194.42**	65,528,667.71
Sub-total	**239,006,762.94**	280,787,628.47

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

(V). 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:

RMB

Years	31 December 2023	31 December 2022
2023	–	17,664,151.79
2024	**21,539,923.95**	39,602,210.83
2025	**31,388,110.61**	61,388,666.96
2026	**49,202,064.55**	49,202,064.55
2027	**47,401,866.63**	47,401,866.63
2028	**12,859,602.78**	–
Sub-total	**162,391,568.52**	215,258,960.76

22. Other non-current assets

RMB

Item	31 December 2023	31 December 2022
Borrowings due from SNEL *(Note 1)*	**1,793,209,596.46**	1,325,169,661.53
Amount due from TFM minority shareholders *(Note 2)*	**495,458,667.48**	437,173,313.17
Brazil deductible social contribution tax *(Note 3)*	**134,012,223.75**	109,317,920.49
Prepayments for water charges *(Note 4)*	**63,000,000.00**	63,000,000.00
Compensatory assets *(Note 5)*	**133,411,133.27**	126,963,338.90
Litigation guarantee *(Note 6)*	**69,579,701.33**	37,993,936.27
Loans to suppliers *(Note 7)*	**28,330,800.00**	50,702,281.04
Related party borrowings *(Note 8)*	**404,663,682.00**	397,916,144.92
Certificates of deposit due after one year *(Note 9)*	**1,673,016,233.39**	2,155,000,000.00
Prepayments for construction and equipment	**1,186,620,198.94**	674,652,540.75
Others	**11,516,909.89**	33,598,595.84
Less: Non-current assets due within one year *(Note (V) 9)*	**1,092,589,539.03**	1,757,787,239.02
Total	**4,900,229,607.48**	3,653,700,493.89

The Group recognizes ECL allowance of relevant financial assets in the other non-current assets on the basis of ECL. At 31 December 2023, the management of the Group believes that the credit risk of the relevant financial assets has not increased significantly since its initial recognition, and there is no significant ECL.

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

22. Other non-current assets (Continued)

Note 1: It represents Congo (DRC) subsidiary's loan due from SNEL. The applicable interest rate for the loan is determined by 6-months Libor interest rate plus 3%, which will be settled by electricity charges payable in the future. Therein, the portion expected to be deductible within one year is detailed in Note (V) 9.

Note 2: It represents Congo (DRC) subsidiary's loan due from La Générale des Carrières et des Mines ("Gécamines"). As at 31 December 2023, the principal due to Congo (DRC) subsidiary is USD30,000,000.00 (equivalent to RMB212,481,000.00); the interest receivable is USD39,953,360.65 (equivalent to RMB282,977,667.48) 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: It represents 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, the company has no tax retained at the end of the year. The social contribution tax is levied by the Brazil's federal government, so the tax credit can be used to deduct the enterprise income tax levied by the federal government without expiry date. The portion of deductible balance within one year is accounted for as other receivables by the Group. See Note (V) 7 for details.

Note 4: It represents prepayments for water charges of Xinjiang Luomu Mining Co., Ltd ("Xin Kuang 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 liability for CMOC Brazil subsidiary related contingencies at fair value (Note (V) 39), accordingly recognizes the right of relevant tax related compensation as non-current assets.

Note 6: It represents CMOC Brazil's disputes and litigation arising from some of the tax, labor and civil related legal proceedings in the course of business. Some of these proceedings require the submission of litigation collateral at the request of the court. The deposit is restricted for use and the interest is calculated at the Brazilian benchmark interest rate during this period. After the end of the litigation, according to the results, the Company can call back the deposit or settle the litigation by the deposit.

Note 7: It represents loans that IXM provided to its suppliers. As at 31 December 2023, balance of loans to suppliers includes USD4,000,000.00 (equivalent to RMB28,330,800.00) provided by the Group to the third party supplier B and supplier C at the annual interest rate of 6.24%. Therein, the portion due within one year is detailed in Note (V) 9.

Note 8: It represents the borrowings lent by the Group to the shareholders of Huayue Nickel Cobalt.

Note 9: As at 31 December 2023, among the Group's large certificates of deposit, the certificate of deposit with carrying amount of RMB925,000,000.00 is pledged to obtain long-term borrowings.

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

23. Assets with restrictions on ownership or use right

RMB

Item	31 December 2023		31 December 2022	
	Book balance	**Reason for restriction**	Book balance	Reason for restriction
Cash and bank balances	**4,597,313,232.44**	**Collateral, deposits for short-term borrowings**	3,602,016,617.35	Collateral, deposits for short-term borrowings
Held-for-trading financial assets	**6,384,618,668.71**	**Collateral for short-term borrowings**	2,560,598,118.50	Collateral for short-term borrowings
Financing with receivables	**234,755,241.41**	**Collateral for issuance of notes payable**	255,797,055.59	Collateral for issuance of notes payable
Inventories	**12,893,170,615.17**	**Collateral for short-term borrowings**	13,311,934,219.50	Collateral for short-term borrowings
Non-current assets due within one year	**925,000,000.00**	**Collateral for long-term borrowings due within one year**	1,485,000,000.00	Collateral for long-term borrowings due within one year
Other non-current assets	**–**	**/**	500,000,000.00	Collateral for long-term borrowings
Total	**25,034,857,757.73**	**/**	21,715,346,010.94	/

24. Short-term borrowings

(1) *Categories of short-term borrowings:*

RMB

Item	31 December 2023	31 December 2022
Credit borrowings	**4,221,837,631.73**	5,091,192,711.82
Secured borrowings *(Note)*	**20,732,412,285.30**	15,016,317,002.22
Total	**24,954,249,917.03**	20,107,509,714.04

Note: Details for secured borrowings are set out in Note (V) 1, 2 and 8.

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

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

25. Held-for-trading financial liabilities

RMB

Item	**Fair value at the end of the year**	Fair value at the beginning of the year
1. Liabilities from forward commodity contract and gold lease measured at fair value *(Note 1)*	**418,253,537.70**	676,512,725.59
2. Payables at FVTPL *(Note 2)*	**2,530,326,825.46**	2,975,298,635.88
Total	**2,948,580,363.16**	3,651,811,361.47

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

Note 2: The major products of the Group are copper, lead and zinc concentrates and cobaltous hydroxide etc., 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 accounts receivable generated from relevant business as financial assets at FVTPL.

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

26. Derivative financial liabilities

RMB

Item	31 December 2023	31 December 2022
Derivative financial instruments of which hedging relationship is not designated *(Note 1)*		
Commodity futures contracts	**452,681,705.25**	1,588,876,522.42
Forward foreign exchange contracts and exchange rate option contracts	**203,227,841.98**	50,483,773.27
Forward commodity contracts	**411,077,859.85**	642,398,639.69
Derivative financial instruments of which hedging relationship is designated		
Commodity futures contracts *(Note 2)*	**41,808,874.96**	69,088,136.38
Total	**1,108,796,282.04**	2,350,847,071.76

Note 1: See Note (V) 3 (1) for details.

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 (V) 67 for details.

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

27. Notes payable

RMB

Category	31 December 2023	31 December 2022
Bank acceptances	**1,141,803,023.40**	1,691,293,255.29
Commercial acceptances	**222,858.31**	718,126,071.13
Total	**1,142,025,881.71**	2,409,419,326.42

28. Accounts payable

RMB

Item	31 December 2023	31 December 2022
Payables for purchase of goods	**2,334,813,883.56**	1,017,848,408.19
Others	**1,221,338,733.42**	529,456,634.84
Total	**3,556,152,616.98**	1,547,305,043.03

Aging analysis on accounts payable is set out as follows:

RMB

Item	31 December 2023	31 December 2022
Within 1 year	**3,353,086,776.83**	1,533,137,566.72
1 to 2 years	**190,080,109.00**	5,395,397.35
Over 2 years	**12,985,731.15**	8,772,078.96
Total	**3,556,152,616.98**	1,547,305,043.03

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

29. Contract liabilities

RMB

Item	31 December 2023	31 December 2022
Receipts in advance of sales of goods *(Note 1)*	**2,515,301,405.33**	1,595,864,677.29
Metal flow transaction contract liabilities *(Note 2)*	**–**	93,927,497.79
Total	**2,515,301,405.33**	1,689,792,175.08

Note 1: The Group recognizes the receipts in advance collected on a basis of commodity sales contract as contract liabilities, and relevant contract liabilities are recognized as sales income when the control over the goods were transferred to the customers.

The receipts in advance for goods at the beginning of year have been recognized as income in the current year. At the end of year, the contract liabilities with carrying amount of RMB2,513,371,390.47 are expected to be recognized as income in 2024, and the contract liabilities with carrying amount of RMB12,474,197,965.52 (including contract liabilities in other non-current liabilities) are expected to be recognized as income in 2025 or subsequent years.

Note 2: On 10 July 2020, CMOC Metals Holding Limited ("CMOC Metals"), a wholly-owned subsidiary of the Group, entered into a metal streaming agreement with Triple Flag Mining Finance Bermuda Ltd. (collectively "Triple Flag"). In accordance with the agreement, Triple Flag provided an upfront cash payment of USD550 million to the Group. Additionally, for every ounce of gold and silver delivered under this agreement, Triple Flag agreed to pay the Group 10% of the prevailing spot prices of gold and silver.

The Group first recognizes the receipts in advance as liabilities when they are received and then transfer them to revenue when the relevant performance obligations are satisfied, i.e. when control of the goods is transferred to the customer. The Group makes an estimate on the amount of contract liabilities based on 12-month expected deliveries and classifies the remaining as other non-current liabilities.

On 15 December 2023, the Group sold 100% equity of its subsidiary CMOC Metals to the third party Evolution Mining Limited ("Evolution"), and all the rights and obligations related to CMOC Metals under metal flow transactions of the Group were transferred to Evolution, therefore, the Group terminated its contractual liabilities amounting to RMB302,398,615.81 and other non-current liabilities amounting to RMB3,560,402,746.73 under the corresponding metal flow business.

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

30. Employee benefits payable

(1) Details of employee benefits payable are as follows:

RMB

Item	1 January 2023	Increase	Decrease	Translation differences of financial statements denominated in foreign currencies	31 December 2023
1. Short-term compensation	964,916,548.02	3,825,279,024.85	3,353,692,532.58	26,828,196.44	**1,463,331,236.73**
2. Retirement benefits-defined contribution plans	1,968,145.54	110,738,250.71	109,406,206.85	(339.97)	**3,299,849.43**
3. Others (Note)	51,108,896.86	13,713,306.78	59,028,858.40	88,488.05	**5,881,833.29**
Total	1,017,993,590.42	3,949,730,582.34	3,522,127,597.83	26,916,344.52	**1,472,512,919.45**

Note: It represents the short-term compensation plan which is provided by the Group's subsidiary in Congo (DRC) to its employees, expected to be paid within 12 months.

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

30. Employee benefits payable (Continued)

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

RMB

Item	1 January 2023	Increase	Decrease	Translation differences of financial statements denominated in foreign currencies	31 December 2023
I. Wages or salaries, bonuses, allowances and subsidies	906,254,375.65	3,463,468,896.02	3,005,734,539.30	25,453,958.65	**1,389,442,691.02**
II. Staff welfare	129,202.31	33,510,971.83	33,262,631.83	2,190.91	**379,733.22**
III. Social security contributions	46,083,820.77	242,709,782.61	229,603,140.93	1,371,427.57	**60,561,890.02**
Including: Medical insurance	39,400,164.74	115,009,641.30	106,911,493.70	690,937.62	**48,189,249.96**
Work injury insurance	6,683,656.03	127,700,141.31	122,691,647.23	680,489.95	**12,372,640.06**
IV. Housing funds	675,811.65	68,914,437.67	68,083,204.27	–	**1,507,045.05**
V. Union running costs and employee education costs	11,773,337.64	16,674,936.72	17,009,016.25	619.31	**11,439,877.42**
Total	964,916,548.02	3,825,279,024.85	3,353,692,532.58	26,828,196.44	**1,463,331,236.73**

All the employee compensation payables are not overdue and not related to non-cash benefits, which is expected to be paid out in 2024.

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

30. Employee benefits payable (Continued)

(3) Retirement benefits – defined contribution plans

RMB

Item	1 January 2023	Increase	Decrease	Translation differences of financial statements denominated in foreign currencies	31 December 2023
1. Basis pension insurance	1,913,952.79	107,161,946.62	105,855,591.62	(339.97)	**3,219,967.82**
2. Unemployment insurance	54,192.75	3,576,304.09	3,550,615.23	–	**79,881.61**
Total	1,968,145.54	110,738,250.71	109,406,206.85	(339.97)	**3,299,849.43**

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

In this year, the Group should contribute RMB107,161,946.62 and RMB3,576,304.09 (2022: RMB114,824,415.17 and RMB4,088,701.01) to pension insurance and unemployment insurance plans respectively. As at 31 December 2023 the Group has contributions payable of RMB3,219,967.82 and RMB79,881.61 (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.

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

31. Taxes payable

RMB

Item	31 December 2023	31 December 2022
PRC enterprise income tax	160,086,783.27	195,288,763.93
Australia enterprise income tax	–	15,946,427.37
Brazil enterprise income tax	87,298,132.76	190,253,786.21
Congo (DRC) enterprise income tax	1,144,364,915.93	–
UK enterprise income tax	17,829,819.28	2,361,974.44
Enterprise income tax of IXM and its subsidiaries	115,318,728.90	78,471,729.80
City maintenance and construction tax	2,936,757.63	2,477,948.55
Value-added taxes ("VAT")	112,923,796.42	187,307,610.61
Resource tax and royalties of mineral rights	304,873,515.05	42,081,380.39
Educational surcharge	2,837,094.81	2,433,318.05
Individual income tax	50,617,731.77	36,839,940.08
Congo (DRC) exchange tax	6,002,486.40	120,508.40
Others	113,115,621.98	51,166,370.95
Total	2,118,205,384.20	804,749,758.78

32. Other payables

(1) Summary of other payables

RMB

Item	31 December 2023	31 December 2022
Interest payable	–	234,561,190.61
Dividends payable	27,885,796.67	27,885,796.67
Other payables	4,745,915,934.31	6,598,818,119.32
Total	4,773,801,730.98	6,861,265,106.60

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

32. Other payables (Continued)

(2) Interest payable

RMB

Item	31 December 2023	31 December 2022
Interest payable on bank borrowings	–	173,556,670.01
Interest payable on medium-term notes with interest paid in installments and principal repaid at maturity *(Note (V) 36)*	–	61,004,520.60
Total	–	234,561,190.61

(3) Dividends payable

RMB

Name of entity	31 December 2023	31 December 2022
Luanchuan Taifeng Industry and Trading Co., Ltd. *(Note 1)*	**6,623,109.24**	6,623,109.24
Luanchuan Hongji Mining Co., Ltd. *(Note 1)*	**15,943,017.89**	15,943,017.89
Luanchuan Chengzhi Mining Co., Ltd. *(Note 1)*	**5,319,669.54**	5,319,669.54
Total	**27,885,796.67**	27,885,796.67

Note 1: Minority shareholders of subsidiaries of the Group.

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

32. Other payables (Continued)

(4) Other payables

(a) Other payables by nature:

RMB

Item	31 December 2023	31 December 2022
Project and equipment funds	**1,972,602,370.20**	3,559,787,516.21
Royalties due to Gécamines	**197,831,534.21**	41,699,358.66
Service and transportation expenses	**68,961,940.96**	99,943,254.04
Deposits, guarantees and advances	**672,713,042.43**	1,331,093,114.30
Service fees payable	**483,703,789.24**	174,826,980.98
Resource expenses payable	**16,402,893.63**	24,857,953.71
Production progress fees due to Gécamines	**35,413,500.00**	34,823,000.00
Obligations to repurchase restricted stock	**39,210,628.85**	68,643,782.18
Amounts due to related parties *(Note)*	**973,871,250.00**	957,632,500.00
Others	**285,204,984.79**	305,510,659.24
Total	**4,745,915,934.31**	6,598,818,119.32

Note: On 21 July 2022, KFM Holding Limited and Brunp and CATL signed an agreement, pursuant to which Brunp and CATL should pay USD137,500,000.00 (equivalent to RMB973,871,250.00) to the Group as a related party payment.

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

33. Non-current liabilities due within one year

RMB

Item	31 December 2023	31 December 2022
Long-term borrowings due within one year *(Note (V) 35)*	**2,043,334,309.40**	6,818,773,757.29
Bonds payable due within one year *(Note (V) 36)*	**211,004,520.60**	–
Lease liabilities due within one year *(Note (V) 37)*	**167,419,827.96**	86,263,062.10
Other liabilities due within one year *(Note (V) 41)*	**1,348,241,122.01**	–
Total	**3,769,999,779.97**	6,905,036,819.39

34. Other current liabilities

RMB

Item	31 December 2023	31 December 2022
Accrued expenses	**620,646,123.74**	622,176,261.93
Convertible financial instruments *(Note)*	**–**	2,093,210,530.00
Total	**620,646,123.74**	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 preference 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 31 December 2022, the Group has withdrawn USD300,000,000.00. In September 2023, the above-mentioned criteria of subscription were satisfied, and the independent third party converted the above-mentioned obligatory rights of USD300,000,000.00 (equivalent to RMB2,124,810,000.00) into preference shares issued by subsidiaries of the Group.

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

35. Long-term borrowings

(1) Categories of long-term borrowings

RMB

Item	31 December 2023	31 December 2022
Secured borrowings (Note)	**7,374,391,266.67**	9,260,316,730.23
Credit borrowings	**13,436,660,587.66**	16,533,629,225.94
Less: long-term borrowings due within one year *(Note (V) 33)*	**2,043,334,309.40**	6,818,773,757.29
Total	**18,767,717,544.93**	18,975,172,198.88

Note: This represents the borrowings obtained by the Group through pledge of certificates of deposit and equities of subsidiaries. The amounts of pledged assets are set out in Note (V) 23. The Group pledges the 100% equity interest in CMOC DRC to the bank and provides a joint guarantee.

