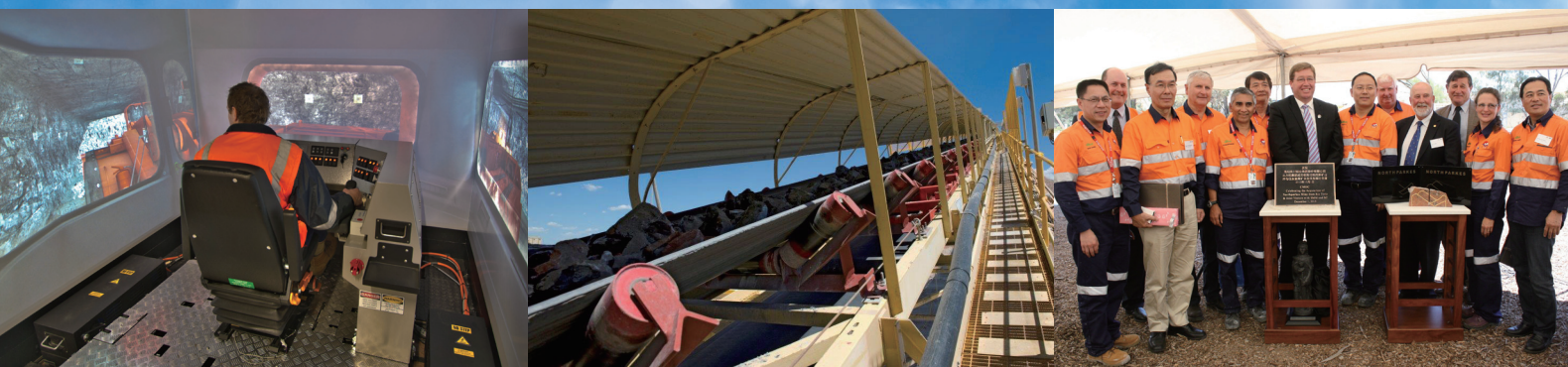




洛陽欒川鉬業集團股份有限公司  
China Molybdenum Co., Ltd.\*

Stock Code: 3993



*Interim Report 2014*

\* For identification purposes only



## SUMMARY OF 2014 INTERIM REPORT

- Net profit attributable to shareholders of the parent company amounted to RMB1,005 million, representing a year-on-year increase of 66% though the decrease of average market prices of the Company's main products like molybdenum, tungsten, copper and gold for the first half of the year varied approximately from 8% to 16% year on year. Earnings per share were RMB0.198 and net cash flow per share from operating activities amounted to RMB0.245;
- Net profit increased significantly as compared with the same period last year, which was mainly due to consolidation of Australian copper business into the financial statement, sustained efforts made to reduce costs and investment gains from disposal of Kunyu Mining;
- Northparkes experienced a smooth transition and good operation with a record-high volume of mining and processing. In the first half of the year, cash production cost was USD0.53/lb, which contributed a net profit of USD62.1 million;
- The molybdenum and tungsten segment continuously reduced its costs through optimisation of mining and processing allocation, innovation of technology research and development and other measures. In the first half of the year, cash production cost of molybdenum concentrates and tungsten concentrates decreased by 16% and 8% as compared with the budget for the whole year, respectively;
- The product portfolio of molybdenum and tungsten products and marketing strategy were actively adjusted to respond to the changes in the market;
- Balance sheet was positively managed and optimised. As of the end of June, the gearing ratio was approximately maintained at a relatively stable level of 42%.

## MAJOR FINANCIAL INDICATORS OF THE FIRST HALF OF 2014

For the six months ended 30 June	2014 (RMB million)	2013 (RMB million)	Changes (%)
Operating revenue	<b>3,706.26</b>	2,689.73	37.79
Operating profit	<b>1,266.62</b>	660.69	91.71
Total profit	<b>1,224.69</b>	665.89	83.92
Net profit	<b>993.34</b>	554.57	79.12
Net profit attributable to shareholders of the parent company	<b>1,004.88</b>	604.89	66.13
Net cash flow from operating activities	<b>1,244.03</b>	1,063.82	16.94
Basic earnings per share	<b>0.1980 yuan</b>	0.1192 yuan	66.11
Net cash flow from operating activities per share	<b>0.2451 yuan</b>	0.2096 yuan	16.94

## PROSPECT AND DEVELOPMENT STRATEGY

The Company's vision is to become a respected international resources company. The Company's value is to implement the highest industrial standards in safety, environmental protection and occupational health and to create good returns for our shareholders, employees and the society.

The Company's development strategy focuses on:

- strengthening and maintaining the most competitive cost advantage of the existing business, striving for continuous reduction of cost, improvement of management, enhancement of efficiency and exploiting of internal potentials;
- persistently managing and optimising balance sheet, disposing of non-core, low or inefficient assets, reasonably raising fund with advantages of capital platform;
- actively pursuing acquisition of resources, prioritising the acquisition and investment in quality and mature resources projects located in politically stable region with good cash flow.

## MARKET REVIEW AND PROSPECTS

The Company primarily derived its income from sales of molybdenum, tungsten and copper products, including ferromolybdenum and other molybdenum products, tungsten concentrates, copper concentrates. Its operational results are mainly influenced by fluctuations in the market prices of molybdenum, tungsten and copper. The Company also sells some gold, silver and lead products. Therefore, the price fluctuations of gold, silver and lead would have a certain impact on the Company as well.

## PRICES COMPARISON OF RELEVANT METAL PRODUCTS OF THE COMPANY FOR THE FIRST HALF OF 2014 AND FOR THE CORRESPONDING PERIOD

Products		Domestic		Increase/decrease on a year-on-year basis (%)
		First Half of 2014	First Half of 2013	
Molybdenum	Molybdenum concentrates (RMB/metric tonne unit)	1,405.1	1,625.3	(13.54%)
	Ferromolybdenum (RMB 0'000/tonne)	9.7	11.1	(12.62%)
Tungsten	Black tungsten concentrates (RMB/metric tonne unit)	1,707.7	1,861.5	(8.26%)
Gold	Gold (RMB/gram)	256.8	305.2	(15.84%)

Note: The prices of molybdenum and tungsten came from relevant domestic websites. The price of gold represented 99.95% of the price quoted at the Shanghai Gold Exchange.

Products		International		Increase/decrease on a year-on-year basis (%)
		First Half of 2014	First Half of 2013	
Molybdenum	Molybdenum oxide (USD/pound)	11.8	11.1	6.31%
Copper	Cathode copper (USD/tonne)	6,881.0	7,568.0	(9.08%)
Gold	Gold (USD/ounce)	1,298.5	1,522.1	(14.69%)

Note: The prices of molybdenum and tungsten came from relevant international websites. The price of copper was the price quoted at the London Metal Exchange, and the price of gold was the price quoted by the London Bullion Market Association ("LBMA") at the international market.

## MARKET REVIEW ON EACH METAL SEGMENT IN THE FIRST HALF OF 2014

### *Molybdenum market*

In the first half of 2014, the overall domestic molybdenum market remained at a low level with narrow fluctuations. In the first quarter, the molybdenum market as a whole showed a downward trend. As influenced by climate and the Spring Festival in January and February, prices of molybdenum were relatively stable and experienced limited decline. The prices of molybdenum successively hit historic low in March due to sluggish demands from downstream market and price competition between large molybdenum enterprises to deplete their inventories. In the second quarter, along with warmer weather, higher operating rate, increased demand for steel products and escalating prices of molybdenum in the international market, the prices of molybdenum in the domestic market increased within a short period of time. However, as the steel market did not change substantially, the prices of products eventually went downward under such pressure. According to average prices quoted on the websites of Molyworld and Comelan, in the first half of 2014, the average price of molybdenum concentrates amounted to RMB1,405.1/metric tonne unit, representing a decrease of 13.54% as compared with the same period last year. The lowest price was RMB1,330/metric tonne unit and the highest price was RMB1,450/metric tonne unit. The average price of the ferromolybdenum (60% Mo) for the first half of the year amounted to RMB97,000/tonne, representing a decrease of 12.62% as compared with the same period last year. The lowest price was RMB90,000/tonne and the highest price was RMB102,000/tonne.

In the first half of 2014, the international molybdenum market performed better due to short supply. With recovery of demand in January, the prices of molybdenum began to climb slightly. As the supply of molybdenum in Europe increased in February, and market demand remained weak during the same period of time, prices of products went downward accordingly. After March, economies of Europe and the United States took a favourable turn, external demand resumed but the output of large mines overseas was below expectations, leading to a lack of supply and a surge in prices in the market. With summer break in Europe in mid-June, market demand declined and prices went downward accordingly. According to average prices quoted on the websites of Molyworld and Comelan, in the first half of 2014, the average price of MW molybdenum oxide amounted to USD11.8/lb Mo, representing an increase of 6.31% as compared with the same period last year. The lowest price was USD9.65/lb Mo and the highest price was USD15.20/lb Mo.