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

RMB

Maturity date	31 December 2023	31 December 2022
No more than 2 years	**4,701,524,647.91**	10,989,079,078.88
More than 2 years but no more than 5 years	**12,950,459,756.32**	7,986,093,120.00
More than 5 years	**1,115,733,140.70**	–
Total	**18,767,717,544.93**	18,975,172,198.88

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

35. Long-term borrowings (Continued)

(3) Other explanations

As at 31 December 2023, the annual interest rate for the above borrowings ranges from 2.5000% to 8.1723% (31 December 2022: 2.7000% to 7.4073%).

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 31 December 2023, the Group has no breach of relevant terms.

36. Bonds payable

(1) Bonds payable

RMB

Item	31 December 2023	31 December 2022
Medium-term notes	**2,211,004,520.60**	2,150,000,000.00
Less: Bonds payable due within one year *(Note (V) 33)*	**211,004,520.60**	–
Total	**2,000,000,000.00**	2,150,000,000.00

(2) The maturity analysis of bonds payable with a term of over one year is as follows:

RMB

Item	31 December 2023	31 December 2022
No more than 2 years	**2,000,000,000.00**	150,000,000.00
More than 2 years but no more than 5 years	**–**	2,000,000,000.00
Total	**2,000,000,000.00**	2,150,000,000.00

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

36. Bonds payable (Continued)

(3) Changes in bonds payable

RMB

Name	Par value	Coupon rate (%)	Issue date	Term	Issue amount	1 January 2023	Issued amount for the year	Accrued interest at par value	Amortization of premiums or discounts	Repayment in the year	31 December 2023	Amount due within one year	Default or not?
20 Luanchuan Molybdenum MTN001 *(Note 1)*	1,000,000,000.00	4.20	26 May 2020	5 years	1,000,000,000.00	1,000,000,000.00	-	42,000,000.00	-	42,000,000.00	**1,000,000,000.00**	25,084,931.50	No
21 Luanchuan Molybdenum MTN001 (green) *(Note 2)*	150,000,000.00	3.90	14 July 2021	3 years	150,000,000.00	150,000,000.00	-	5,850,000.00	-	5,850,000.00	**-**	152,708,630.20	No
22 Luanchuan Molybdenum MTN001 (sustainable linkage) *(Note 3)*	1,000,000,000.00	3.80	14 February 2022	3 years	1,000,000,000.00	1,000,000,000.00	-	38,000,000.00	-	38,000,000.00	**1,000,000,000.00**	33,210,958.90	No
Total					2,150,000,000.00	2,150,000,000.00	-	85,850,000.00	-	85,850,000.00	**2,000,000,000.00**	211,004,520.60	

Note 1: On 28 May 2020, the Company issued medium-term notes, which are traded in national inter-bank bond market. The proceeds from issuing the medium-term notes are allocated to the Company and subsidiaries as the working capital and for repayment of bank borrowings. The interest on the medium-term notes is paid once a year over their term.

Note 2: On 16 July 2021, the Company issued green medium-term notes, which are traded in national inter-bank bond market. The proceeds from issuing the medium-term notes are used in construction of low-carbon industrial transformation projects. The interest on the medium-term notes is paid once a year over their term.

Note 3: On 16 July 2022, the Company issued sustainable linkage medium-term notes, which are traded in national inter-bank bond market. The proceeds from issuing the medium-term notes are used in construction of energy-saving industrial transformation projects. The interest on the medium-term notes is paid once a year over their term.

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

37. Lease liabilities

RMB

Item	31 December 2023	31 December 2022
Operating lease payables	**398,358,355.54**	295,612,127.39
Less: Lease liabilities included in non-current liabilities due within one year (Note (V) 33)	**167,419,827.96**	86,263,062.10
Total	**230,938,527.58**	209,349,065.29

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

(1) The maturity analysis of lease liabilities with a term of over one year is as follows:

RMB

Maturity date	31 December 2023	31 December 2022
No more than 2 years	**56,634,717.82**	66,160,314.00
More than 2 years but no more than 5 years	**131,395,218.72**	97,296,099.87
More than 5 years	**42,908,591.04**	45,892,651.42
Total	**230,938,527.58**	209,349,065.29

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

38. Long-term employee benefits payable

RMB

Item	31 December 2023	31 December 2022
1. Retirement benefits-net liability from defined benefit plan	**459,735,819.08**	340,701,027.05
2. Other long-term benefits		
– Long service leave *(Note)*	**9,694,433.30**	13,645,143.15
– Others	**2,230,639.70**	2,193,445.05
Total	**471,660,892.08**	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, in which the portion expected to be paid within 12 months is accounted for in employee benefits payable.

39. Provisions

RMB

Item	31 December 2023	31 December 2022
Rehabilitation and asset abandonment cost *(Note 1)*	**2,559,804,098.29**	2,912,266,738.54
Lawsuit *(Note 2)*	**277,283,554.68**	255,094,416.78
Total	**2,837,087,652.97**	3,167,361,155.32

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

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

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

40. Deferred income

RMB

Item	31 December 2023	31 December 2022
Refunds of land-transferring fees *(Note 1)*	**13,045,652.90**	13,431,238.70
Demonstration base project subsidies *(Note 2)*	**19,847,130.60**	26,852,000.40
Others	**5,640,000.00**	5,430,000.00
Total	**38,532,783.50**	45,713,239.10

Note 1: It represents the refunds of land-transferring fees received by the Group, which is included in deferred revenue, and amortized in the period of land use with the straight-line method.

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 to be used for the study of key technologies for molybdenum-tungsten dressing and deep processing, included in deferred income, and recognized as an other income when related technology research costs are incurred.

41. Other non-current liabilities

RMB

Item	31 December 2023	31 December 2022
Cash-settled share-based payments	**5,724,883.28**	82,570,114.18
Metal flow transaction contract liabilities *(Note 1)*	**6,134,900,956.16**	7,921,995,824.86
Contract liabilities	**12,472,267,950.66**	13,689,283,467.92
Royalty payable *(Note 2)*	**3,082,073,973.64**	–
Total	**21,694,967,763.74**	21,693,849,406.96

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

41. Other non-current liabilities (Continued)

Note 1: See Notes (V) 29 for details of the Group's metal flow business with Triple Flag.

On 9 December 2022, the Group and a third party signed a metal flow agreement. In accordance with the agreement, 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 flow 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 31 December 2023, the liabilities under the above metal flow business are RMB6,134,900,956.16 (31 December 2022: RMB4,178,760,000.00).

Note 2: It represents the additional royalty for additional reserves of copper metal (hereinafter referred to as the "additional royalty") calculated and paid by the Group to Gécamines (minority shareholder of the Group) in accordance with the Amended and Restated Mining Convention signed on 28 September 2005 and the Addendum No.1 to the Amended and Restated Mining Convention signed on 11 December 2010 by and between the DRC government, Gécamines, Lundin Holdings Limited (subsequently renamed as TF Holdings Limited) and TFM (hereinafter referred to as the "Mining Convention"), and the Amended and Restated Shareholders Agreement signed on 28 September 2005 and the Addendum No.1 to the Amended and Restated Shareholders Agreement signed on 11 December 2010 by and between TFM, Lundin Holdings Limited (subsequently renamed as TF Holdings Limited), Chui LTD, Faru LTD, Mboko LTD, Mofia LTD, Tembo LTD and Gécamines (together referred to as the "Shareholders Agreement"). Since the third quarter of 2021, the management teams of the Group and its TFM copper and cobalt business have been conducting continuous meetings and communications with relevant Congolese parties to discuss the intended increase of mineral reserves for the TFM Mixed Ore Development Project under implementation belonging to the TFM copper and cobalt business in the DRC, as well as the corresponding additional royalty payable to the minority shareholder, Gécamines, based on such reserves.

On 18 April 2023, the Group and Gécamines reached a consensus on the above-mentioned royalty. According to the settlement agreement signed with Gécamines, TFM shall pay Gécamines a total settlement of USD800 million, which will be paid in installments within six years from 2023 to 2028. The Group recognized the present value of the relevant settlement of USD701,982,485.00 (equivalent to RMB4,930,479,277.46) as an intangible asset (see Notes (V) 18 for details). Meanwhile, the Group presented the relevant amount as other non-current liabilities and non-current liabilities due within one year according to the payment progress.

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

42. Share capital

As at 31 December 2023, the Company has issued a total of 21,599,240,583 shares, with par value of RMB0.2 per share and the total share capital of RMB4,319,848,116.60. The structures and types of shares are shown as follow:

Unit: Shares

	Shares at 1 January 2023	Changes for the year Increase	Decrease	Shares at 31 December 2023
I. Shares restricted for trading				
1. Shareholding of state-owned legal person	–	–	–	**–**
2. Other domestic-owned shares	–	–	–	**–**
Total shares restricted for trading	–	–	–	**–**
II. Unrestricted trading shares				
1. RMB ordinary shares	17,665,772,583	–	–	**17,665,772,583**
2. Foreign-owned shares listed overseas	3,933,468,000	–	–	**3,933,468,000**
Total unrestricted trading shares	21,599,240,583	–	–	**21,599,240,583**
III. Total shares	21,599,240,583	–	–	**21,599,240,583**

43. Other equity instruments

RMB

Item	**31 December 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. During the year, the Company has distributed dividends of RMB56,200,000.00 to bond investors.

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

44. Capital reserve

RMB

Item	1 January 2023	Increase	Decrease	31 December 2023
2023:				
Total capital premium	**27,602,242,178.42**	**–**	**–**	**27,602,242,178.42**
Including: Capital contribution from investors	**27,603,120,138.42**	**–**	**–**	**27,603,120,138.42**
Others	**(877,960.00)**	**–**	**–**	**(877,960.00)**
Other capital reserve *(Note 1)*	**79,675,908.83**	**41,951,356.50**	**29,044,167.74**	**92,583,097.59**
Total	**27,681,918,087.25**	**41,951,356.50**	**29,044,167.74**	**27,694,825,276.01**

Item	1 January 2022	Increase	Decrease	31 December 2022
2022:				
Total capital premium	27,582,794,983.23	22,447,195.19	3,000,000.00	27,602,242,178.42
Including: Capital contribution from investors	27,580,672,943.23	22,447,195.19	–	27,603,120,138.42
Others	2,122,040.00	–	3,000,000.00	(877,960.00)
Other capital reserve *(Note 1)*	63,060,535.16	63,616,600.57	47,001,226.90	79,675,908.83
Total	27,645,855,518.39	86,063,795.76	50,001,226.90	27,681,918,087.25

Note 1: Increase in other capital reserve for the period represents the cost of incentives allocated from the restricted stock incentive plan.

On 9 June 2023, the Company held the fifth 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 second unlocking period of the 2021 Phase I Employee Stock Ownership Plan had been met, and agreed that the shares unlocked in the second equity allocation period and the attached rights and interests were attributable to incentive target individuals. The total number of shares unlocked this time is 30% of the total number of shares that the ownership plan granted, i.e., 14,553,986 shares are unlocked for five target individuals. The Group carried forward the difference between the cost recognized for treasury shares and the exercise consideration received and offset other capital reserves.

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

45. Treasury shares

RMB

Item	1 January 2023	Increase	Decrease (*Note*)	31 December 2023
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: The unlocking conditions of the second unlocking period of the 2021 Phase I Employee Stock Ownership Plan have been met in the current period, and 14,553,986 shares are unlocked, with treasury shares of RMB58,152,139.74 reversed.

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

46. Other comprehensive income

RMB

		Amount incurred in the current year						
Item	1 January 2023	Pre-tax amount incurred in the current year	Less: Amount included in other comprehensive income in prior period and transferred to profit or loss in the current period	Less: Income tax expenses	After-tax amount attributable to shareholders of the parent company	After-tax amount attributable to minority shareholders	Less: Amount previously included in other comprehensive income and transferred to the cost of long-term assets in the current period	31 December 2023
I. Other comprehensive income that cannot be reclassified subsequently to profit or loss	(63,920,844.96)	(2,512,917.56)	–	490,690.96	(4,443,560.37)	1,439,951.85	–	**(68,364,405.33)**
Including: Changes in fair value of other investments in equity instruments	(76,720,359.57)	(7,098,368.08)	–	(1,774,592.02)	(5,323,776.06)	–	–	**(82,044,135.63)**
Remeasurement of changes in net liabilities or net assets of defined benefit plans	12,799,514.61	4,585,450.52	–	2,265,282.98	880,215.69	1,439,951.85	–	**13,679,730.30**
II. Other comprehensive income that will be reclassified subsequently to profit or loss	358,800,553.70	904,363,948.86	(550,819,662.65)	4,723,365.06	1,283,827,573.96	166,632,672.49		**1,642,628,127.66**
Including: Cash flow hedge reserve	(377,015,009.73)	(90,338,727.47)	(406,690,080.90)	4,723,365.06	311,627,988.37	–	–	**(65,387,021.36)**
Exchange differences on translation of financial statements denominated in foreign currencies	735,815,563.43	994,702,676.33	(144,129,581.75)	–	972,199,585.59	166,632,672.49	–	**1,708,015,149.02**
Total other comprehensive income	294,879,708.74	901,851,031.30	(550,819,662.65)	5,214,056.02	1,279,384,013.59	168,072,624.34	–	**1,574,263,722.33**

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

47. Special reserve

RMB

Item	**1 January 2023**	**Increase**	**Decrease**	**31 December 2023**
2023:				
Safety production expenses	**22,655,587.06**	**199,607,810.60**	**81,952,649.41**	**140,310,748.25**
Total	**22,655,587.06**	**199,607,810.60**	**81,952,649.41**	**140,310,748.25**

Item	1 January 2022	Increase	Decrease	31 December 2022
2022:				
Safety production expenses	487,314.82	147,803,291.66	125,635,019.42	22,655,587.06
Total	487,314.82	147,803,291.66	125,635,019.42	22,655,587.06

48. Surplus reserve

RMB

Item	**1 January 2023**	**Increase**	**Decrease**	**31 December 2023**
2023:				
Statutory surplus reserve *(Note)*	**1,684,388,527.69**	**415,449,433.07**	**–**	**2,099,837,960.76**

Item	1 January 2022	Increase	Decrease	31 December 2022
2022:				
Statutory surplus reserve *(Note)*	1,463,370,956.65	221,017,571.04	–	1,684,388,527.69

Note: In accordance with the related laws and regulations of the PRC, the Company appropriates the statutory surplus reserve at 10% of the net profit of 2023, totaling RMB415,449,433.07 (2022: RMB221,017,571.04).

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

49. Retained profits

RMB

Item	31 December 2023	31 December 2022
Retained profits at the beginning of current year	**18,019,893,163.56**	13,698,308,770.45
Add: Net profit attributable to shareholders of the parent company	**8,249,711,872.51**	6,066,946,564.19
Less: Appropriation to statutory surplus reserve *(Note 1)*	**415,449,433.07**	221,017,571.04
Ordinary stock dividends payable *(Note 2)*	**1,820,227,909.77**	1,524,344,600.04
Perpetual bonds dividends payable *(Note (V) 43)*	**56,200,000.00**	–
Retained profits at the end of current year	**23,977,727,693.23**	18,019,893,163.56

Note 1: Refer to Note (V) 48 for details.

Note 2: Cash dividend has been approved in annual general meeting of shareholders of the current year.

As resolved at the Company's 2022 annual general meeting of shareholders on 9 June 2023, the Company distributed cash dividends to all shareholders at RMB0.8508 per 10 shares, totaling RMB1,820,227,909.77 (2022: RMB1,524,344,600.04).

Note 3: Profit distribution declared after the balance sheet date.

According to a proposal of the board of directors, calculating on the basis of 21,394,310,176 issued shares (net of the number of shares in the Company's dedicated repurchase account) (with par value of RMB0.2 per share), the Company proposed to distribute cash dividends to all the shareholders at RMB1.5425 (tax included) per 10 shares in 2023 (2022: RMB0.8508 per 10 shares (tax included)).

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

50. Operating income, operating costs

(1) Operating income (by business type)

RMB

	2023		2022	
Item	**Income**	**Cost**	Income	Cost
Principal operating activities	**185,980,661,358.67**	**167,893,798,728.84**	172,682,807,359.00	156,634,041,102.69
Other operating activities	**288,310,561.87**	**264,399,058.10**	308,049,862.36	292,207,028.98
Total	**186,268,971,920.54**	**168,158,197,786.94**	172,990,857,221.36	156,926,248,131.67

Refer to Note (XV) 2 for details of income by business segment

(2) Principal operating activities (by products)

RMB

	2023		2022	
Name of products	**Operating income**	**Operating costs**	Operating income	Operating costs
Molybdenum, tungsten and related products	**8,611,050,600.20**	**4,860,031,543.84**	6,965,368,091.42	4,020,610,663.20
Niobium, phosphorus and related products	**6,324,032,238.92**	**4,714,605,946.47**	7,368,147,038.65	4,566,124,333.17
Copper, cobalt and related products	**28,000,921,415.43**	**17,665,317,074.20**	9,748,225,331.68	5,183,855,582.32
Copper, gold and related products	**1,581,973,794.18**	**1,245,985,769.74**	1,292,786,434.09	1,042,987,983.36
Concentrates metal trading	**44,278,866,267.80**	**43,548,982,414.97**	39,916,885,676.01	38,361,690,395.27
Refined metal trading	**97,183,718,131.99**	**95,858,783,993.36**	107,391,189,099.50	103,458,581,035.47
Others	**98,910.15**	**91,986.26**	205,687.65	191,109.90
Total	**185,980,661,358.67**	**167,893,798,728.84**	172,682,807,359.00	156,634,041,102.69

(3) Performance obligations

Refer to Note (III) 30 for details of accounting policies.

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

51. Taxes and levies

RMB

Item	2023	2022	Basis of calculation
City maintenance and construction tax	**38,454,277.99**	30,611,139.20	*Note (IV)*
Educational surcharge	**38,159,448.83**	29,860,529.87	*Note (IV)*
Resource tax and royalties of mineral rights	**2,700,186,600.80**	1,026,101,445.20	*Note (IV)*
Others	**307,575,105.59**	148,537,686.01	
Total	**3,084,375,433.21**	1,235,110,800.28	

52. Selling expenses

RMB

Item	2023	2022
Wages or salaries, bonus and allowances	**38,980,941.01**	20,231,902.83
Entertainment expenditures	**3,488,586.91**	2,097,683.64
Traveling expenses	**3,122,392.78**	1,549,873.70
Market consulting fees	**91,382,091.32**	57,244,047.81
Others	**18,441,611.42**	16,047,914.71
Total	**155,415,623.44**	97,171,422.69

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

53. Administrative expenses

RMB

Item	2023	2022
Wages or salaries, bonus and allowances	**1,348,833,979.00**	912,914,277.75
Depreciation and amortization	**278,832,114.45**	200,430,998.83
Consulting and agency fees	**284,986,620.34**	209,768,758.84
Entertainment expenditures	**36,921,765.55**	23,656,095.67
Insurance costs	**83,706,602.38**	102,213,097.32
Traveling expenses	**89,691,374.83**	50,574,671.58
Rental expenses	**17,076,601.08**	14,156,871.52
Others	**246,481,089.51**	277,097,309.84
Total	**2,386,530,147.14**	1,790,812,081.35

54. Financial expenses

RMB

Item	2023	2022
Interest expenses on bonds	**88,877,431.73**	160,152,211.17
Interest expenses on lease liabilities	**34,315,770.43**	14,155,868.23
Interest expenses on bank borrowings and others	**3,646,014,948.54**	2,508,544,973.03
Metal flow project financing expenses	**368,844,059.18**	112,194,569.45
Total interest expenses	**4,138,052,209.88**	2,795,047,621.88
Less: Interest income	**1,643,253,592.10**	1,189,038,307.66
Exchange differences	**223,809,616.04**	128,024,089.36
Gold lease charges	**6,310,860.10**	12,167,370.39
Others	**278,924,152.05**	62,264,593.11
Total	**3,003,843,245.97**	1,808,465,367.08

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

55. Other income

RMB

Classified by nature	2023	2022
Government grants related to assets	**7,390,455.60**	7,390,455.60
Government grants related to income	**104,751,583.26**	77,960,148.94
Total	**112,142,038.86**	85,350,604.54

56. Investment income

RMB

Item	2023	2022
Income from long-term equity investments under equity method	**374,876,198.04**	645,307,049.56
Investment income from held-for-trading financial assets during the holding period *(Note (V) 2)*	**–**	75,482.70
Investment income from other non-current financial assets during the holding period *(Note (V) 13)*	**18,311,395.31**	59,023,405.87
Investment income from disposal of subsidiaries *(Note (VI) 1)*	**2,120,720,536.76**	52,011,903.43
Others	**(30,605,272.23)**	(30,498,351.79)
Total	**2,483,302,857.88**	725,919,489.77

There are no significant restrictions on remittance of investment income.

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

57. Gains (losses) from changes in fair value

RMB

	2023	2022
Sources resulting in fair value change losses:		
Gains (losses) from changes in fair value of derivative financial instruments	**1,386,527,245.63**	(1,183,715,039.95)
Losses from changes in fair values of gold lease and forward contract measured at fair value *(Note (V) 25)*	**(3,833,633.96)**	(5,944,298.13)
Gains from changes in fair value of consumable biological assets *(Note (V) 8)*	**22,699,579.14**	43,386,848.12
Losses from the changes in fair value of other non-current financial assets at FVTPL *(Note (V) 13)*	**(81,639,703.61)**	(532,575,964.16)
Gains from changes in fair value of structured deposits	**48,056,375.03**	57,879,414.81
Gains from changes in fair value of other held-for-trading financial assets	**308,693,693.22**	10,138,749.86
Total	**1,680,503,555.45**	(1,610,830,289.45)

58. (Losses) gains from credit impairment

RMB

Sources of credit impairment	2023	2022
Gains from credit impairment of notes receivable	**–**	487.12
Losses from credit impairment of accounts receivable	**(3,664,369.40)**	(19,678,143.91)
Losses from credit impairment of other receivables	**–**	(314.50)
Total	**(3,664,369.40)**	(19,677,971.29)

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

59. Impairment losses of assets

RMB

Item	2023	2022
Losses on decline in value of inventories	**(139,975,172.80)**	(10,118,475.59)
Impairment losses on fixed assets	**(689,861.48)**	(34,670,299.47)
Impairment losses on intangible assets	**–**	(20,484,319.60)
Total	**(140,665,034.28)**	(65,273,094.66)

60. Non-operating income

RMB

Item	2023	2022
Relocation incentive	**25,113,098.00**	–
Liquidated damages, etc.	**59,922.39**	19,666,081.51
Total	**25,173,020.39**	19,666,081.51

61. Non-operating expenses

RMB

Item	2023	2022
Losses from retirement of non-current assets	**19,853,483.34**	33,638,491.33
Donations	**17,888,511.28**	17,335,872.14
Others	**67,445,888.89**	53,281,486.23
Total	**105,187,883.51**	104,255,849.70

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

62. Income tax expenses

RMB

Item	2023	2022
Current tax expenses calculated according to tax laws and relevant requirements	**5,172,316,109.28**	3,206,035,984.64
Differences arising on settlement of prior-year income tax	**446,343,790.77**	64,839,105.05
Adjustments to deferred income tax	**(941,319,235.63)**	(658,109,211.27)
Total	**4,677,340,664.42**	2,612,765,878.42

Reconciliation of income tax expenses to accounting profit is as follows:

RMB

	2023	2022
Accounting profit	**13,207,963,293.26**	9,804,466,705.79
Income tax expenses calculated at 15% (2022: 15%)	**1,981,194,493.99**	1,470,670,005.87
Effect of non-deductible expenses	**289,982,919.36**	68,978,876.23
Effect of tax-free income/additional deduction items	**(363,305,580.42)**	(351,561,772.11)
Effect of using previously unrecognized deductible losses and deductible temporary differences	**(7,209,426.48)**	(622,779.30)
Effect of unrecognized deductible losses and deductible temporary differences	**3,591,919.40**	4,660,276.29
Effect of exchange rate of non-monetary items and corporate restructuring *(Note (V) 21 (2) Note 1 & 3)*	**(67,493,319.66)**	(71,286,637.30)
Deductible losses arising from tax return	**28,897,754.07**	64,979,731.97
Effect of different tax rates of subsidiaries operating in other jurisdictions	**2,365,338,113.39**	1,298,530,815.90
Differences arising on settlement of prior-year income tax	**446,343,790.77**	64,839,105.05
Withholding income tax on dividends from subsidiaries	**–**	63,578,255.82
Total	**4,677,340,664.42**	2,612,765,878.42

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

63. Notes to items in the cash flow statement

(1) Cash relating to operating activities

Other cash receipts relating to operating activities

RMB

Item	2023	2022
IXM's receipts of net investment income from derivative financial instruments	**639,075,467.55**	638,654,951.32
Receipts of interest income	**1,163,279,598.02**	914,252,806.58
Receipt of subsidy income	**104,751,583.26**	77,960,148.94
Cash receipts from metal flow transactions	**1,615,439,500.00**	4,178,760,000.00
Others	**21,262,168.45**	15,333,598.73
Total	**3,543,808,317.28**	5,824,961,505.57

Other cash payments relating to operating activities

RMB

Item	2023	2022
Payments of consulting fee, technology development fee and transportation fee, etc.	**649,449,086.18**	316,324,849.96
Payments of bank charges, etc.	**56,448,066.43**	28,091,234.04
Payments of donations and penalty, etc.	**39,124,400.17**	70,617,358.37
Cash payments for metal flow transactions	**–**	135,515,850.05
Others	**114,549,933.19**	136,483,336.02
Total	**859,571,485.97**	687,032,628.44

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

63. Notes to items in the cash flow statement (Continued)

(2) Cash relating to investing activities

Significant cash receipts relating to investing activities

RMB

Item	2023	2022
Cash receipts from withdrawal of bank structured deposits and wealth management products of other financial institutions	**3,563,432,410.32**	7,825,281,095.99
Cash receipts from withdrawal of other non-current financial assets	**449,085,200.17**	169,665,991.14

Significant cash payments relating to investing activities

RMB

Item	2023	2022
Cash payments for purchase of bank structured deposits and wealth management products of other financial institutions	**5,274,035,364.85**	6,159,100,000.00
Purchase of non-current financial assets	**120,872,769.85**	103,001,967.71
Settlement of derivative financial instruments	**237,902,387.00**	–

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

63. Notes to items in the cash flow statement (Continued)

(2) Cash relating to investing activities (Continued)

Other cash receipts relating to investing activities

RMB

Item	2023	2022
Cash receipts of repayments from third parties and related parties	**596,070,181.89**	1,910,915,060.38
Total	**596,070,181.89**	1,910,915,060.38

Other cash payments relating to investing activities

RMB

Item	2023	2022
Loans to third parties	**528,753,292.07**	148,298,067.94
Loans to suppliers	**–**	1,804,165,561.90
Deposits for derivative financial instruments	**44,250,221.88**	263,676,634.78
Total	**573,003,513.95**	2,216,140,264.62

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

63. Notes to items in the cash flow statement (Continued)

(3) Cash relating to financing activities

Other cash receipts relating to financing activities

RMB

Item	2023	2022
Cash receipts from gold lease business	**415,518,801.15**	671,682,966.50
Receipts in advance for goods	**–**	4,404,517,400.00
Cash receipts from discharge of pledged certificates of deposits	**2,735,000,000.00**	–
Total	**3,150,518,801.15**	5,076,200,366.50

Other cash payments relating to financing activities

RMB

Item	2023	2022
Cash paid for gold leasing business	**677,611,623.00**	785,261,400.00
Commission charge related to gold leasing business and loans	**6,310,860.10**	12,167,370.39
Deposits for borrowing and arrangement fee	**49,319,297.69**	26,895,154.80
Payments of lease liabilities	**172,310,742.30**	177,090,877.79
Cash paid for pledged certificates of deposit	**1,925,000,000.00**	–
Repurchase of treasury shares	**–**	499,999,996.32
Others	**–**	380,831.85
Total	**2,830,552,523.09**	1,501,795,631.15

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

64. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

RMB

Supplementary information	2023	2022
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	**8,530,622,628.84**	7,191,700,827.37
Add: Provision for impairment on assets	**140,665,034.28**	65,273,094.66
Provision for credit impairment (gains are indicated with "-")	**3,664,369.40**	19,677,971.29
Depreciation of fixed assets	**2,194,248,780.26**	2,818,747,503.94
Depreciation of right-of-use assets	**118,159,013.12**	148,800,769.68
Amortization of intangible asset	**500,974,830.70**	1,518,732,561.97
Amortization of long-term prepaid expenses	**65,490,241.44**	44,259,617.92
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated with "-")	**(2,834,594.73)**	(29,128,043.33)
Gains (losses) from changes in fair value	**(1,680,503,555.45)**	1,610,830,289.45
Financial expenses	**4,590,648,771.64**	2,969,412,440.70
Investment income	**(2,483,302,857.88)**	(725,919,489.77)
Changes in deferred tax assets/liabilities	**(665,124,764.99)**	313,764,292.21
Increase (decrease) in inventories	**411,755,387.37**	(5,612,705,132.90)
Decrease in operating receivables (increase is indicated with "-")	**(2,637,805,522.83)**	2,863,481,919.64
Increase in operating payables (decrease is indicated with "-")	**5,792,176,657.20**	1,178,488,649.61
Increase in provisions	**76,457,958.18**	200,448,317.27
Amortization of deferred income	**(7,390,455.60)**	(7,390,455.60)
Increase in special reserve	**117,655,161.19**	22,168,272.24
Losses on retirement of fixed assets	**19,853,483.34**	33,638,491.33
Transfer from OCI to profit or loss for the period	**456,592,930.26**	829,479,175.00
Net Cash Flow from Operating Activities	**15,542,003,495.74**	15,453,761,072.68
2. Significant investing and financing activities that do not involving cash receipts or payments:		
Conversion of debt into capital (Note (V) 34)	**2,124,810,000.00**	–
3. Net changes in cash and cash equivalents:		
Closing balance of cash	**26,118,763,976.52**	29,045,548,650.93
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 (decrease) increase in cash and cash equivalents	**(2,926,784,674.41)**	8,652,857,807.24

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

64. Supplementary information to the cash flow statement (Continued)

(2) Net cash receipts from disposal of subsidiaries for the period

RMB

	2023
Cash and cash equivalents received from disposal of subsidiaries for the period	**1,402,374,600.00**
Including: CMOC Mining	**1,402,374,592.92**
CMOC Metals	**7.08**
Less: Cash and cash equivalents held by the Company on the date of loss of control	**391,528,148.80**
Including: CMOC Mining	**391,524,357.71**
CMOC Metals	**3,791.09**
Net cash receipts from disposals of subsidiaries	**1,010,846,451.20**

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

64. Supplementary information to the cash flow statement (Continued)

(3) Constitution of cash and cash equivalents

RMB

Item	31 December 2023	31 December 2022
I. Cash	**26,118,763,976.52**	29,045,548,650.93
Including: Cash on hand	**3,109,309.28**	1,503,981.98
Bank deposits	**26,115,654,667.24**	29,044,044,668.95
Other cash and bank balances that are readily available for payment	**–**	–
II. Cash equivalents	**–**	–
III. Closing balance of cash and cash equivalents	**26,118,763,976.52**	29,045,548,650.93

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.

(4) Cash and bank balances that are not cash and cash equivalents

RMB

Item	31 December 2023	31 December 2022	Reason
Other cash and bank balances:	**4,597,313,232.44**	3,602,016,617.35	Pledged certificates of deposit and deposits
Total	**4,597,313,232.44**	3,602,016,617.35	

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

65. Foreign currency monetary items

(1) Foreign currency monetary items

RMB

Item	Balance in original currencies at 31 December 2023	Exchange rate	Balance in RMB at 31 December 2023
Cash and bank balances			
Including: RMB	7,861,551.31	1.0000	7,861,551.31
USD	141,181,496.20	7.0827	999,946,183.12
EUR	1,030,902.26	7.8245	8,066,301.36
HKD	3,202,514.62	0.9070	2,904,557.97
AUD	8.62	4.8231	41.58
BRL	100,890,266.75	1.4630	147,599,919.92
GBP	103,009.71	9.0204	929,186.85
SGD	490,270.78	5.3755	2,635,474.37
CDF	23,267,806,984.00	0.0026	59,994,325.64
ZAR	31,599,784.08	0.3865	12,213,184.21
CHF	226,753.59	8.4228	1,909,891.35
CLP	52,981,172.00	0.0080	424,207.55
MXP	4,938,096.85	0.4193	2,070,326.40
PEN	1,086,115.26	1.9075	2,071,809.02
TRY	1,974.19	0.2402	474.12
IDR	352,872,526.00	0.0005	161,881.62
ZWD	4,150.70	0.0187	77.63
Short-term borrowings			
Including: EUR	5,189,301.45	7.8245	40,603,689.17
MXP	225,324,973.93	0.4193	94,478,761.57
PEN	166,827,771.67	1.9075	318,223,974.46
Non-current liabilities due within one year			
Including: RMB	35,054,297.59	1.0000	35,054,297.59
PEN	1,588,395.90	1.9075	3,029,865.17
Long-term borrowings			
Including: RMB	703,234,746.80	1.0000	703,234,746.80
PEN	168,412,500.02	1.9075	321,246,843.79

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

65. Foreign currency monetary items (Continued)

(2) Significant overseas operations

Name of the 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
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

66. Leases

(1) As a lessee

The Group has leased multiple assets, including leases of buildings, machinery and equipment and transportation devices, with lease terms of about 1-11 years, 1-5 years and 4 years, respectively. The above mentioned right-of-use assets cannot be used for purposes such as loan pledge and guarantee. Lease terms are negotiated on an individual basis, including variable terms and conditions. In determining lease terms and assessing the lengths of the irrevocable period, the Group applies the definition of contract and determines the enforceable period of contract.

The Group's lease payments are fixed payments.

Short-term lease expenses under simplified approach recognized in profit or loss for the year amount to RMB17,076,601.08 (2022: RMB10,951,796.97), without lease of low-value assets.

Total lease-related cash outflows for the year are RMB189,387,343.38 (2022: RMB188,042,674.76).

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

67. Hedges

Cash flow hedges

Interest rate swaps contracts

The Group enters into interest rate swaps 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 swaps contracts as hedging instrument, and the critical terms of these interest rate swaps contracts are similar to those of the borrowings. 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.

At the balance sheet date, the gain or loss arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB-6,573,507.92 (2022: RMB127,035,646.44). The interest rate swaps contracts held by the Group have all expired.

During the year, the amount reclassified from other comprehensive income to profit or loss by the Group is RMB49,902,849.36 (2022: RMB-50,153,016.75).

Commodity futures contracts

The Group engages in the business of mining and selling copper products and is exposed to cash flow risk arising from changes in the copper price for the copper products it expects to sell. Therefore, the Group uses copper futures contracts to reduce the cash flow risk arising from changes in the commodity prices of copper products expected to be sold. The refined copper produced and sold by the Group is the same as the refined copper corresponding to the copper futures contracts. 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, the gain or loss arising from the changes in fair value of cash flow hedging instruments recognized in other comprehensive income amounted to RMB-88,488,584.61 (2022: RMB2,121,248,696.36).

During the year, the amount reclassified from other comprehensive income to profit or loss is RMB-456,592,930.26 (2022: RMB-801,742,989.07)

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

67. 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 RMB9,018,316.92 (2022: RMB9,686,491.04) accounted for as hedged items.