---

### ***Tungsten market***

In the first half of 2014, the domestic tungsten market began to show signs of weakness. As a result of the imbalance between supply and demand, the industry entered into a relatively weak period. In the first two months of the first quarter, tungsten market performed relatively strong. In March, as the purchasing and storage of stocks were not effectively implemented, demand remained weak; however, output of tungsten did not decrease, leading to market oversupply, and the tungsten market went downward as a whole. In June of the second quarter, procurement from overseas market increased, which resulted in an increase in prices of tungsten in the international market and a slight rise of prices in the domestic market. However, due to weakness in the end user market, the growth of prices lacked driving force, thus the prices finally attained stability. According to average prices quoted on the websites of CNFEOL and Comelan, in the first half of 2014, the average price of black tungsten concentrates in the PRC amounted to RMB1,707.7/metric tonne unit, representing a decrease of 8.26% as compared with the same period last year. The lowest price was RMB1,600/metric tonne unit and the highest price was RMB1,800/metric tonne unit. The average APT price was RMB173,000/tonne, representing a decrease of 6.23% as compared with the same period last year. The lowest price was RMB165,000/tonne and the highest price was RMB181,000/tonne.

In the first half of 2014, the price of tungsten experienced a downward trend in the international market. In the beginning of 2014, the price of tungsten in the international market dropped. It hit bottom and began to rise in May, yet the price of tungsten declined generally. In April and May, export market took a distinctly favourable turn with increased overseas enquiries and consumer business increased their procurement to supplement inventory. According to average prices from January to June in 2014 quoted on MB Data, the average APT price in European market was USD365.0/metric tonne unit, representing an increase of 5.49% as compared with the same period last year. The increase in price in the international market as compared with the same period last year was mainly due to a slow change in overseas prices and the domestic market's timely response to the changes in market. In the first half of year, the APT price in European market peaked at USD372/metric tonne unit and hit the lowest price at USD358/metric tonne unit.

### ***Copper market***

The Company operated its copper business through NPM, thus operating results of such business segment were influenced by fluctuations of copper prices in the international market. In addition, NPM business also produced gold and silver.

In the first half of 2014, according to information from London Metal Exchange, the average cathode copper price in the international market was USD6,881.0/tonne, representing a decrease of 9.08% as compared with the same period last year. The supply of international copper market was affected by numerous factors: inventory of London Metal Exchange (an important indicator of inventory for refined copper) declined from 359,075 tonnes in January to 154,675 tonnes in June; longshoremen in Chile went on strike; and two mining companies, Freeport and Newmount, temporarily shut down their mining production and ceased export of copper concentrates. In addition, Oyu Tolgoi in Outer Mongolia commenced its production. However, several projects, such as Toromocho Copper Mine of Chinalco Peru and Caserones Copper Mine of JX Nippon in Japan deferred their production. In terms of demands, the economy of the United States continued to show strong growth, thus demand for copper products in the manufacturing industry was exuberant. Meanwhile, the PMI of the PRC in June rebounded to over 50, which was favourable for the support of copper price in the international market. The resilience of copper price in the international market since March reflected a strong market demand.

---

### ***Gold and silver market***

In the first half of 2014, according to the information from London Bullion Market Association, the average price of gold in the international market was USD1,298.5 per ounce, representing a decrease of 14.69% as compared with the same period last year. Price of silver fluctuated within a relatively narrow range with an average price of USD20.06 per ounce.

## **PROSPECT FOR THE SECOND HALF OF 2014**

### ***Molybdenum market***

Domestic market: along with the sustained transformation of domestic iron and steel industry, the demands for molybdenum from stainless steel and special steel will further increase with an expected growth of about 10%. Together with the State's stringent control over environmental protection, some medium and small smelting enterprises will be forced to shut down, leading to a decrease in the production volume of molybdenum oxide and ferromolybdenum, and a production bottleneck of molybdenum oxide and ferromolybdenum in the industry may appear then. Meanwhile, export of domestic enterprises will absorb certain domestic molybdenum oxide and ferromolybdenum in the second half of the year. In addition, the State carried out purchasing and storage of molybdenum oxide, facilitating a sound development of molybdenum oxide and other molybdenum products. For molybdenum concentrates, Luming Molybdenum Mine and other new mines entered into production, which forced high-cost mines to shut down thoroughly and increased supply of molybdenum concentrates market to a certain extent. Based on comprehensive analysis of above various factors, it is expected that in the second half of the year the domestic supply of ferromolybdenum will remain tense, the price of ferromolybdenum will maintain the price level of the first half of the year or slightly better, while domestic price of molybdenum concentrates will probably fall as a result of an increase in increased supply.