Hedging instruments

Key information on the Group's hedging instruments is as follows:

	31 December 2023 **Carrying amount of hedging instruments**	**Items including hedging instruments as presented on the balance sheet**
Cash flow hedges		
Interest rate risk – Interest rate swaps contracts	–	Non-current derivative financial liabilities
Commodity price risk – Commodity futures contracts	18,167,539.84	Derivative financial assets
Commodity price risk – Commodity futures contracts	41,808,874.96	Derivative financial liabilities
Fair value hedges		
Commodity price risk – Commodity futures contracts	9,018,316.92	Derivative financial liabilities

(VI). CHANGES IN SCOPE OF CONSOLIDATION

1. Disposal of subsidiaries

RMB

Name of the subsidiary	Time point of loss of control	Disposal price at the time point of loss of control	Proportion of disposal at the time point of loss of control (%)	Disposal method at the time point of loss of control	Determination basis for time point of loss of control	Difference between the disposal price and the share of net assets in the subsidiary at the consolidated financial statement level corresponding to the disposal of the investments	Percentage of remaining equity on the date of loss of control (%)	Carrying amount of remaining equity on the date of loss of control at the consolidated financial statement level	Fair value of remaining equity on the date of loss of control at the consolidated financial statement level	Gains or losses arising from remeasurement of remaining equity at fair value	Method and key assumptions adopted in determination of fair value of remaining equity on the date of loss of control at the consolidated financial statement level	Amount transferred to investment income (losses) or retained earnings from other comprehensive income associated with the equity investments in original subsidiary
CMOC Mining and CMOC Metals	15 December 2023	4,033,037,351.89	100	By agreement	The time when the registration of change of shares is completed and the Company no longer participates in the operation decision and management	2,264,850,118.51	–	–	–	–	N/A	(144,129,581.75)

(VI). CHANGES IN SCOPE OF CONSOLIDATION (CONTINUED)

1. Disposal of subsidiaries (Continued)

On 5 December 2023, the Company entered into an equity transfer agreement on an arms-length basis with Evolution Mining Limited. Under the agreement, the Company transferred 100% of its equity in CMOC Mining and CMOC Metals for a total consideration of USD755,999,999 (equivalent to RMB5,297,650,220.27) and USD1 (equivalent to RMB7.02) respectively, and Evolution shall make an additional payment of USD22,000,000 (equivalent to RMB154,164,424.60) as the adjustment of working capital of the consideration, totaling USD778,000,000 (equivalent to RMB5,451,814,651.89). The consideration included the repayment of an outstanding shareholder loan of USD80,000,000 (equivalent to RMB561,892,000.00) and the payment of outstanding dividends of USD122,000,000 (equivalent to RMB856,885,300.00) payable to the Group. so the equity disposed consideration was USD576,000,000(equivalent to RMB4,033,037,351.89)The equity was delivered on 15 December 2023.

In addition, the Company and Evolution agreed that from 1 July 2024 to 30 June 2027, the contingent consideration would be calculated based on the copper mine sales revenue generated from the copper and gold mine of NPM under CMOC Mining (calculated based on CMOC Mining holding 80% equity of NPM) and the standards agreed by the Company and Evolution. On the delivery date of equity, the Company assessed the fair value of the contingent consideration and concluded that its fair value was insignificant.

(VII). INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

(1) Constitution of the Group

Name of the subsidiary	Main place of operation	Paid-in capital	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
China Molybdenum Metal Material Company Limited ("Metal Material")	China	RMB170,000,000.00	Luoyang, Henan	Processing and sales of mineral products	100	–	Investment establishment
China Molybdenum Tungsten Co., Ltd. ("Wu Ye")	China	RMB100,000,000.00	Luanchuan, Henan	Refining and sales of mineral products	100	–	Investment establishment
Luanchuan Fu Kai Trading Co., Ltd. ("Fu Kai")	China	RMB100,000.00	Luanchuan, Henan	Trading of molybdenum and tungstenic products	100	–	Investment establishment
China Molybdenum Refining Co., Ltd. ("Ye Lian")	China	RMB305,638,250.27	Luanchuan, Henan	Refining and sales of mineral products	100	–	Investment establishment
China Molybdenum (Hong Kong) Company Limited ("CMOC HK")	Hong Kong, China	HKD2,148,552,236.38	Hong Kong, China	Sales of mineral products	100	–	Investment establishment
Luoyang Mudu International Hotel Co., Ltd. ("International Hotel")	China	RMB290,000,000.00	Luoyang, Henan	Hotel	100	–	Investment establishment
Xinjiang Luomu Mining Co., Ltd ("Xin Kuang Luo Mu")	China	RMB1,400,000,000.00	Hami	Selection and sales of mineral products	65.1	–	Investment establishment
Luanchuan County Jiuyang Mining Co., Ltd. ("Jiu Yang")	China	RMB33,390,000.00	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
Luanchuan County Sanqiang Molybdenum Tungsten Co., Ltd. ("San Qiang")	China	RMB55,480,000.00	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
Luanchuan County Dadongpo Tungsten Molybdenum Co., Ltd. ("Da Dong Po")	China	RMB65,654,411.50	Luanchuan, Henan	Refining and sales of mineral products	51	–	Investment establishment
China Molybdenum Sales Co., Ltd. ("Sales Company")	China	RMB50,000,000.00	Luanchuan, Henan	Sales of mineral products	100	–	Investment establishment
CMOC Limited	Hong Kong, China	USD3,731,449,582.10	Hong Kong, China	Investment holding	100	–	Investment establishment

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Paid-in capital	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
Schmoke (Shanghai) International Trading Co., Ltd. ("Schmocke")	China	RMB660,000,000.00	Shanghai	Import and export of goods and technology	100	–	Investment establishment
Beijing Yongbo Resources Investment Holding Co., Ltd. ("Beijing Yongbo")	China	RMB267,800,000.00	Beijing	Consulting, asset management and sales	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	USD1.30	UK	Mining services and sales	–	100	Investment establishment
CMOC Luxembourg S.A.R.L ("CMOC Luxembourg")	Luxembourg	USD600,020,000.00	Luxembourg	Investment holding	–	100	Investment establishment
CMOC Capital Limited ("CMOC Capital")	BVI	–	BVI	Investment holding	–	100	Investment establishment
Shanghai Ruichao Investment Co., Ltd. ("Rui Chao")	China	RMB250,000,000.00	Shanghai	Consulting, enterprise operating and management	–	100	Investment establishment
Tibet Schmocke Investment Co., Ltd. ("Tibet Schmocke")	China	RMB10,000,000.00	Tibet	Consulting, asset management and sales	–	100	Investment establishment
Shanghai Donghe Trading Co., Ltd. ("Dong He")	China	RMB50,000,000.00	Shanghai	Sales of metal materials, and mineral products	–	100	Investment establishment
Shanghai Hongmu Technology Services Co., Ltd.	China	–	Shanghai	Technology services	–	100	Investment establishment
Natural Resource Elite Investment Limited ("NREIL")	Hong Kong, China	USD212,400,000.00	Hong Kong, China	Investment holding	–	100	Investment establishment

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Paid-in capital	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
W-Source Holding Limited	Hong Kong, China	USD1,125.87	Hong Kong, China	Investment holding	–	100	Business combinations not involving enterprises under common control
Ridgeway CommoditiesS.A.	Switzerland	USD99,108.42	Switzerland	Metal trading	–	100	Investment establishment
IXM Holding SA	Switzerland	USD102,818.49	Switzerland	Investment holding	–	100	Business combinations not involving enterprises under common control
IXM B.V. and its subsidiaries	Switzerland	USD0.05	Netherland	Metal trading	–	100	Business combinations not involving enterprises under common control
Luoyang Dinghong Trading Co., Ltd. ("Dinghong")	China	RMB211,120,000.00	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	USD5,000.00	Hong Kong, China	Investment holding	–	75	Investment establishment
CMOC Brasil Mineração, Indústria e Participações Ltda. ("CMOC Brazil")	Brazil	USD830,000,000.00	Brazil	Mining, processing and sales of mineral products	–	100	Investment establishment

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Paid-in capital	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Indirect	Acquisition method
Ningbo Baiya Investment Co., Ltd. ("Ningbo Baiya")	China	RMB11,000,000.00	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")	Republic of South Africa	–	Republic of South Africa	Logistics transportation	–	100	Business combinations not involving enterprises under common control
CMOC International DRC Holdings Limited ("CIDHL")	Bermuda	–	Bermuda	Investment holding	–	100	Business combinations not involving enterprises under common control
BHR Newwood Investment Management Limited ("BHR")	BVI	USD470,000,000.00	BVI	Investment holding	–	100	Business combinations not involving enterprises under common control
Congo Construction Company SARL	Congo (DRC)	USD100,000.00	Congo (DRC)	Refining and sales of mineral products	–	100	Business combinations not involving enterprises under common control
TF Holdings Limited ("TFHL")	Bermuda	USD8,400.00	Bermuda	Investment holding	–	100	Business combinations not involving enterprises under common control

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Constitution of the Group (Continued)

Name of the subsidiary	Main place of operation	Paid-in capital	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Acquisition method
Shanghai Aoyide Trading Co., Ltd. ("Shanghai Aoyide")	China	RMB60,000,000.00	Shanghai	Domestic non-ferrous trading	–	100	Investment establishment
Shanghai Moju Engineering Consulting Co., Ltd.	China	RMB10,000,000.00	Shanghai	Consulting	–	100	Investment establishment
Shanghai Fuyi Engineering Consulting Co., Ltd.	China	RMB10,000,000.00	Shanghai	Consulting	–	100	Investment establishment
Kisanfu Holding Ltd.	Bermuda	USD97,876,162.00	Bermuda	Investment holding	–	75	Asset acquisition
Tenke Fungurume Mining S.A. ("TFM")	Congo (DRC)	–	Congo (DRC)	Mining and processing	–	80	Business combinations not involving enterprises under common control
CMOC Kisanfu Mining SARL.	Congo (DRC)	USD102,132,800.00	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 services	–	100	Investment establishment
Artemida Limited	Hong Kong, China	–	Hong Kong, China	Metal trading	–	100	Investment establishment
CMOC Zeta Limited	Hong Kong, China	–	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC Fortune Limited	Hong Kong, China	–	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC New Resources Limited	Hong Kong, China	–	Hong Kong, China	Investment holding	–	100	Investment establishment
CMOC ZIMBABWE (PRIVATE) LIMITED	Zimbabwe	USD1000,000.00	Harare	Mining development and sales	–	100	Investment establishment
Hongde Kuangxin (Note)	China	RMB60,000,000.00	Shanghai	Technical services and software development	–	100	Investment establishment

Note: On 14 February 2023, the Group established a secondary subsidiary, Hongde Kuangxin, in Shanghai. It mainly engages in technical services and software development.

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

(1) Constitution of the Group (Continued)

On 4 December 2023, the Company held the fourteenth extraordinary meeting of the sixth session of board of directors, and approved the Proposal on the Company's Sales of Assets, pursuant to which the Company transferred its 100% equity of CMOC Mining and its 100% equity of CMOC Metals held by CMOC Limited, a wholly-owned subsidiary of the Company, to the third party Evolution at the price of USD755,999,999 and USD1 respectively. The equity was delivered on 15 December 2023. The Group no longer holds the equity of CMOC Mining and CMOC Metals, therefore, CMOC Mining and CMOC Metals no longer constitute subsidiaries within the scope of the Company's consolidated statements. Refer to Note (VI) 1 for detailed disclosure.

The subsidiaries of the Group incorporated in China are all limited liability companies.

(2) Significant non-wholly-owned subsidiaries

RMB

Name of the subsidiary	Minority shareholder's shareholding ratio	Profit or loss attributable to minority shareholders in the current period	Dividends distributed to minority shareholders in the current period	Closing balance of minority interests
TFM	20.00%	403,341,682.27	(491,655,500.00)	6,818,683,404.88

RMB

Name of the subsidiary	Minority shareholder's shareholding ratio	Profit or loss attributable to minority shareholders in the prior period	Dividends distributed to minority shareholders in the previous period	Closing balance of minority interests
TFM	20.00%	425,834,491.13	–	6,906,997,222.61

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

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

RMB

	31 December 2023					
Name of the subsidiary	**Current assets**	**Non-current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**
TFM	**16,678,771,327.51**	**53,918,556,265.34**	**70,597,327,592.85**	**8,963,450,779.22**	**27,040,592,515.39**	**36,004,043,294.61**

RMB

	31 December 2022					
Name of the subsidiary	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
TFM	14,595,086,607.05	39,969,642,272.01	54,564,728,879.06	8,031,034,825.23	12,079,376,443.96	20,110,411,269.19

RMB

	2023			
Name of the subsidiary	**Operating income**	**Net profit**	**Total comprehensive income**	**Operating cash flows**
TFM	**22,840,948,357.59**	**2,147,722,516.21**	**2,154,922,275.11**	**1,985,903,394.64**

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

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

RMB

	2022			
Name of the subsidiary	Operating income	Net profit	Total comprehensive income	Operating cash flows
TFM	9,777,843,840.52	2,058,584,612.61	2,058,584,612.61	531,211,553.09

2. Interests in joint ventures and associates

(1) Significant joint ventures and associates

Name	Main place of operation	Place of incorporation	Nature of business	Shareholding ratio (%) Direct	Shareholding ratio (%) Indirect	Accounting treatments for investments in joint ventures and 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

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(2) Major financial information of significant joint ventures

RMB

Joint ventures	**31 December 2023/ 2023 Huan Yu** *(Note 1)*	31 December 2022/ 2022 Huan Yu *(Note 1)*
Current assets	**375,207,616.44**	426,635,906.90
Including: Cash and cash equivalents	**84,258,894.16**	19,768,940.39
Non-current assets	**1,738,227,617.64**	1,975,383,423.54
Total assets	**2,113,435,234.08**	2,402,019,330.44
Current liabilities	**944,763,453.61**	816,749,078.61
Non-current liabilities	**182,414,045.26**	574,970,732.21
Total liabilities	**1,127,177,498.87**	1,391,719,810.82
Minority interests	**(4,850,206.05)**	(20,015,218.41)
Equity attributable to equity holders of the Company	**991,107,941.26**	1,030,314,738.03
Share of net assets calculated based on shareholding ratio	**495,553,970.63**	515,157,369.02
Adjusting events *(Note 2)*	**(16,394,312.48)**	(17,042,847.77)
Carrying amount of equity investments in joint ventures	**479,159,658.15**	498,114,521.25
Fair value of equity investments in joint ventures where there is quoted price	**N/A**	N/A
Operating income	**838,558,282.34**	811,051,631.27
Financial expenses	**33,972,148.67**	51,255,942.51
Income tax expenses	**65,235,937.19**	71,127,098.30
Net loss	**(40,329,495.96)**	(352,694,499.60)
Total comprehensive income	**(40,329,495.96)**	(352,694,499.60)
Dividends received from joint ventures in the current period	**–**	–

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

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

2. Interests in joint ventures and associates (Continued)

(3) Major financial information of significant associates

RMB

Associates	**31 December 2023/2023** Yulu Mining *(Note)*	**31 December 2023/2023** Huayue Nickel Cobalt	31 December 2022/2022 Yulu Mining *(Note)*	31 December 2022/2022 Huayue Nickel Cobalt
Current assets	**163,477,163.93**	**3,357,236,547.81**	156,244,957.44	3,633,626,160.83
Including: Cash and cash equivalents	**458,561.59**	**141,857,305.65**	434,946.27	674,003,080.01
Non-current assets	**49,641,474.27**	**9,171,225,702.08**	52,959,692.21	8,972,281,515.59
Total assets	**213,118,638.20**	**12,528,462,249.89**	209,204,649.65	12,605,907,676.42
Current liabilities	**30,536,266.95**	**1,058,712,006.84**	45,041,962.45	1,410,493,814.67
Non-current liabilities	**–**	**6,059,264,459.05**	–	6,779,824,226.65
Total liabilities	**30,536,266.95**	**7,117,976,465.89**	45,041,962.45	8,190,318,041.32
Minority interests	**–**	**–**	–	–
Equity attributable to equity holders of the Company	**182,582,371.25**	**5,410,485,784.00**	164,162,687.20	4,415,589,635.10
Share of net assets calculated based on shareholding ratio	**73,032,948.50**	**1,623,145,735.20**	65,665,074.88	1,324,676,890.53
Adjusting events (Note)	**4,780,547.56**	**–**	3,254,257.45	–
Carrying amount of equity investments in associates	**77,813,496.06**	**1,623,145,735.20**	68,919,332.33	1,324,676,890.53
Fair value of equity investments in associates where there is quoted price	**N/A**	**N/A**	N/A	N/A
Operating income	**367,556,361.42**	**6,788,427,872.44**	322,057,239.48	6,572,850,933.99
Financial expenses	**1,456.02**	**(381,779,835.52)**	14,633.44	(225,882,500.24)
Income tax expenses	**(50,932,713.83)**	**2,188,705.18**	(35,643,077.94)	(694.50)
Net profit	**163,988,327.45**	**914,521,380.82**	146,270,822.01	2,506,235,245.59
Net profit from discontinued operations	**–**	**–**	–	–
Other comprehensive income	**–**	**80,374,768.08**	–	262,729,072.50
Total comprehensive income	**163,988,327.45**	**994,896,148.90**	146,270,822.01	2,768,964,318.09
Dividends received from associates in the current period	**73,100,000.00**	**–**	78,750,000.00	–

Note: The Group holds 40% equity interest in Yulu Mining, but shares 50% dividend rights. For details, refer to Note (V) 11.

(VII). INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Significant joint operation

Name of joint operation	Main place of operation	Place of incorporation	Nature of business	31 December 2023 Shareholding ratio/shares (%) Direct	Indirect
Northparkes Joint Venture ("NJV") (Note)	Australia	Australia	Copper gold mining	-	-

Note: On 1 December 2013, CMOC Mining, a subsidiary of the Company, had completed acquiring 80% joint control interests of unincorporated joint venture in Northparkes Copper gold mining and some relevant assets related to copper gold mining business of NJV held by North Mining Limited. Afterwards, the unincorporated joint venture NJV became a joint operation of the Company. On 15 December 2023, the Group sold 100% equity of its subsidiary CMOC Mining to the third party Evolution, thus completing the disposal of NJV.

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's major financial instruments are included in accounts such as 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 financial liabilities, derivative financial liabilities, notes payable, accounts payable, other payables, borrowings, other current liabilities, non-current derivative financial liabilities, non-current liabilities due within one year, bonds payable and other non-current liabilities. Details of these financial instruments are disclosed in Note (V). The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored within a certain range.

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

RMB'000

	31 December 2023	31 December 2022
Financial assets		
At FVTPL		
Held-for-trading financial assets	**8,284,638**	4,236,793
Derivative financial assets	**2,213,552**	1,944,854
Other non-current financial assets	**3,199,385**	3,554,476
At FVTOCI		
Financing with receivables	**260,311**	388,390
Investments in other equity instruments	**7,729**	14,828
At amortized cost		
Cash and bank balances	**30,716,077**	32,647,565
Accounts receivable	**1,132,004**	800,256
Other receivables	**1,509,478**	2,401,261
Other current assets	**1,964,802**	3,676,924
Non-current assets due within one year	**1,007,575**	1,673,944
Other non-current assets	**1,301,427**	1,531,805
Financial liabilities		
At FVTPL		
Held-for-trading financial liabilities	**2,948,580**	3,651,811
Derivative financial liabilities	**1,108,796**	2,350,847
Non-current derivative financial liabilities	**–**	230,169
At amortized cost		
Short-term borrowings	**24,954,250**	20,107,510
Notes payable	**1,142,026**	2,409,419
Accounts payable	**3,556,153**	1,547,305
Other payables	**4,773,802**	6,861,265
Non-current liabilities due within one year	**3,602,580**	6,818,774
Other current liabilities	**–**	2,093,211
Long-term borrowings	**18,767,718**	18,975,172
Bonds payable	**2,000,000**	2,150,000
Other non-current liabilities	**3,082,074**	–

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

The Group adopts sensitivity analysis technique to analyze how the profit or loss for the period and 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.

1. Risk management objectives, policies and procedures, and changes for the period

The Group's risk management objectives are to achieve a proper balance between risks and benefits, and minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk and practice risk management, and 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 subject 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 domestic financing activities 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 (V) 3, 14 & 26.

As at 31 December 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.

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.1. Market risk (Continued)

1.1.1. Foreign exchange risk (Continued)

RMB'000

	31 December 2023	31 December 2022
USD		
Cash and bank balances	**999,946**	466,016
Short-term borrowings	**–**	(102,360)
Sub-total	**999,946**	363,656
RMB		
Cash and bank balances	**7,862**	3,177
Non-current liabilities due within one year	**(35,054)**	(700,000)
Long-term borrowings	**(703,235)**	–
Sub-total	**(730,427)**	(696,823)
BRL		
Cash and bank balances	**147,600**	1,570,460
Sub-total	**147,600**	1,570,460
CDF		
Cash and bank balances	**59,994**	38,085
Sub-total	**59,994**	38,085
AUD		
Cash and bank balances	**1**	55,873
Sub-total	**1**	55,873

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (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.

RMB'000

		2023		2022	
Item	**Changes in exchange rate**	**Effect on profit**	**Effect on shareholders' equity**	Effect on profit	Effect on shareholders' equity
Entities which are denominated in RMB					
Profit and equity	Depreciation by 10% of USD against RMB	**(84,995)**	**(84,995)**	(36,366)	(36,366)
Entities which are denominated in RMB					
Profit and equity	Depreciation by 10% of RMB against USD	**60,991**	**60,991**	69,682	69,682
	Depreciation by 10% of BRL against USD	**(9,742)**	**(9,742)**	(157,046)	(157,046)

The management of the Group believes that the year-end foreign currency risk cannot reflect the foreign currency risk of the year, and the sensitivity analysis cannot reflect the inherent foreign currency risk.

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.1. Market risk (Continued)

1.1.2. Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing debts such as long-term bank borrowings and short-term bank borrowings. Financial liabilities with floating interest rate expose the Group to cash flow interest rate risk, while financial liabilities with fixed interest rate expose the Group to fair value interest rate risk. The Group determines the relative proportion of fixed interest rate and floating interest rate contracts according to the market environment at that time. See Note (V) 24 and 35 for details of the Group's bank borrowings, among which the balance of the Group's borrowings with floating interest rate at the end of the year is RMB31,945,142,000. 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 (V) 67 for details).

Sensitivity analysis on interest rate risk assumes: 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:

RMB'000

		2023		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	**(135,767)**	**(135,767)**	(81,034)	(81,034)
Floating interest rate	Decrease 50 base points of interest rate	**135,767**	**135,767**	81,034	81,034

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.1. Market risk (Continued)

1.1.3. Commodity price risk

International copper prices have a significant impact on the operating results of the Group's subsidiaries in Congo (DRC). Copper 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 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 such as aluminum and nickel. IXM hedges the risk of the metal price fluctuation through commodity futures contract and commodity option contract. Details are set out in Note (V) 3 and 25.

The table below shows the sensitivity analysis of the price of copper on the balance sheet date, which reflects the pre-tax effect of unpricing accounts receivable of the Group at the end of the year on the total profit and shareholders' equity when the market price of copper is changed reasonably and possibly under the assumption that other variables remain unchanged.

RMB'000

		2023		2022	
Item	**Increase/(Decrease) percentage**	**Effect on profit**	**Effect on shareholders' equity**	Effect on profit	Effect on shareholders' equity
Market price of copper	5%	-	-	10,408	10,408
Market price of copper	(5%)	-	-	(10,408)	(10,408)

1.1.4. Other price risk

The equity instrument investments 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 equity instrument investments held by the Group mainly comprise listed securities and assets management plans, therefore, the Group is directly or indirectly exposed to the risk of fluctuation of securities market price. If the equity price of the equity instrument investments 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 RMB95,688,000 at the end of the year (excluding the impact of income tax) (2022: RMB83,714,000).

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.2. Credit risk

As at 31 December 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 (III) 11.2.1, Note (III) 11.2.2, Note (III) 11.2.3, and Note (III) 11.2.4.

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 (V) 5.

The Group only trades with recognized, creditworthy customers. Total amount of top five entities with the largest balances of accounts receivable as at 31 December 2023 accounts for 58.49% of the amount of total accounts receivable (31 December 2022: 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 (V) 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 (V) 7, 10 and 22.

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.3. Liquidity risk

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

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

RMB'000

2023	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Short-term borrowings	25,609,299	–	–	–	25,609,299
Long-term borrowings	2,316,909	4,975,099	13,394,862	1,125,656	21,812,526
Held-for-trading financial liabilities	2,948,580	–	–	–	2,948,580
Notes payable	1,142,026	–	–	–	1,142,026
Accounts payable	3,556,153	–	–	–	3,556,153
Other payables	4,773,802	–	–	–	4,773,802
Bonds payable	234,551	2,022,228	–	–	2,256,779
Lease liabilities	174,451	61,492	153,286	54,923	444,152
Other non-current liabilities	1,571,540	863,270	2,589,810	–	5,024,620
Derivative financial instruments					
Derivative financial liabilities	1,108,796	–	–	–	1,108,796
Total	43,436,107	7,922,089	16,137,958	1,180,579	68,676,733

(VIII). FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

1. Risk management objectives, policies and procedures, and changes for the period (Continued)

1.3. Liquidity risk (Continued)

RMB'000

2022	Within 1 year	1 to 2 years	2 to 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 financial 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

(IX). GOVERNMENT GRANTS

1. Items of liabilities related to government grants

RMB

Item of liabilities	1 January 2023	Increase	Included in other income	31 December 2023	Related to assets/income
Low-grade scheelite demonstration project	26,852,000.40	–	(7,004,869.80)	**19,847,130.60**	Related to assets
Nannihu land transfer compensation	13,431,238.70	–	(385,585.80)	**13,045,652.90**	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	(7,390,455.60)	**38,532,783.50**	

2. Government grants included in profit or loss for the period

RMB

Grants	2023	2022
Government subsidies for stabilizing job posts	**6,298,783.66**	1,693,883.34
Nannihu land transfer compensation	**385,585.80**	385,585.80
Low-grade scheelite demonstration project	**7,004,869.80**	7,004,869.80
R&D rewards	**2,745,000.00**	1,756,000.00
Special manufacturing development fund	**5,000,000.00**	5,000,000.00
Tax refunds	**62,867,793.04**	53,359,741.13
Bonded area support fund	**16,803,434.37**	–
Sinosure fiscal support fund	**3,164,100.00**	2,835,900.00
Personal tax charges refunded by tax authorities	**2,271,011.86**	3,355,861.68
Special awards and subsidies	**5,142,070.96**	6,516,050.00
Others	**459,389.37**	3,442,712.79
Total	**112,142,038.86**	85,350,604.54

(X). DISCLOSURE OF FAIR VALUE

1. Closing fair value of assets and liabilities measured at fair value

RMB'000

Item	Fair value at 31 December 2023 Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
1. Continuous fair value measurement				
(1) Held-for-trading financial assets:				
1. Financial assets at FVTPL	–	7,772,240	512,398	8,284,638
– Accounts receivable	–	7,751,072	–	7,751,072
– Structured deposits	–	–	502,249	502,249
– Wealth management products	–	–	10,149	10,149
– Others	–	21,168	–	21,168
(2) Other equity instruments:				
– Equity instrument investments	–	–	7,729	7,729
(3) Inventories:				
– Trading inventories	–	12,503,588	–	12,503,588
– Consumable biological assets	–	–	116,523	116,523
(4) Financing with receivables:	–	–	260,311	260,311
(5) Other non-current financial assets:				
– Wealth management products entrusted by banks	–	–	68,035	68,035
– Share of partnership	–	–	996,286	996,286
– Share of funds	–	–	894,294	894,294
– Directional capital management plan	–	–	1,117,851	1,117,851
– Equity in unlisted companies	–	–	121,177	121,177
– Equity in listed companies	1,742	–	–	1,742
(6) Derivative financial assets:				
– Commodity futures contract	1,448,155	–	–	1,448,155
– Forward exchange contract	–	60,972	–	60,972
– Forward commodity contract	–	693,497	–	693,497
– Commodity option contract	10,929	–	–	10,929
Total assets measured continuously at fair value	**1,460,826**	**21,030,297**	**4,094,604**	**26,585,727**

(X). DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing fair value of assets and liabilities measured at fair value (Continued)

	Fair value at 31 December 2023			
Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
(7) Held-for-trading financial liabilities:				
– Accounts payable	–	2,530,327	–	2,530,327
– Liabilities from forward commodity contract and gold lease measured at fair value	–	418,254	–	418,254
(8) Derivative financial liabilities:				
– Commodity futures contract	494,491	–	–	494,491
– Forward exchange contract	–	203,228	–	203,228
– Forward commodity contract	–	411,078	–	411,078
Total liabilities measured continuously at fair value	**494,491**	**3,562,887**	**–**	**4,057,378**

(X). DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing fair value of assets and liabilities measured at fair value (Continued)

RMB'000

Item	Level 1 fair value measurement	Fair value at 31 December 2022 Level 2 fair value measurement	Level 3 fair value measurement	Total
1. Continuous fair value measurement				
(1) Held-for-trading financial assets:				
1. Financial assets at FVTPL	–	4,126,561	110,232	4,236,793
– Accounts receivable	–	4,105,797	–	4,105,797
– Structured deposits	–	–	100,000	100,000
– Wealth management products	–	–	10,232	10,232
– Others	–	20,764	–	20,764
(2) Other equity instruments:				
– Equity instrument investments	–	–	14,828	14,828
(3) Inventories:				
– Trading inventories	–	16,709,326	–	16,709,326
– Consumable biological assets	–	–	92,387	92,387
(4) Financing with receivables:	–	–	388,390	388,390
(5) Other non-current financial assets:				
– Wealth management products entrusted by banks	–	–	90,956	90,956
– Fund trust	–	–	350,657	350,657
– Share of partnership	–	–	1,063,681	1,063,681
– Share of funds	–	–	824,298	824,298
– Directional capital management plan	–	–	1,071,214	1,071,214
– Equity in unlisted companies	–	–	150,533	150,533
– Equity in listed companies	3,138	–	–	3,138
(6) Derivative financial assets:				
– Commodity futures contract	1,030,559	–	–	1,030,559
– Forward exchange contract	–	71,907	–	71,907
– Forward commodity contract	–	804,889	–	804,889
– Commodity option contract	37,498	–	–	37,498
Total assets measured continuously at fair value	1,071,195	21,712,683	4,157,176	26,941,054

(X). DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Closing fair value of assets and liabilities measured at fair value (Continued)

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
	Fair value at 31 December 2022			
(7) Held-for-trading financial liabilities:				
– Accounts payable	–	2,975,299	–	2,975,299
– Liabilities from forward commodity contract and gold lease measured at fair value	–	676,513	–	676,513
(8) Derivative financial liabilities:				
– Commodity futures contract	1,657,965	–	–	1,657,965
– Forward exchange contract	–	50,484	–	50,484
– Forward commodity contract	–	642,399	–	642,399
(9) Non-current derivative financial liabilities:	–	230,169	–	230,169
Total liabilities measured continuously at fair value	1,657,965	4,574,864	–	6,232,829

2. Determination basis of market price for items that are continuously measured at Level 2 fair value

Items that are continuously measured at Level 2 fair value include accounts receivable, fund products of financial institutions, 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.

(X). DISCLOSURE OF FAIR VALUE (CONTINUED)

3. Determination basis of market price for items that are 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 and other non-current financial assets. 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 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.

RMB'000

Assets/liabilities measured at fair value	Fair value at 31 December 2023	Valuation techniques	Parameters	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	**580,433**	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	**3,137,337**	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	**116,523**	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	**260,311**	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

(X). DISCLOSURE OF FAIR VALUE (CONTINUED)

4. Financial instruments subsequently not measured at fair value

The management of the Group has assessed cash and bank balances, accounts receivable, other receivables, other current assets, non-current assets due within one year, 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, fair values are approximate to 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, bonds payable and other non-current liabilities respectively. The floating interest rate of the Group's long-term borrowings is linked to the market interest rate.

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Name of the parent	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent	Proportion of the Company's voting power held by the parent
CFC	Shanghai	Investment management	RMB181,818,200	24.69%	24.69%

As at 31 December 2023, CFC actually holds 5,333,220,000.00 shares of the Company, accounting for 24.69% of the total share capital of the Company.

CFC is the actual controller of the Company.

2. Subsidiaries of the Company

For details of the subsidiaries of the Company, please refer to Note (VII) 1.

(XI). 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 (VII) 2.

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

Joint ventures or associates	Relationship with the Company
Fu Chuan	Subsidiary of the joint venture
Fu Xing	Subsidiary of the joint venture
Qi Xing	Subsidiary of the joint venture
Yulu Mining	Associate
Luoyang Shenyu	Associate
Guochuang Intelligent	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
Contemporary Amperex Technology Co., Limited ("CATL") *(Note)*	Shareholder of the Company
Shanghai Shangju Industrial Co., Ltd. ("Shangju")	Subsidiary of the shareholder
Shanghai Yunsheng International Trade Co., Ltd. ("Yunsheng")	Subsidiary of the shareholder
Hu'nan Brunp Recycling Technology Co. Ltd. ("HBRT")	Subsidiary of the shareholder
HKBRRT	Subsidiary of the shareholder
Yichun Times New Energy Technology Co., LTD. ("Yichun Times")	Subsidiary of the shareholder
Contemporary Green Energy Co., Ltd. ("CGE")	Subsidiary of the shareholder
Brunp and CATL	Subsidiary of the shareholder

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 considers 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.

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions

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

RMB

Related party	Content of the transaction	2023	2022
Luoyang Shenyu	Sales of products	**52,710,651.16**	39,020,349.31
Luoyang Shenyu	Rendering of services	**14,166.67**	976,666.64
Luoyang Shenyu	Purchase of products	**7,086,409.79**	–
Luoyang Shenyu	Purchase of services	**–**	479,174.11
Yulu Mining	Rendering of services	**40,463,586.91**	11,139,783.42
Yulu Mining	Purchase of products	**140,670,629.85**	125,197,849.38
Yulu Mining	Sales of products	**490,846.84**	–
Fu Chuan	Purchase of products	**547,750,207.83**	518,923,069.44
Fu Chuan	Purchase of services	**–**	7,791,173.81
Fu Chuan	Sales of products	**29,412,274.14**	44,023,424.59
Fu Chuan	Rendering of services	**5,987,309.10**	6,004,540.89
Fu Chuan	Disposal of equity	**–**	26,757,200.00
Fu Chuan	Purchase of technical support	**3,025,656.25**	–
Qi Xing	Purchase of technical support	**107,092.18**	–
Huayue Nickel Cobalt	Purchase of products	**2,372,238,888.25**	1,944,031,475.06
Huayue Nickel Cobalt	Interest income	**24,077,394.94**	–
Fu Xing	Purchase of products	**–**	21,367,082.43
Fu Xing	Sales of products	**–**	84,492.65
Fu Xing	Rendering of services	**704,876.26**	485,820.41
Fu Xing	Purchase of technical support	**326,280.35**	–
HBRT	Sales of products	**7,801,581.96**	29,866,476.62
Brunp and CATL	Sales of products	**–**	1,186,775.70
Brunp and CATL	Purchase of products	**395,406.84**	37,179,434.96
Yichun Times	Rendering of services	**2,644,220**	446,218.30
HKBRRT	Sales of products	**2,099,777,205.16**	–
HKBRRT	Interest expenses	**722,941,813.82**	–
Guochuang Intelligent	Purchase of technical support	**399,056.61**	–

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(2) Related party leases

The Group as a lessee

RMB

		Rent paid		Interest expenses on lease liabilities		Increase in right-of-use assets	
Lessor	**Category of leased asset**	**2023**	2022	**2023**	2022	**2023**	2022
Shangju	Buildings	**18,866,397.48**	18,866,397.48	**1,701,866.73**	2,369,752.50	**-**	–
Yunsheng	Buildings	**10,257,857.88**	10,257,857.88	**925,322.77**	1,288,459.25	**-**	–

(3) Compensation for key management personnel

RMB'000

Item	**2023**	2022
Compensation for key management personnel	**60,685**	74,869

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Unsettled items receivable from/payable to related parties