International market: in terms of the international market, during the second half of the year as the European and U.S. economies are undergoing recovery, the demand for molybdenum from stainless steel will increase to a certain degree. Meanwhile, the products supply of large mines from the West will still remain tight. The market is anticipated to remain weak due to overseas summer vacation in the third quarter. The market will witness a favourable trend with the end of overseas summer vacation and the slack season of the industry in the fourth quarter.

### ***Tungsten market***

Domestic market: in the second half of 2014, the domestic economy will present a stable growing trend, where the production volume of hard alloy and alloy steel will remain steady, and promotion of tungsten products will gradually expand on e-platform, which will insert new vitality into the tungsten market. Meanwhile, Pan Asian Gold Exchange has acquired APT and invested to establish stockpiles, which will stimulate the market to a certain degree. However, as the APT acquired by Pan Asian Gold Exchange has not entered the actual application stage, but only existed as inventory, whether Pan Asian Gold Exchange would continue the acquisition and whether stockpiles would enter the market would both have certain impact on the tungsten market. In short, with no material changes in supply and demand, the market is estimated to be stable in the second half of the year.

International market: the global major economies, namely U.S., European Union and Japan are major markets that will impact the domestic export of tungsten products. For the second half of the year, the U.S. market has shown a sign of recovery. Meanwhile, the overseas demand in the first half of the year was relatively optimistic as a whole. The overseas demand for tungsten products, especially for deep processed tungsten products will increase. It is anticipated that there will be positive factors in the international tungsten market in the second half of the year, and the export of tungsten products will experience a favourable trend with moderate increase.

### **Copper market**

The rebound of the international copper price after March showed the strong demand of the market. We are of the view that the international copper metal price will fluctuate within a certain range in July and August.

For the supply, the Oyu Tolgoi Copper Mine in Outer Mongolia commenced production, but the production of some projects got delayed. For instance, Toromocho Copper Mine of Minera Chinalco Peru S.A. postponed the production due to environmental issues, Caserones Copper Mine of JX Nippon in Japan postponed the production to August. In the long summer of July and August, the demand from the Western countries will slow down due to the seasonal reasons (U.S.A. - July, Europe - August). Thus, the price of copper metal will continue to fluctuate in a certain range.

## **BUSINESS REVIEW AND PROSPECTS**

### **BUSINESS REVIEW**

#### **Comparable Table of Production Volume, Sales Volume and Unit Cash Production Cost of Major Products of the Company**

Name of Products	For the first half of 2014					For the first half of 2013		
	Production Volume (Tonnes)	Completed proportion in the estimated volume (%)	Sales Volume (Tonnes)	Unit cash production cost (Yuan/Tonne)	Increase of decrease from the estimated volume (%)	Production Volume (Tonnes)	Sales Volume (Tonnes)	Unit cash production cost (Yuan/Tonne)
	Actually completed		Actually completed	Actually completed				
Molybdenum (100%)	7,681	50.9	9,870	56,805	(16.1)	7,662	8,290	61,418
Tungsten (100%)	3,649	52.1	3,807	18,501	(8.0)	3,264	3,533	21,539
Copper for sale	21,724	50.5	22,025	0.53 US	(24.3)	N/A	N/A	N/A
				dollar/pound				

Note: The sales volume of molybdenum for the first half of 2014 was more than production volume by 2,189 tonnes, which was resulted from the inventory of 1,190 tonnes absorbed at the beginning of the period and purchasing of raw materials to process 999 tonnes ferromolybdenum of the Company. The sales volume of molybdenum for the first half of 2013 was more than production volume by 628 tonnes, which was resulted from purchasing raw materials to process ferromolybdenum of the Company.

---

During the reporting period, notwithstanding adverse conditions of the complicated and ever-changing metal market as well as adverse situation including the instability of the molybdenum ore cut-off grade, the management of the Company under the leadership of the Board overcame difficulties, drew on collective wisdom and ideas, and through adopting a series of effective measures including the active promotion and implementation of development strategy, reinforcing management and control of Australian NPM, implementing cost reduction and efficiency increase measures and continuous improvement of the quality of subsidiary management, the Company attained outstanding results in production operation and related works.