RMB

		31 December 2023		31 December 2022	
Item	**Related party**	**Book balance**	**Bad debt provision**	Book balance	Bad debt provision
Accounts receivable	Yulu Mining	–	–	14,040,363.71	1,082,996.84
Accounts payable	Yulu Mining	13,552,405.84	–	11,421,620.43	–
Other receivables	Luoyang Shenyu	–	–	583,333.33	–
Contract liabilities	Luoyang Shenyu	908,816.14	–	4,531,916.20	–
Other payables	Luoyang Shenyu	14,966.65	–	–	–
Accounts receivable	Fu Chuan	4,433,250.57	112,356.30	27,516,142.49	699,580.19
Other receivables	Fu Chuan	–	–	2,514,333.21	–
Accounts payable	Fu Chuan	12,862,348.59	–	131,262,273.71	–
Other payables	Fu Chuan	2,050,758.00	–	90,000.00	–
Other receivables	Shangju	4,716,599.37	–	4,716,599.37	–
Non-current liabilities due within one year	Shangju	21,454,613.59	–	20,758,130.27	–
Lease liabilities	Shangju	13,196,920.12	–	30,159,534.30	–
Other receivables	Yunsheng	2,564,464.47	–	2,564,464.47	–
Non-current liabilities due within one year	Yunsheng	11,665,097.38	–	11,286,412.31	–
Lease liabilities	Yunsheng	7,175,303.70	–	16,398,054.63	–
Accounts receivable	Fu Xing	28,082.17	711.71	64,755.40	4,994.11
Accounts payable	Fu Xing	48,358.75	–	26,636,947.19	–
Other payables	Fu Xing	102,629.36	–	–	
Interest receivable	Huayue Nickel Cobalt	121,439,999.13	–	95,540,087.29	–
Prepayments	Huayue Nickel Cobalt	–	–	41,063,174.21	–
Other non-current assets	Huayue Nickel Cobalt	404,663,682.00	–	397,916,144.92	–
Accounts payable	Huayue Nickel Cobalt	592,741,926.45	–	–	–
Other non-current liabilities	HKBRRT	12,472,267,950.66	–	13,689,283,467.91	–
Contract liabilities	HKBRRT	1,986,007,022.04	–	841,497,690.87	–
Accounts receivable	HKBRRT	520,744,775.10	–	–	–
Other receivables	Qi Xing	131,521.14	–	–	–
Accounts payable	Qi Xing	37,800.83	–	–	–
Other payables	Qi Xing	18,833.89	–	–	–
Other payables	CGE	100,000.00	–	–	–
Other payables	Brunp and CATL	973,871,250.00	–	957,632,500.00	–

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Emoluments of directors and supervisors

Emoluments of each director for the year 2023 are as follows:

RMB'000

	Remuneration of directors	Salary and allowances	Bonus	Pension	Social insurance and housing funds other than pension	Share-based payments	Total
Executive directors:							
Li Chaochun *(Note 1)*	–	3,120.00	2,200.00	67.91	84.36	5,610.62	11,082.89
Sun Ruiwen *(Note 1)*	–	2,471.49	4,300.00	84.24	84.36	13,465.50	20,405.59
Non-executive directors:							
Yuan Honglin *(Note 1)*	–	3,194.40	2,200.00	67.91	84.36	5,994.61	11,541.28
Guo Yimin *(Note 1, 2 and 3)*	–	–	–	–	–	–	–
Cheng Yunlei *(Note 1, 2 and 3)*	–	–	–	–	–	–	–
Lin Jiuxin *(Note 4)*	–	–	–	–	–	–	–
Jiang Li *(Note 4)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Wang Yougui *(Note 1)*	300.00	–	–	–	–	–	300.00
Yan Ye *(Note 1)*	300.00	–	–	–	–	–	300.00
Li Shuhua *(Note 1)*	300.00	–	–	–	–	–	300.00
Total	900.00	8,785.89	8,700.00	220.06	253.08	25,070.73	43,929.76

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Emoluments of directors and supervisors (Continued)

Emoluments of each director for the year 2022 are as follows:

RMB'000

	Remuneration of directors	Salary and allowances	Bonus	Pension	Social insurance and housing funds other than pension	Share-based payments	Total
Executive directors:							
Li Chaochun *(Note 1)*	–	3,106.53	1,980.00	57.95	64.64	11,698.75	16,907.87
Sun Ruiwen *(Note 1)*	–	2,431.55	4,240.00	94.82	109.35	28,077.00	34,952.72
Non-executive directors:							
Yuan Honglin *(Note 1)*	–	3,184.43	2,082.50	57.95	64.64	12,499.39	17,888.91
Guo Yimin *(Note 1 & 2)*	–	–	–	–	–	–	–
Cheng Yunlei *(Note 1 & 2)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Wang Yougui *(Note 1)*	300.00	–	–	–	–	–	300.00
Yan Ye *(Note 1)*	300.00	–	–	–	–	–	300.00
Li Shuhua *(Note 1)*	300.00	–	–	–	–	–	300.00
Total	900.00	8,722.51	8,302.50	210.72	238.63	52,275.14	70,649.50

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Emoluments of directors and supervisors (Continued)

Emoluments of each supervisor for the year 2023 are as follows:

RMB'000

	Salary and allowances	**Bonus**	**Pension**	**Social insurance and housing funds other than pension**	**Total**
Zheng Shu *(Note 4)*	**–**	**–**	**–**	**–**	**–**
Kou Youmin *(Note 1, 2 and 3)*	**–**	**–**	**–**	**–**	**–**
Zhang Zhenhao *(Note 1)*	**90.00**	**–**	**–**	**–**	**90.00**
Xu Wenhui *(Note 1)*	**1,859.49**	**1,050.00**	**41.24**	**70.78**	**3,021.51**
Total	**1,949.49**	**1,050.00**	**41.24**	**70.78**	**3,111.51**

Emoluments of each supervisor for the year 2022 are as follows:

RMB'000

	Salary and allowances	Bonus	Pension	Social insurance and housing funds other than pension	Total
Kou Youmin *(Note 1 & 2)*	–	–	–	–	–
Zhang Zhenhao *(Note 1)*	90.00	–	–	–	90.00
Xu Wenhui *(Note 1)*	455.66	577.44	31.71	48.99	1,113.80
Total	545.66	577.44	31.71	48.99	1,203.80

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Emoluments of directors and supervisors (Continued)

Note 1: On 21 May 2021, the Company held the 2020 Annual General Meeting of Shareholders, and completed the election of the Board of Directors and Board of Supervisors. The sixth session of the Board of Directors of the Company includes Mr. Yuan Honglin, Mr. Guo Yimin, Mr. Li Chaochun, Mr. Sun Ruiwen, Mr. Cheng Yunlei, Mr. Wang Yougui, Ms. Yan Ye and Mr. Li Shuhua. The tenure of Mr. Li Faben as an executive director and executive vice president was ended in June 2021. The sixth session of the Board of Supervisors of the Company includes Ms. Kou Youmin, Mr. Zhang Zhenhao, and Mr. Xu Wenhui, the employee representative. The tenure of Ms. Wang Zhengyan as an employee representative supervisor was ended in June 2021. The tenure of relevant directors will be ended on the date of the Company's 2023 Annual General Meeting of Shareholders.

Note 2: The agreed remuneration of Mr. Guo Yimin, Mr. Cheng Yunlei and Ms. Kou Youmin as directors or supervisors of the Company is RMB90,000.00 in 2022 and 2023. As Mr. Guo Yimin, Mr. Cheng Yunlei and Ms. Kou Youmin are also directors or supervisors of LMG, Luoyang, shareholder of the Company, according to Regulations on Clean Leadership in State-owned Enterprise, leaders in the state-owned enterprises shall not "assume leadership positions in enterprise funded by their own state-owned enterprises or in other enterprises, institutions, social organizations and intermediary agencies without approval, or accept remuneration and other income without authorization (for those approved to assume positions)", Mr. Guo Yimin, Mr. Cheng Yunlei and Ms. Kou Youmin gave up position allowances during their staying in the office provided by the Company.

Note 3: On 28 April 2023, the Company received resignation reports from non-executive directors Mr. Guo Yimin and Mr. Cheng Yunlei as well as the supervisor Ms. Kou Youmin. Duo to career moves, Mr. Guo Yimin applied to the Board of Directors to resign his post as Vice President and Non-executive Director; Mr. Cheng Yunlei applied to resign his post as Non-executive Director; Ms. Kou Youmin applied to resign her post as Chairman of the Board of Supervisors. The resignations took effect since by-elections of the non-executive directors and a non-employee representative supervisor on 9 June 2023.

Note 4: On 9 June 2023, the Company's 2022 Annual General Meeting of Shareholders reviewed and approved the proposals on Recruiting Mr. Jiang Li as a Non-executive Director of the Sixth Session of the Board of Directors of the Company, Recruiting Mr. Lin Jiuxin as a Non-executive Director of the Sixth Session of the Board of Directors of the Company and Recruiting a Non-employee Representative Supervisor of the Sixth Session of the Board of Supervisors of the Company, respectively, and elected Mr. Jiang Li and Mr. Lin Jiuxin as non-executive directors of the Company, and Mr. Zheng Shu as a non-employee representative supervisor of the Company.

(XI). RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Emoluments of directors and supervisors (Continued)

Two of the top five of 2023 remunerations are directors of the Company (2022: Three of the top five of 2022 remunerations are directors of the Company), and the emoluments of the top five staffs that are not directors or supervisors are as follows:

RMB'000

	2023	2022
Salaries, bonus and allowances	**97,758.61**	39,298.52
Pension	**312.81**	1,149.57
Share-based payments	**11,270.00**	–
Total	**109,341.42**	40,448.09

The range of emoluments of the top five staffs that are not directors or supervisors is as follows:

Range of emoluments	**Number of the current year**	**Number of the prior year**
HKD15,000,001 to HKD15,500,000 (equivalent to 12,832,000 to 13,259,000)	–	1
HKD16,500,001 to HKD17,000,000 (equivalent to 14,982,000 to 15,436,000)	1	–
HKD21,000,001 to HKD21,500,000 (equivalent to 19,068,000 to 19,522,000)	1	–
HKD32,000,001 to HKD32,500,000 (equivalent to 27,374,000 to 27,802,000)	–	1
HKD82,000,001 to HKD82,500,000 (equivalent to 74,456,000 to 74,910,000)	1	–

(XII). 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 China Molybdenum Co., Ltd., the Proposal on Amending the 2021 Phase I Employee Stock Ownership Plan of China Molybdenum Co., Ltd. and the Proposal on Amending the Management Measures for the 2021 Phase I Employee Stock Ownership Plan of China Molybdenum Co., Ltd.. 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 it 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.

(XII). SHARE-BASED PAYMENTS (CONTINUED)

1. Equity instruments

RMB

Category of grant recipient	Granted during the period		Unlocked during the period		Lapsed during the period	
	Quantity	Amount	Quantity (shares)	Amount	Quantity	Amount
Directors	–	–	10,053,986.00	38,406,226.90	–	–
Senior management	–	–	2,250,000.00	8,595,000.00	–	–
Management	–	–	2,250,000.00	8,280,000.00	–	–
Total	–	–	14,553,986.00	55,281,226.90	–	–

Share options outstanding at the end of the period

Category of grant recipient	Share options outstanding at the end of the period Range of exercise prices	 Remaining contractual life
Directors	RMB2	About 0.5 year
Senior management	RMB2	About 1.5 year
Management	RMB2	About 0.5 years

(XII). SHARE-BASED PAYMENTS (CONTINUED)

2. Equity-settled share-based payments

RMB

	2021 Phase I Employee Stock Ownership Plan
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 satisfies 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	92,583,097.59
Total expenses recognized arising from equity-settled share-based payments	41,951,356.50

3. Share-based payments in the current period

RMB

Category of grant recipient	Equity-settled share-based payments
Directors	25,070,731.50
Senior management	11,270,000.00
Management	5,610,625.00
Total	41,951,356.50

(XIII). COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

RMB'000

	2023	2022
Contracted but not recognized in the financial statements:		
– Commitment for acquisition and construction of long-term assets	**3,141,146**	1,767,465
– Commitment for investment *(Note)*	**205,196**	257,721
Total	**3,346,342**	2,025,186

Note: The above commitment for investment represents the Group's investment in an other non-current financial asset.

As at 31 December 2023, the Group has no other commitments that need to be disclosed.

2. Contingencies

(1) Pending litigation

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

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

The Group's Niobium-Phosphorus business in Brazil

The Group's niobium-phosphorus business in Brazil may be involved in various litigations and disputes 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 performance or cash flows of the business based on the information currently available.

(XIV). EVENTS AFTER THE BALANCE SHEET DATE

1. Dividend distribution plan of 2023

According to the proposal of the board of directors, the Company will distribute a cash dividend of RMB1.5425 per 10 shares (tax included) (2022: RMB0.8508 per 10 shares (tax included)) to all shareholders based on the 21,394,310,176 issued shares (net of the number of shares in the Company's dedicated repurchase account) (with par value of RMB0.2 per share) for the year of 2023.

2. Please refer to respective notes for other events after the balance sheet date other than those disclosed above

(XV). OTHER SIGNIFICANT EVENTS

1. Discontinued operations

RMB

Item	Revenue	Expenses	Profit before tax	Income tax expenses	Net profit	Profit from discontinued operations attributable to owners of the Company
CMOC Mining	1,619,741,180.93	45,727,907.35	200,388,902.08	36,640,478.85	163,748,423.23	163,748,423.23
CMOC Metals	–	14,108.12	(13,877.95)	–	(13,877.95)	(13,877.95)

Both CMOC Mining and CMOC Metals operate the business of copper and gold-related products, which can represent a principal independent business. Both have disposed of the business in the year. For details of disposal of subsidiaries, refer to Note (VI) 1.

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Discontinued operations (Continued)

(1) Gains or losses from discontinued operations

The Group has presented CMOC Mining and CMOC Metals as discontinued enterprises in the consolidated income statement and restated comparable figures. Gains or losses from discontinued operations of CMOC Mining and CMOC Metals are as follows:

RMB

Item	**Period from 1 January 2023 to 15 December 2023**	2022
Operating income	**1,619,741,180.93**	1,387,760,981.75
Less: Operating costs	**1,265,366,588.15**	1,041,089,229.61
Taxes and levies	**64,968,387.75**	64,447,720.51
Selling expenses	**10,284,733.34**	9,042,790.12
Administrative expenses	**35,457,282.13**	28,770,673.36
Financial expenses	**54,895,221.10**	63,606,431.69
Impairment losses of assets	**58,595,582.67**	2,802,365.34
Add: Gains from changes in fair values	**72,205,295.82**	–
Gains from disposal of assets	**19,645.54**	445,303.54
Operating profit	**202,398,327.15**	178,447,074.66
Less: Non-operating expenses	**2,023,303.02**	2,330,492.14
Profit before tax	**200,375,024.13**	176,116,582.52
Less: Income tax expenses	**36,640,478.85**	69,041,250.28
Net profit	**163,734,545.28**	107,075,332.24
Net gains or losses from disposal *(Note)*	**1,610,515,121.93**	–
Gains or losses from discontinued operations	**1,774,249,667.21**	107,075,332.24

Note: The above disposal of equity generates investment income of RMB2,120,720,536.76 (Note (V) 56), the net gains or losses from disposal is RMB1,610,515,121.93, net of transaction taxes.

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Discontinued operations (Continued)

(2) Impairment losses of assets due to discontinued operations

RMB

Item	Period from 1 January 2023 to 15 December 2023	2022
Impairment losses recognized in the period	**58,595,582.67**	2,802,365.34

(3) Net cash flow from discontinued operations

RMB

Item	Period from 1 January 2023 to 15 December 2023	2022
Net cash flow from operating activities	**714,772,916.25**	388,938,275.92
Net cash flow from investment activities	**(588,292,010.06)**	(215,093,045.36)
Net cash flow from financing activities	**(472,974,598.31)**	(45,755,475.88)
Effect of foreign exchange rate changes on cash	**7,317,470.47**	58,356,840.15
Net cash flow	**(339,176,221.65)**	186,446,594.83
Add: Opening balance of cash and cash equivalents	**730,700,579.27**	544,253,984.44
At the end of the period: Balance of cash and cash equivalents	**391,524,357.62**	730,700,579.27

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Discontinued operations (Continued)

   (4) *The profit or loss from continuing operations and the profit or loss from discontinued operations attributable to owners of the Company*

RMB

Item	**Period from 1 January 2023 to 15 December 2023**	2022
The profit or loss from continuing operations attributable to owners of the Company	**6,475,462,205.30**	5,959,856,683.56
The profit or loss from discontinued operations attributable to owners of the Company	**1,774,249,667.21**	107,089,880.63
Net profit attributable to owners of the Company	**8,249,711,872.51**	6,066,946,564.19

2. Segment reporting

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

The management divided the Group's business into five operating segments, namely Molybdenum Tungsten related products, Niobium and Phosphorus related products, Copper and Cobalt related products, metal trading 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; the operating segment of copper and gold-related products is discontinued and not included in the segment reporting for the year. For details of discontinued business, refer to Note (VI) 1 and Note (XV) 1.

These reporting segments are determined on the basis of internal management and reporting system. Information of segment reporting is disclosed according to segment accounting policies and measurement standards, which should be consistent with those adopted in the preparation of the financial statements. The segment reporting for the year 2022 has been restated following the same standard.