1. Active promotion and implementation of development strategy: during the reporting period, the Company organised and optimised its balance sheet while stripped of and disposal of non-core and low-efficient assets were smoothly carried out with the disposal of 70% equity interests in Kunyu Mining. Not only did the Company deal with low-efficiency assets, but it also optimised the balance sheet and increased the cash flow. Moreover, it strengthened the ability of risk resistance to provide better conditions to the sustainable, rapid and healthy development of the Company.
2. Enhanced management and control on Australian NPM: after including Australian NPM in the management system of its subsidiaries, the Company diligently learnt from the advanced management experience of Australian mining enterprises, adequately made use of the corporate culture and operational idea of the Company, and strived to motivate the working passion for excellence and sense of ownership of Australian NPM management teams and staffs to ensure smooth transition and efficient operation of Australian NPM.
3. Active implementation of cost reduction and efficiency enhancement: during the reporting period, the Company actively upgraded technology, optimised technological indicators, implemented streamline management, reduced all non-production expenditure to further enhanced cost management, adopted different measures to lower production cost by tapping into the potential of the Company, increasing revenue while controlling costs, which created a good environment of cost reduction and efficiency enhancement of the Company.
4. Continuous enhancement of the management of subsidiaries: during the reporting period, the Company adopted the change operation ideology to further improve measures such as appraisal, reward and punishment mechanism, as well as thoroughly and continuously enhanced the management of its subsidiaries to increase the profit of the profitable subsidiaries, turn subsidiaries' loss into gain for those which are able to do so, and minimise the loss for subsidiaries which recorded loss.



---

## MATERIAL EVENTS

### 1. *Change in De Facto Controller*

On 12 January 2014, the Company received the Letter of Notification of the Change in the Controlling Right of China Molybdenum Co., Ltd. (《關於洛陽樂川鋁業集團股份有限公司控制權變更的通知函》) from its shareholders, CFC and LMG, respectively. Upon completion of the increase in shareholding of H shares of the Company by CFC in the secondary market through CFIL, its wholly-owned subsidiary in Hong Kong (for details, please refer to Announcement on Completion of Increase in Shareholding of Shareholder (《關於股東增持計劃實施完成的公告》) of the Company published on 6 January 2014), CFC and its parties acting in concert hold 1,827,706,322 shares of the Company in aggregate, representing approximately 36.01% of the total share capital of the Company. Such shareholding exceeded that of LMG which holds 1,776,593,475 shares of the Company, representing approximately 35.00% of the total share capital of the Company. Hence, CFC becomes the largest shareholder of the Company. CFC and LMG, being shareholders of the Company, communicated with each other in respect of the change in the controlling right of the Company. CFC expressed its intention of having a controlling right of the Company while LMG confirmed that it no longer has a controlling right of the Company and has no intention to increase its shareholding of the Company so as to obtain the controlling right. Hence, the de facto controller of the Company (as defined in the Listing Rules of the Shanghai Stock Exchange) had changed. (for details, please refer to the announcement of the Company dated 13 January 2014)

### 2. *Transfer of 70% Equity Interest in Kunyu Mining*

On 15 April 2014, the Proposal in Relation to Transfer of 70% Equity Interest in Luoyang Kunyu Mining Co., Ltd. (《關於轉讓洛陽坤宇礦業有限公司70%股權的議案》) was considered and approved in the thirteenth extraordinary meeting of the third session of the Board of the Company, pursuant to which, the Company agreed to dispose of its 70% equity interest in Kunyu Mining to Zijin Mining Group Co., Ltd. with the consideration of RMB700,000,000. On 28 May 2014, the registration procedures of the business license in relation to the equity transfer has been completed. (For details, please refer to the announcements of the Company dated 15 April 2014 and 29 May 2014)

### 3. *Adjustment of the Standard on Provision for Production Maintenance Fee for Sandaozhuang Mine*

The Company held the 11th meeting of the third session of the Board on 25 April 2014, during which the Proposal in Relation to the Adjustment of the Standard on Provision for Production Maintenance Fee for Sandaozhuang Mine of China Molybdenum Co., Ltd. (《關於調整洛陽樂川鋁業集團股份有限公司三道莊礦區礦山維簡費計提標準的議案》) was considered and approved. In order to reflect the actual financial status and operation of the Company more appropriately and accurately, the Company decided to adjust the standard on provision for production maintenance fee for ore of Sandaozhuang Mine from RMB18 per tonne to RMB15 per tonne beginning 1 January 2014. Such adjustment is classified as the change in accounting estimate, for which prospective method shall be adopted without any retrospective adjustments. After the adjustment of the standard on provision for the production maintenance fee, the mining cost will decrease by RMB3 per tonne, which will lead to an increase of RMB25,200,000 in net profit of the Company for the first half of 2014. The impact on the net profit for 2014 is subject to the actual volume of ore mined in 2014. (For details, please refer to the announcement of the Company dated 25 April 2014)