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (Continued)

(2) Reporting segment's financial information

RMB'000

2023	Molybdenum, tungsten and related products	Niobium, phosphorus and related products	Copper, cobalt and related products	Metal trading	Others	Unallocated item	Intersegment eliminations	Total
Operating income								
Trading income	8,611,051	6,324,032	28,000,921	168,077,935	288,410	–	(26,615,351)	184,686,998
Total segment operating income	8,611,051	6,324,032	28,000,921	168,077,935	288,410	–	(26,615,351)	184,686,998
Operating costs	4,860,032	4,781,623	15,598,798	166,023,117	264,491	–	(24,615,849)	166,912,212
Taxes and levies						3,019,407	–	3,019,407
Selling expenses						145,131	–	145,131
Administrative expenses						2,350,998	–	2,350,998
Research and development expenses						327,085	–	327,085
Financial expenses						2,948,948	–	2,948,948
Add: Gains or losses from changes in fair value						1,608,298	–	1,608,298
Investment income						2,483,303	–	2,483,303
Gains from disposal of assets						2,815	–	2,815
Other income						112,142	–	112,142
Impairment losses of assets						(82,069)	–	(82,069)
Losses from credit impairment						(3,664)	–	(3,664)
Segment operating profit						13,104,042	–	13,104,042
Add: Non-operating income						25,173	–	25,173
Less: Non-operating expenses						103,165	–	103,165
Profit before tax						13,026,050	–	13,026,050
Less: Income tax expenses						4,640,700	–	4,640,700
Net profit						8,385,350	–	8,385,350

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (Continued)

(2) Reporting segment's financial information (Continued)

RMB'000

2022 (restated)	Molybdenum, tungsten and related products	Niobium, phosphorus and related products	Copper, cobalt and related products	Metal trading	Others	Unallocated item	Intersegment eliminations	Total
Operating income								
Trading income	6,965,368	7,368,147	9,748,225	159,052,713	308,256	–	(11,744,638)	171,698,071
Total segment operating income	6,965,368	7,368,147	9,748,225	159,052,713	308,256	–	(11,744,638)	171,698,071
Operating costs	4,020,611	4,566,124	5,183,856	157,561,247	292,398	–	(15,740,970)	155,883,260
Taxes and levies						1,170,663	–	1,170,663
Selling expenses						88,128	–	88,128
Administrative expenses						1,762,143	–	1,762,143
Research and development expenses						388,520	–	388,520
Financial expenses						1,744,860	–	1,744,860
Add: Gains or losses from changes in fair value						(1,610,830)	–	(1,610,830)
Investment income						725,919	–	725,919
Gains from disposal of assets						28,683	–	28,683
Other income						85,350	–	85,350
Impairment losses of assets						(62,471)	–	(62,471)
Losses from credit impairment						(19,678)	–	(19,678)
Segment operating profit						9,807,469	–	9,807,469
Add: Non-operating income						19,666	–	19,666
Less: Non-operating expenses						101,925	–	101,925
Profit before tax						9,725,210	–	9,725,210
Less: Income tax expenses						2,543,725	–	2,543,725
Net profit						7,181,485	–	7,181,485

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (Continued)

(2) Reporting segment's financial information (Continued)

(a) The Group mainly operates in China, Brazil and Congo (DRC) and Switzerland, and sells its products to the customers in China and other countries. The geographic disclosure of revenue and results of segments are classified by the destination of the products to deliver.

RMB'000

	2023	2022 (restated)
Revenue		
China	**93,868,687**	79,622,218
India	**733,503**	294,221
Netherland	**351,464**	1,008,199
Korea	**10,411,410**	10,949,721
Taiwan	**1,091,154**	1,181,992
Belgium	**1,808,612**	7,323,137
Bulgaria	**878,686**	287,233
Finland	**–**	1,036,428
France	**101,076**	164,670
Germany	**5,361,902**	3,381,500
Italy	**311,700**	162,383
Slovenia	**319,350**	–
Spain	**38,844**	349,449
Sweden	**611,995**	825,031
Switzerland	**8,065,190**	4,934,772
Turkey	**3,686,726**	2,448,170
UAE	**3,740,439**	3,701,211
US	**8,353,572**	6,193,292
Canada	**80,638**	140,367
Brazil	**4,285,086**	6,862,127
Mexico	**3,713,931**	5,040,988
South Africa	**52,196**	38,521
Australia	**1,938,692**	234,518
Japan	**2,754,245**	3,284,233
UK	**9,381,391**	15,845,507
Singapore	**15,955,697**	10,598,684
Chile	**3**	367,487
Malaysia	**194,311**	494,195
Thailand	**839,815**	2,202,655
Ireland	**–**	48,237
Others	**5,756,683**	2,676,925
Total	**184,686,998**	171,698,071

(XV). OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (Continued)

(3) External revenue by location of resources or business and non-current assets by location

RMB'000

Item	2023	2022 (restated)
External revenue from Chinese business	**15,301,232**	11,425,144
External revenue from Brazil business	**6,324,032**	7,586,832
External revenue from Congo (DRC) business	**28,000,921**	9,748,225
External revenue from Switzerland business	**135,060,813**	142,937,870
Sub-total	**184,686,998**	171,698,071

RMB'000

Item	31 December 2023	31 December 2022 (restated)
Non-current assets located in China	**17,890,472**	9,281,073
Non-current assets located in Brazil	**9,712,562**	9,410,277
Non-current assets located in Congo (DRC)	**53,376,489**	49,410,406
Non-current assets located in Switzerland	**297,328**	423,144
Sub-total	**81,276,851**	68,524,900

Note: The above non-current assets do not include deferred tax assets, investments in other equity instruments and other non-current financial assets.

(4) Reliance on major customers

In 2023 and 2022, there are no major customers of the Group with revenue accounting for over 10% of operating income of the Group.

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Cash and bank balances

RMB

	31 December 2023			31 December 2022		
Item	Amount in original currency	Exchange rate	Amount in RMB	Amount in original currency	Exchange rate	Amount in RMB
Cash:			–			–
RMB	–	–	–	–	–	–
Bank balance:			9,426,057,531.60			8,901,293,066.14
RMB	–	–	9,419,309,348.52	–	–	8,898,451,155.17
USD	952,769.86	7.0827	6,748,183.08	408,048.09	6.9646	2,841,891.74
EUR	–	–	–	2.59	7.4229	19.23
Other cash and bank balances:			54,940,596.65			56,948,929.41
RMB	–	–	54,940,596.65	–	–	56,948,929.41
Total			9,480,998,128.25			8,958,241,995.55

Note: The other cash and bank balances include deposits for mines, deposits for bills, other deposits and deposits for derivative financial instruments, amounting to RMB51,888,953.53, RMB3,026,824.52 and RMB24,818.60 (31 December 2022: RMB53,906,105.21, RMB3,018,062.00 and RMB24,762.20) respectively.

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Accounts receivable

RMB

Category	31 December 2023	31 December 2022
Accounts receivable	**1,013,718,567.21**	846,728,976.47
Total	**1,013,718,567.21**	846,728,976.47

Credit risk of accounts receivable:

The accounts receivable for which the loss allowance is recognized based on expected credit loss are as follows:

RMB

	31 December 2023			31 December 2022		
	Book balance	Loss allowance	Carrying amount	Book balance	Loss allowance	Carrying amount
Accounts receivable for which the loss allowance is recognized based on expected credit loss	**1,028,291,114.76**	**14,572,547.55**	**1,013,718,567.21**	862,978,081.85	16,249,105.38	846,728,976.47

3. Other receivables

RMB

Item	31 December 2023	31 December 2022
Interest receivable	**295,803,008.94**	582,664,067.06
Dividends receivable	**1,544,006,084.08**	244,006,084.08
Other receivables	**7,042,852,354.53**	5,696,764,081.35
Total	**8,882,661,447.55**	6,523,434,232.49

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Other receivables (Continued)

Credit risk of other receivables:

The other receivables for which the loss allowance is recognized based on expected credit loss are as follows:

RMB

	31 December 2023			31 December 2022		
	Book balance	**Loss allowance**	**Carrying amount**	Book balance	Loss allowance	Carrying amount
Other receivables for which the loss allowance is recognized based on expected credit loss	**7,070,558,191.89**	**27,705,837.36**	**7,042,852,354.53**	5,724,469,918.71	27,705,837.36	5,696,764,081.35

At 31 December 2023, the management of the Company believes that there's no significant ECL on the remaining 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 fully.

4. Non-current assets due within one year

RMB

Item	**31 December 2023**	31 December 2022
Term deposits due within one year	**460,673,819.59**	1,485,000,000.00
Total	**460,673,819.59**	1,485,000,000.00

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments

Details of long-term equity investments are as follows:

RMB

Investee	Initial investment cost	31 December 2023	31 December 2022
Under equity method			
Yulu Mining	20,000,000.00	**77,813,496.06**	68,919,332.33
Huan Yu	973,335,000.00	**201,518,840.71**	245,281,662.35
Fuchuan Mining	–	**49,286,315.55**	24,478,357.01
Luoyang Shenyu	1,500,000.00	**5,264,497.21**	3,657,842.51
Guochuang Intelligent *(Note 1)*	4,000,000.00	**3,927,560.33**	–
Sub-total	998,835,000.00	**337,810,709.86**	342,337,194.20
Under cost method – subsidiaries			
Ye Lian	5,638,250.27	**305,638,250.27**	305,638,250.27
Da Dong Po	33,483,749.86	**33,483,749.86**	33,483,749.86
Jiu Yang	17,028,900.00	**17,028,900.00**	17,028,900.00
San Qiang	28,294,800.00	**33,397,038.41**	33,397,038.41
International Hotel	210,000,000.00	**290,000,000.00**	290,000,000.00
Wu Ye	100,000,000.00	**100,000,000.00**	100,000,000.00
CMOC HK	1,869,455,300.96	**1,869,455,300.96**	1,869,455,300.96
Metal Material	650,000,000.00	**170,000,000.00**	170,000,000.00
Xin Kuang Luo Mu	980,000,000.00	**980,000,000.00**	980,000,000.00
Fu Kai	261,520,000.00	**261,520,000.00**	261,520,000.00
Sales Company *(Note 2)*	50,000,000.00	**50,700,000.00**	50,700,000.00
CMOC Limited *(Note 2)*	575,797,299.48	**30,175,675,029.48**	25,889,849,209.48
Schmocke	500,000,000.00	**660,000,000.00**	660,000,000.00
Beijing Yongbo	10,000,000.00	**267,800,000.00**	277,191,666.69
CMOC Mining Pty	–	**–**	39,000,000.00
Shanghai Muchao *(Note 3)*	–	**168,628,492.23**	117,285,469.04
Sub-total	5,291,218,300.57	**35,383,326,761.21**	31,094,549,584.71
Total	6,290,053,300.57	**35,721,137,471.07**	31,436,886,778.91
Less: Impairment provision *(Note 4)*		**53,451,524.66**	53,451,524.66
Net long-term equity investments		**35,667,685,946.41**	31,383,435,254.25

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term equity investments (Continued)

Note 1: See Note (V) 11 for details.

Note 2: 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 3: Investment cost recognized by the Company for settlement of employee stock ownership plan of subsidiaries.

Note 4: Impairment provision made by the Company's subsidiaries Jiu Yang, San Qiang and Da Dong Po.

6. Operating income, operating costs

RMB

Item	2023	2022
Principal operating income	**7,016,315,120.34**	5,255,978,801.34
Other operating income	**251,606,432.52**	295,332,601.72
Total	**7,267,921,552.86**	5,551,311,403.06
Principal operating costs	**3,371,554,947.35**	2,823,935,875.39
Other operating costs	**212,300,856.97**	288,316,875.11
Total	**3,583,855,804.32**	3,112,252,750.50

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

7. Investment income

RMB

Item	2023	2022
Income (loss) from long-term equity investments under equity method	**64,573,515.66**	(91,275,045.47)
Dividends income from subsidiaries	**1,300,000,000.00**	809,141,584.21
Investment income (loss) from disposal of subsidiaries	**1,027,913,887.54**	(20,300,706.15)
Others	**–**	(1,242,118.06)
Total	**2,392,487,403.20**	696,323,714.53

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Supplementary information to the cash flow statement

RMB

Supplementary information	2023	2022
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	**4,154,494,330.70**	2,210,175,710.40
Add: Provision for impairment on assets	**3,932,040.31**	8,908,424.44
Provision for (gains from) credit impairment	**(1,676,557.83)**	1,584,511.41
Depreciation of fixed assets	**317,833,188.93**	296,679,296.15
Amortization of intangible asset	**9,159,348.53**	12,136,768.65
Amortization of long-term prepaid expenses	**33,486,371.43**	20,377,381.93
Income on disposal of fixed assets, intangible assets and other long-term assets	**(109,478,406.90)**	(13,907,723.17)
Losses on retirement of fixed assets	**127,317.01**	–
Gains from changes in fair values	**(9,155,993.00)**	(164,008,127.71)
Financial expenses	**480,462,509.16**	473,812,464.38
Investment income	**(2,392,487,403.20)**	(696,323,714.53)
Increase in deferred tax assets	**(94,976,936.98)**	(8,414,548.13)
Decrease in inventories	**26,553,632.79**	1,520,255.64
Decrease in operating receivables	**158,642,052.36**	474,516,573.08
Increase in operating payable	**436,069,003.91**	85,539,934.67
Amortization of deferred income	**(385,585.80)**	(385,585.80)
Increase in special reserve	**101,369,054.26**	20,517,220.03
Net Cash Flow from Operating Activities	**3,113,967,965.68**	2,722,728,841.44
2. Net changes in cash and cash equivalents:		
Closing balance of cash	**9,426,057,531.60**	8,901,293,066.14
Less: Opening balance of cash	**8,901,293,066.14**	4,208,336,354.31
Add: Closing balance of cash equivalents	**–**	–
Less: Opening balance of cash equivalents	**–**	–
Net increase in cash and cash equivalents	**524,764,465.46**	4,692,956,711.83

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions

Please refer to Note (VII) 1 for details of the subsidiaries of the Company and Note (V) 11 for associates and joint ventures of the Company.

(1) Details of related party transactions

(1.1) Sales and purchase of goods, provision and receipt of services

RMB

Related party	Type of transaction	Content of the transaction	Pricing method and decision-making process	2023 Amount	2022 Amount
Sales Company	Goods	Sales of products	Contract price	**131,827,268.19**	86,181,842.56
Ye Lian	Goods	Sales of products	Contract price	**4,728,727,930.39**	3,489,963,767.94
Da Dong Po	Goods	Sales of goods/provision of services related to tailing processing	Contract price	**55,855,842.44**	63,337,262.35
Jiu Yang	Goods	Sales of products	Contract price	**244,958.60**	321,498.71
San Qiang	Goods	Sales of products	Contract price	**51,258,600.49**	57,413,395.40
Wu Ye	Goods	Sales of products	Contract price	**1,022,606,134.84**	1,160,901,867.26
Xin Kuang Luo Mu	Service	Rendering of services	Contract price	**6,147,826.01**	3,046.97
International Hotel	Goods	Sales of products	Contract price	**–**	180,000.00
Schmocke	Service	Rendering of services	Contract price	**–**	728.47
IXM	Goods	Sales of products	Contract price	**14,174,144.32**	213,045,886.64
Dinghong	Goods	Sales of products	Contract price	**757,939,131.22**	251,180,369.25
Total				**6,768,781,836.50**	5,322,529,665.55
Jiu Yang	Goods	Purchase of goods and materials	Contract price	**12,877,323.70**	31,685,408.42
Ye Lian	Goods	Purchase of goods and materials	Contract price	**3,578,334.22**	1,344,911.92
International Hotel	Service	Receipt of service	Contract price	**–**	3,509.43
Da Dong Po	Service/Goods	Service/Goods	Contract price	**158,694,188.64**	146,705,354.18
Wu Ye	Goods	Purchase of goods and materials	Contract price	**83,460.68**	63,537.70
San Qiang	Service/Goods	Service/Goods	Contract price	**101,602,256.50**	86,409,855.30
Schmocke	Goods	Purchase of goods and materials	Contract price	**9,888,498.59**	–
Total				**286,724,062.33**	266,212,576.95

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(1) Details of related party transactions (Continued)

(1.2) Loans and borrowings with the related parties

Except for the related party financing disclosures in Note (XI) 6, the financing transactions between the Company and other related parties are as follows:

RMB

	Lending in the current year	Recovery in the current year	Closing balance of current year	Lending in the prior year	Recovery in the prior year	Closing balance of the prior year
Lent to:						
Sales Company	**8,385,774,584.70**	**8,457,973,700.42**	**-**	5,770,071,183.23	6,223,000,000.00	72,199,115.72
Ye Lian	**4,615,518,801.15**	**4,661,518,801.15**	**-**	2,790,000,000.00	2,970,799,060.39	46,000,000.00
International Hotel	**-**	**-**	**-**	215,000,000.00	215,000,000.00	–
Jiu Yang	**20,180,117.86**	**12,267,466.64**	**112,292,257.55**	16,460,247.59	32,987,868.44	104,379,606.33
CMOC HK	**-**	**-**	**-**	1,924,901,230.96	1,924,901,230.96	–
CMOC Limited	**4,953,246,574.85**	**854,497,010.79**	**4,146,610,385.98**	1,001,807,123.29	989,678,904.11	47,860,821.92
Qi Xing	**-**	**-**	**-**	5,304,259.26	73,377,254.12	–
Schmocke	**1,293,762,411.32**	**2,656,094,514.53**	**2,715,777,772.00**	3,701,747,465.21	690,660,000.00	4,078,109,875.21
Fu Run	**-**	**-**	**-**	325,636.99	11,903,832.24	–
Wu Ye	**200,000,000.00**	**200,000,000.00**	**-**	600,000,000.00	600,000,000.00	–
Beijing Yongbo	**49,200,000.00**	**49,200,000.00**	**-**	22,400,000.00	22,400,000.00	–
Dinghong	**2,071,063,649.53**	**2,686,853,439.53**	**95,281.41**	1,888,050,773.74	2,076,050,000.00	615,885,071.41
IXM	**-**	**-**	**-**	6,922,459,528.34	6,995,387,012.05	–
Junlong Mining	**-**	**-**	**-**	7,837,775.25	7,837,775.25	–
Total	**21,588,746,139.41**	**19,578,404,933.06**	**6,974,775,696.94**	24,866,365,223.86	22,833,982,937.56	4,964,434,490.59

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(1) Details of related party transactions (Continued)

(1.2) Loans and borrowings with the related parties (Continued)