---

#### **4. Domestic industrial policies**

##### **Export quotas**

On 13 December 2013, the Ministry of Commerce of the PRC promulgated the Notification on State-owned Enterprise Involving Tungsten, Antimony and Silver Export, List of Exporter of Rare Earth, Indium, Molybdenum and Tin and Export Quotas (the first batch) for 2014. Under the notification, the Company was entitled to export 1,107 tonnes of the primary products of molybdenum (molybdenum oxides and ferromolybdenum), 428 tonnes of molybdenum chemical products and 172 tonnes of molybdenum products. The quota for molybdenum products of Louyang High-Tech, a joint venture of the Company, was 290 tonnes.

On 8 July 2014, the Ministry of Commerce of the PRC promulgated the Notification on Export Quotas of Nonferrous Metals (the second batch) for 2014. Under the notification, the Company was entitled to export 461 tonnes of the primary products of molybdenum (molybdenum oxides and ferromolybdenum), 181 tonnes of molybdenum chemical products and 66 tonnes of molybdenum products. The quota for molybdenum products of Louyang High-Tech, a joint venture of the Company, was 112 tonnes.

## **BUSINESS PROSPECTS**

In the second half of 2014, the management of the Company will aggressively respond to opportunities and challenges brought about by the price fluctuations in the molybdenum, tungsten, copper and gold markets, and endeavor to achieve a balance between production and sales as well as the maximisation of profit through proactive optimisation of product structure. The Company will continue to further enhance its comprehensive strengths and profitability to achieve better return to shareholders through: relying on the advantages in scale, industrial chain, technology, capital, market and management as well as the financing platform of the capital market; structural adjustment and change in growth pattern which will serve as the main drivers for growth; and supported by construction of major projects and overseas expansions, we will continue to strive for internal improvement and identify external acquisition opportunities. The management will focus on the following tasks:

1. To achieve further optimisation of the processing business and asset layout in Luanchuan area so as to consolidate the long-term competitive advantages of cost of molybdenum and tungsten businesses;
2. To complete the approval and issuance of convertible bonds as soon as practicable so as to broaden the investment and financing channels proactively. To further increase the rate of capital return and complement the principal business under the premise of ensuring security;
3. To continue to adjust and optimise the balance sheet by accelerating the progress in loss reduction, profit enhancement and disposal of the inefficient and low-efficient assets;
4. To further promote the benchmark management, standardisation management, quality reinforcement management, cost management, information management, investment management, risk management, human resources management, standard construction and establishment of a corporate culture and other management tasks, in order to facilitate the upgrading of management of the Company in an effective manner;
5. To promote internal communications so as to acquire the advanced operation management and technology in Australia and achieve synergistic effect at home and abroad.

## FINANCIAL HIGHLIGHTS

### I. Major accounting data and financial indicators of the Company (Unaudited)

#### (I) Major accounting data

Unit: Yuan Currency: RMB

Major accounting data	For the reporting period (January to June)	For the same period last year	Increase/decrease as compared with the same period last year (%)
Operating income	3,706,264,957.22	2,689,732,751.26	37.79
Net profit attributable to shareholders of the Company	1,004,883,580.25	604,890,267.10	66.13
Net profit attributable to shareholders of the Company less non-recurring gains and losses	710,740,845.60	549,206,503.24	29.41
Net cash flow from operating activities	1,244,030,571.91	1,063,821,457.28	16.94
	As at the end of the reporting period	As at the end of last year	Increase/decrease as of the end of the reporting period as compared with the end of last year (%)
Net assets attributable to shareholders of the Company	12,637,967,948.30	12,178,275,528.67	3.77
Total assets	22,529,719,970.13	21,899,138,540.63	2.88