RMB

	Borrowing in the current year	Repayment in the current year	Closing balance of current year	Borrowing in the prior year	Repayment in the prior year	Closing balance of the prior year
Borrowed from:						
Sales Company	**10,592,148,318.05**	**10,472,934,935.58**	**1,058,038,889.33**	7,840,865,024.61	7,369,204,062.15	938,825,506.86
Wu Ye	**169,000,000.00**	**169,065,802.06**	**511,863.22**	2,348,915,252.09	2,353,774,611.63	577,665.28
Metal Material	**179,191,529.29**	**8,592,439.32**	**192,578,838.12**	27,948,573.04	10,276,873.71	21,979,748.15
San Qiang	**664,040.19**	**586,343.28**	**325,669.18**	17,470,232.00	17,639,702.61	247,972.27
Da Dong Po	**-**	**-**	**-**	137,444,132.55	137,956,202.99	–
Xin Kuang Luo Mu	**27,570,312.27**	**90,050,513.50**	**81,552,722.50**	1,374,572.74	23,584,461.42	144,032,923.73
Fu Kai	**-**	**-**	**1,295,366.25**	–	–	1,295,366.25
Ye Lian	**1,900,143,345.55**	**1,900,032,544.30**	**616,303.89**	6,028,027,111.63	6,027,521,608.99	505,502.64
Schmocke	**5,046,770,084.14**	**4,537,830,432.60**	**735,017,209.89**	2,103,757,413.58	2,468,927,938.23	226,077,558.35
Beijing Yongbo	**303,632,891.00**	**175,650,200.00**	**201,996,898.28**	108,883,802.79	359,670,004.98	74,014,207.28
CMOC Limited	**3,858,630,266.25**	**2,391,780,952.71**	**2,918,866,810.07**	917,368,971.64	1,125,126,919.11	1,452,017,496.53
Dinghong	**6,502,297,043.10**	**6,371,625,133.57**	**189,130,201.95**	3,821,326,344.65	3,828,818,794.72	58,458,292.42
IXM	**-**	**-**	**-**	–	35.66	–
Jiu Yang	**2,305,562.41**	**1,648,646.03**	**1,363,078.52**	18,295,666.28	27,363,614.94	706,162.14
International Hotel	**69,252,235.37**	**66,687,215.73**	**2,565,019.64**	55,682,635.67	75,710,438.60	–
CMOC HK	**300,536.77**	**-**	**18,023,808.69**	2,038,865.90	540,253.66	17,723,271.92
CMOC Singapore Pte. Ltd.	**566,616,000.00**	**-**	**566,616,000.00**	–	–	–
Total	**29,218,522,164.39**	**26,186,485,158.68**	**5,968,498,679.53**	23,429,398,599.17	23,826,115,523.40	2,936,461,673.82

(1.3) Interest on related party borrowings/loans

The interest on the Company's borrowings from/loans to related parties is as follows:

RMB

	2023	2022
Interest paid to subsidiaries	**172,738,434.74**	97,828,788.28
Interest received from subsidiaries	**151,127,986.55**	129,959,269.54

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(1) Details of related party transactions (Continued)

(1.4) Guarantees with related parties

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
China Molybdenum Co., Ltd.	CMOC DRC	USD2,350,000,000	4 November 2022	25 May 2031	No
China Molybdenum Co., Ltd.	CMOC Limited	USD50,000,000	13 November 2023	8 November 2028	Yes
China Molybdenum Co., Ltd.	CMOC Limited	USD731,000,000	10 March 2023	10 September 2028	No
China Molybdenum Co., Ltd.	CMOC Limited	USD100,000,000	25 June 2023	23 April 2026	Yes
China Molybdenum Co., Ltd.	CMOC Limited	RMB750,000,000	10 March 2023	10 September 2028	No
China Molybdenum Co., Ltd.	CMOC Limited	USD50,000,000	8 February 2023	31 August 2026	Yes
China Molybdenum Co., Ltd.	Shanghai Aoyide	USD25,000,000	13 June 2023	12 June 2024	No
China Molybdenum Co., Ltd.	Shanghai Aoyide	USD20,000,000	13 June 2023	12 June 2024	No
China Molybdenum Co., Ltd.	Shanghai Aoyide	RMB50,000,000	15 August 2023	14 August 2026	Yes
China Molybdenum Co., Ltd.	Dinghong Trading	RMB150,000,000	2 August 2023	29 December 2026	Yes
China Molybdenum Co., Ltd.	Dinghong Trading	RMB200,000,000	29 July 2022	29 July 2024	No
China Molybdenum Co., Ltd.	Dinghong Trading, Shanghai Dong He, Hainan Muxing and Aoyide	USD200,000,000	3 November 2023	2 November 2026	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB200,000,000	2 December 2022	1 December 2027	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB200,000,000	13 November 2023	13 November 2027	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB160,000,000	31 March 2023	30 March 2029	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB100,000,000	26 May 2023	29 May 2026	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB100,000,000	29 May 2023	31 May 2027	No
China Molybdenum Co., Ltd.	Fu Chuan	RMB100,000,000	12 June 2023	7 June 2027	No
China Molybdenum Co., Ltd.	Wu Ye	RMB175,000,000	28 March 2023	8 April 2024	No

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(1) Details of related party transactions (Continued)

(1.4) Guarantees with related parties (Continued)

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
China Molybdenum Co., Ltd.	Wu Ye	RMB250,000,000	15 August 2023	20 December 2024	No
China Molybdenum Co., Ltd.	Xiao Shou	RMB190,000,000	23 September 2022	23 September 2025	No
China Molybdenum Co., Ltd.	Xiao Shou	RMB350,000,000	15 September 2023	13 March 2024	No
China Molybdenum Co., Ltd.	Xiao Shou	RMB100,000,000	19 December 2023	14 December 2029	Yes
China Molybdenum Co., Ltd.	Huayue Nickel Cobalt	USD235,600,000	30 September 2021	21 March 2032	No
China Molybdenum Co., Ltd.	COMC Brazil	USD700,000,000	31 December 2021	18 May 2029	No
China Molybdenum Co., Ltd.	Shanghai Dong He	USD50,000,000	20 January 2022	19 January 2030	Yes
China Molybdenum Co., Ltd.	Shanghai Dong He	USD20,000,000	1 July 2022	30 June 2027	Yes
China Molybdenum Co., Ltd.	Shanghai Dong He	RMB100,000,000	11 January 2023	11 January 2026	No
China Molybdenum Co., Ltd.	Shanghai Dong He	RMB100,000,000	26 April 2023	25 April 2027	No
China Molybdenum Co., Ltd.	Shanghai Dong He	RMB120,000,000	14 September 2023	28 February 2026	Yes
China Molybdenum Co., Ltd.	Shanghai Dong He, Dinghong Trading	USD10,000,000	30 March 2023	30 March 2026	No
China Molybdenum Co., Ltd.	Shanghai Dong He, Dinghong Trading	USD1,500,000	30 March 2023	30 March 2026	Yes
China Molybdenum Co., Ltd.	Shanghai Dong He, Hainan Muxing	USD50,000,000	29 December 2023	29 December 2026	No
China Molybdenum Co., Ltd.	Shanghai Dong He, Aoyide	RMB600,000,000	27 October 2023	27 October 2027	Yes
China Molybdenum Co., Ltd.	Hainan Muxing	RMB200,000,000	21 November 2023	8 February 2028	No
China Molybdenum Co., Ltd.	Artemida Limited	USD830,000,000	–	–	Yes
China Molybdenum Co., Ltd.	Dinghong Trading	RMB439,000,000	27 April 2023	27 April 2024	Yes
China Molybdenum Co., Ltd.	Shanghai Dong He	RMB600,000,000	13 October 2022	13 October 2023	Yes

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(2) Amounts due from/to related parties

RMB

Item	Related party	31 December 2023	31 December 2022
Accounts receivable	Ye Lian	**720,390,380.25**	500,766,358.78
	San Qiang	**143,316,517.46**	151,398,807.52
	Da Dong Po	**41,646,739.67**	91,343,699.85
	Sales Company	**1,390,017.35**	17,966,580.55
	Dinghong	**98,278,097.04**	17,937,823.25
	Jiu Yang	**59,835.15**	181,445.48
	Schmocke	**–**	823.17
	Xin Kuang Luo Mu	**27,447.36**	–
Dividends receivable	Schmocke	**1,500,000,000.00**	200,000,000.00
	Jiu Yang	**26,993,751.76**	26,993,751.76
	San Qiang	**10,118,892.09**	10,118,892.09
	Da Dong Po	**6,893,440.23**	6,893,440.23
Other receivables	Schmocke	**2,715,777,772.00**	4,078,109,875.21
	Dinghong	**95,281.41**	615,885,071.41
	Jiu Yang	**112,292,257.55**	104,379,606.33
	Sales Company	**71,183.23**	72,199,115.72
	CMOC Limited	**4,146,610,385.98**	47,860,821.92
	Ye Lian	**–**	46,000,000.00
	Xin Kuang Luo Mu	**6,336,196.44**	–
	Da Dong Po	**117,507.84**	–
Interest receivable	CMOC HK	**115,823,345.23**	115,009,867.15
	Schmocke	**71,923,493.63**	86,325,291.01
	Sales Company	**1,304,657.55**	39,129,031.51
	Dinghong	**7,566,252.35**	25,974,026.27
	Ye Lian	**15,030,674.68**	14,139,180.98
	Jiu Yang	**13,594,299.97**	13,594,299.97
	Beijing Yongbo	**57,442.20**	–

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(2) Amounts due from/to related parties (Continued)

RMB

Item	Related party	31 December 2023	31 December 2022
Interest payable	CMOC Limited	**7,247,868.15**	82,291,819.47
	Schmocke	**2,272,714.04**	11,757,866.94
	Xin Kuang Luo Mu	**863,312.27**	2,882,452.25
	Ye Lian	**16,679,219.26**	2,725,560.96
	Sales Company	**16,919,773.85**	2,579,977.04
	Wu Ye	**1,473,697.04**	923,749.74
	Jiu Yang	**838,535.84**	838,535.84
	Metal Material	**1,202,099.07**	373,206.73
	Dinghong	**2,049,300.80**	252,590.55
	International Hotel	**241,223.20**	227,755.22
	Da Dong Po	**53,970.74**	74,920.14
	Beijing Yongbo	**158,192.08**	65,288.63
Other payables	CMOC Limited	**2,918,866,810.07**	1,452,017,496.53
	Sales Company	**1,058,038,889.33**	938,825,506.86
	Schmocke	**735,017,209.89**	226,077,558.35
	Xin Kuang Luo Mu	**81,552,722.50**	144,032,923.73
	Beijing Yongbo	**201,996,898.28**	74,014,207.28
	Dinghong	**189,130,201.95**	58,458,292.42
	Metal Material	**192,578,838.12**	21,979,748.15
	CMOC HK	**18,023,808.69**	17,723,271.92
	Fu Kai	**1,295,366.25**	1,295,366.25
	Jiu Yang	**1,363,078.52**	706,162.14
	Wu Ye	**511,863.22**	577,665.28
	Ye Lian	**616,303.89**	505,502.64
	San Qiang	**325,669.18**	247,972.27
	International Hotel	**2,565,019.64**	–
	CMOC UK	**53,581,391.56**	–
	CMOC Singapore Pte. Ltd.	**566,616,000.00**	–
Accounts payable	Da Dong Po	**74,141,328.67**	94,400,381.93
	San Qiang	**48,052,642.21**	45,089,181.31
	Sales Company	**–**	20,279,340.00
	Ye Lian	**7,453.08**	1,519,750.46
	Wu Ye	**94,310.57**	71,797.60
	Jiu Yang	**2,070,322.12**	–
	Schmocke	**3,727,625.25**	–

(XVI). NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Related party relationships and transactions (Continued)

(2) Amounts due from/to related parties (Continued)

RMB

Item	Related party	**31 December 2023**	31 December 2022
Contract liabilities	Wu Ye	**240,466,616.23**	29,519,165.07
	Metal Material	–	6,255,260.02
Prepayments	Jiu Yang	–	706,162.14
	International Hotel	–	602,878.09
	Beijing Yongbo	–	73,586.68
Held-for-trading financial assets	IXM	–	54,772,758.42

*****

(XVII). SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

RMB

Item	2023
Net profit	**8,530,622,628.84**
Add (less): Non-recurring profit or loss items	
– Gains from disposal of non-current assets *(Note)*	**(2,123,555,131.49)**
– Government grants included in profit or loss for the period (other than government grants which are closely related to the Company's normal business, and compliant with national policies and regulations, available according to determined requirements, and have a continuous impact on the Company's profit or loss)	**(104,751,583.26)**
– Capital occupation fee charged to non-financial enterprises included in profit or loss for the period	**(24,077,394.94)**
– Gains or losses from fair value changes arising from financial assets and financial liabilities held by non-financial enterprises besides the transactions under effective hedging relationship relating to the Company's normal course of operation, as well as gains or losses from disposal of the above financial assets/liabilities	**(355,074,065.85)**
– Other fair value change losses	**(22,699,579.14)**
– Other net non-operating income or expenses other than the above items	**80,014,863.12**
Sub-total	**(2,550,142,891.56)**
Income tax effects from non-recurring profit or loss items	**535,326,970.56**
Net profit after deducting non-recurring profit or loss items	**6,515,806,707.84**
Including: Net profit attributable to shareholders of the Company	**6,232,811,345.95**
Net profit attributable to minority interests	**282,995,361.89**

Note: The Group's gains from disposal of non-current assets arising from disposal of subsidiaries amounts to RMB2,120,720,536.76. Refer to Note (V) 56 for details.

(XVII). SUPPLEMENTARY INFORMATION (CONTINUED)

1. Breakdown of non-recurring profit or loss (Continued)

IXM Holding S.A and its subsidiaries (collectively "IXM") in the Group's mineral trading segment jointly constitute a commodity trader, whose daily operation is to hedge the price risk arising from spot trading using commodity futures contracts, commodity option contracts and forward commodity contracts, so as to realize profits from the combination of futures and cash. Its spot trading business includes commodities purchased from other companies within the Group at fair market prices. According to the Explanatory Announcement on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-Recurring Profits and Losses (2023 Revision), the determination of non-recurring profits and losses should be based on the judgement on industry characteristics and business model. Taking this principle into consideration, the Group believes the application of IXM's relevant derivative financial instruments is in line with the industry characteristics and business model of commodity trades, and is a part of its daily operation. Therefore, the gains or losses from fair value changes arising from commodity futures contracts, commodity option contracts and forward commodity contracts held by IXM are presented as recurring profits and losses.

2. Return on net assets and earnings per share ("EPS")

The calculation of net assets and EPS is prepared by China Molybdenum Co., Ltd. in accordance with Information Disclosure and Presentation Rules for Entities with Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Amended in 2010) issued by China Securities Regulatory Commission.

RMB

Profit for the reporting period	Weighted average return on net assets (%)	EPS Basic EPS	EPS Diluted EPS
Net profit attributable to ordinary shareholders of the Company	15.00	0.38	0.38
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	11.31	0.29	0.29

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Sun Ruiwen *(CEO)*
Li Chaochun *(Vice Chairman)*

Non-Executive Directors

Yuan Honglin *(Chairman)*
Lin Jiuxin *(appointed on 9 June 2023)*
Jiang Li *(appointed on 9 June 2023)*

Independent Non-Executive Directors

Wang Gerry Yougui
Yan Ye
Li Shuhua

SUPERVISORS

Zheng Shu *(appointed on 9 June 2023)*
Zhang Zhenhao
Xu Wenhui

BOARD COMMITTEES

Remuneration Committee

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

Audit and Risk Committee

Li Shuhua *(Chairman)*
Yan Ye
Yuan Honglin

Strategic and Sustainability Committee

Yuan Honglin *(Chairman)*
Sun Ruiwen
Li Chaochun
Wang Gerry Yougui

Nomination and Governance Committee

Wang Gerry Yougui *(Chairman)*
Yuan Honglin *(Vice Chairman)*
Yan Ye
Li Shuhua

BOARD SECRETARY

Xu Hui

JOINT COMPANY SECRETARIES

Xu Hui
Ng Sau Mei *(FCG, HKFCG)*

REGISTERED OFFICE IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay, Hong Kong

LEGAL REPRESENTATIVE

Yuan Honglin

AUTHORIZED REPRESENTATIVES

Yuan Honglin
Ng Sau Mei

ENQUIRY DEPARTMENT OF THE COMPANY

The Board Office

CORPORATE INFORMATION

INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY

(+86) 379 6860 3993

SHANGHAI A SHARE REGISTRAR

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

HONG KONG H SHARE REGISTRAR

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

PLACES OF LISTING

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

NAME OF THE STOCK

CMOC Group Limited (CMOC)

STOCK CODE

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

PRINCIPAL BANKERS

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

AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP

LEGAL ADVISORS

As to Hong Kong law:

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

As to PRC law:

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

WEBSITE

www.cmoc.com

"APT"	ammonium paratungstate
"Board" or "Board of Directors"	the board of Directors of the Company
"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"	CMOC Limited
"CMOC", "Company", "Group"	洛陽欒川鉬業集團股份有限公司(CMOC Group Limited*)
"Director(s)"	the director(s) of the Company
"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.
"Huayue Nickel Cobalt"	PT. Huayue Nickel Cobalt, a non-wholly-owned subsidiary 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/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.
"Niobium Mine in Brazil"	the Boa Vista niobium mine located in the Catalão mining area in Brazil, which is owned by CMOC Brasil

DEFINITION OF COMMON TERMS

"NPM, Northparkes Copper and Gold Mine"	the copper/gold mine in Northparkes, situated at northwest of the town of Parkes in New South Wales, Australia
"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
"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
"Supervisor(s)"	the supervisors of the Company
"Supervisory Committee"	the supervisory committee of the Company
"TFM"	Tenke Fungurume Mining S.A. (DRC)
"TFM Copper and Cobalt Mine"	Tenke Fungurume Copper/Cobalt Mine Area located in Congo (DRC)
"Yulu Mining"	Luoyang Yulu Mining Co., Ltd., a non-wholly-owned subsidiary of the Company

* *for identification purposes*

洛陽欒川鉬業集團股份有限公司

CMOC Group Limited*