(II) Major financial indicators

Major financial indicators	For the reporting period (January to June)	For the same period last year	Increase/decrease as compared with the same period last year (%)
Basic earnings per share (Yuan/Share)	0.1980	0.1192	66.11
Diluted earnings per share (Yuan/Share)			N/A
Basic earnings per share less non-recurring gains and losses (Yuan/Share)	0.1400	0.1082	29.39
Weighted average return on net assets (%)	8.00	5.11	Increased by 2.89 percentage points
Weighted average return on net assets less non-recurring gains and losses (%)	5.66	4.65	Increased by 1.01 percentage point

II. Items and amounts of non-recurring gains and losses:

Unit: Yuan Currency: RMB

Items of non-recurring gains and losses	Amount
Profit and loss on disposal of non-current assets	(48,907,386.55)
Government grants recognised in profit or loss for the period (other than government grants which are closely related to the Company's normal business and in compliance with national policies and regulations and enjoyed continuously on the basis of certain quantum or quantitative standards)	11,414,819.90
Profit or loss on changes in the fair value of held-for-trading financial assets and held-for-trading financial liabilities and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than those used in the effective hedging and inflation proof activities relating to normal operating business of the Company	44,328,572.93
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations	68,732,119.24
Other non-operating income or expenses other than the above	(4,438,114.46)
Investment income on disposal of equity	281,589,659.86
Effect of minority interests	(1,319,541.72)
Effect of income tax	(57,257,394.55)
Total	294,142,734.65



## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

For the six months ended 30 June 2014, the Company achieved consolidated net profit attributable to shareholders of the listed company amounting to RMB1,004.9 million, representing an increase of RMB400 million or 66.13% from RMB604.9 million for the same period of last year. Such increase was primarily due to: (1) the increase of profit contributed by NPM to the Group compared with the same period last year; (2) the increase in revenue of transfer of equity attributed to the transfer of the subsidiary in the period; (3) the offset of adverse effects by the Group regarding the net profit affected by the decrease of market price through the measures of increase in sales and decrease in costs.

### OPERATING RESULTS

For the six months ended 30 June 2014, the Company recorded an operating revenue amounting to RMB3,706.3 million, representing an increase of RMB1,016.6 million or 37.79% from RMB2,689.7 million for the same period of last year, while gross profit amounted to RMB1,372.2 million, representing an increase of RMB496.3 million or 56.66% from RMB875.9 million for the same period of last year.

### OPERATING RESULTS, OPERATING COST, GROSS PROFITS AND GROSS PROFIT MARGIN BY PRODUCTS

The table below sets out the operating revenue, operating cost, gross profit and gross profit margin of our products in the first half of 2014 and in the first half of 2013:

Product Name	As of 30 June				First half of 2013			
	Operating revenue (RMB million)	Operating cost (RMB million)	Gross profit (RMB million)	Gross profit margin (%)	Operating revenue (RMB million)	Operating cost (RMB million)	Gross profit (RMB million)	Gross profit margin (%)
<b>Domestic market</b>								
— Molybdenum and tungsten-related products	1,881.9	1,022.2	859.7	45.7	1,807.9	921.8	886.1	49.0
— Gold, silver and related products	268.1	297.8	(29.7)	(11.1)	354.0	323.7	30.3	8.6
— Electrolytic lead	214.7	269.9	(55.2)	(25.7)	299.9	358.6	(58.7)	(19.6)
— Copper-related products	394.0	203.2	190.8	48.4	—	—	—	—
— Others	221.7	183.1	38.6	17.4	214.7	197.4	17.3	8.1
<b>Sub-total</b>	<b>2,980.4</b>	<b>1,976.2</b>	<b>1,004.2</b>	<b>33.7</b>	<b>2,676.5</b>	<b>1,801.5</b>	<b>875.0</b>	<b>32.7</b>
<b>International market</b>								
— Molybdenum and tungsten-related products	39.9	20.3	19.6	49.1	13.2	12.3	0.9	6.8
— Copper concentrates	672.1	337.6	334.5	49.8	—	—	—	—
— Others	13.9	—	13.9	100.0	—	—	—	—
<b>Sub-total</b>	<b>725.9</b>	<b>—</b>	<b>13.9</b>	<b>100.0</b>	<b>13.2</b>	<b>12.3</b>	<b>0.9</b>	<b>6.8</b>
<b>Total</b>	<b>3,706.3</b>	<b>2,334.1</b>	<b>1,372.2</b>	<b>37.0</b>	<b>2,689.7</b>	<b>1,813.8</b>	<b>875.9</b>	<b>32.6</b>

---

*Note:* The related products of molybdenum and tungsten of the Company mainly produced in the Sandaozhuang molybdenum and tungsten associated ore, and two products shared the processes of mining, transportation, crushing, tailings discharge and others. According to the current accounting and audit methods, all the costs of the above processes are calculated in the molybdenum-related products. In order to reflect the characteristics of the sharing processes of these two products in a more reasonable manner, the Company no longer separately calculates the gross profit margin of these two products.

During the reporting period, the Company increased efforts to sell molybdenum and tungsten related products to offset the adverse impact on the Company's domestic revenue from price reduction of products, disposal of gold and silver business, and decrease in underlying sales business due to the shutdown of Yongning Gold & Lead. It achieved a revenue of RMB2,626.3 million from domestic business segment, leveling off that of the same period last year. The acquisition of NPM achieved initial success with a revenue of RMB1,080.0 million during the period, which allowed the Company to generate an operating revenue of RMB3,706.3 million, representing an increase of 37.8% as compared with the same period last year.

During the reporting period, the Company effectively reduced production costs through enhancement of internal management and implementation of various costs control measures. In addition, the Company increased efforts to sell tungsten and molybdenum products, so as to offset the adverse impact on gross profit and gross profit margin from the reduction of market price. Meanwhile, the gross profit margin of copper concentrates from newly acquired NPM reached 49.3% in the year and such high gross profit margin became a new profit growth momentum of the Company. The gross profit and gross profit margin of the Company were RMB1,372.2 million and 37.0% during the period respectively, representing an increase of 56.7% and 4.4 percentage points as compared with the same period last year.

During the reporting period, the underlying assets of NPM acquired by the Company created earnings which met the Company's expectation. Meanwhile, the Company achieved revenue from equity transfer of RMB281.59 million through disposal of Kunyu Mining. Molybdenum and tungsten related products basically maintained profitability of the same period last year. The Company's net profit attributable to the parent company amounted to RMB1,004.9 million in the period, representing an increase of 66.1% as compared with the same period last year.

The Company has adjusted the provision standard for production maintenance fee of domestic mines from RMB18 per tonne to RMB15 per tonne since 1 January 2014. As domestic mines of the Company has entered the stage of stable mining, the balance of provision for production maintenance fee of the Company increased by RMB44.12 million as of 30 June 2014 as compared with that of the beginning of the year upon the adjustment of provision standard. According to requirements of the accounting standard, the unused provision for production maintenance fee was directly reflected in the shareholders' equity of the Company, rather than the net profit of the Company for the year, which decreased earnings per share of the Company by RMB0.009 per share.

## **BUSINESS TAX AND SURCHARGES**

For the six months ended 30 June 2014, the business tax and surcharges of the Group amounted to RMB142.9 million, representing an increase of RMB17.9 million or 14.3% from RMB125.0 million for the same period last year. Such increase was mainly attributable to an increase in the payable turnover taxes during the period.

## **COST OF SALES**

For the six months ended 30 June 2014, the cost of sales of the Group amounted to RMB52.3 million, representing an increase of RMB43.1 million or 468.5% from RMB9.2 million for the same period last year. Such increase was mainly attributable to an increase in the transportation expenses for the sales of NPM products.

---

## **ADMINISTRATIVE EXPENSES**

For the six months ended 30 June 2014, the administrative expenses of the Group amounted to RMB174.1 million, representing an increase of RMB34.9 million or 25.1% from RMB139.2 million for the same period last year. Such increase was mainly attributable to the increase in intermediaries' fee related to the issuance of the proposed convertible bonds and the increase in investment in the research and development.

As of 30 June 2014, the administrative expenses of the Group included the research and development expenses of RMB32.3 million, which involved Research on Applications of Tailing Water for Tungsten Processing (選鎢回水廠前濃密應用研究), Research on Applications of Increase of Recovery Rate of Tungsten Processing in Winter (提高鎢選礦冬季回收率應用研究), Research on Applications of Reasonable Ore Mixing with Different Lithological Nature (不同岩性礦石合理配礦應用研究), Experimental Research on Processing of Chlorite Molybdenum Raw Mines (高綠泥石鉬原礦選礦試驗研究) and Research on Applications of Processing of Molybdenum on KYF-160 Large Flotation Cells Machine (KYF-160大型浮選機在選鉬中的應用研究).

## **FINANCE EXPENSES**

For the six months ended 30 June 2014, the finance expenses of the Group amounted to RMB55.4 million, representing an increase of RMB45.8 million or 477.1% from RMB9.6 million for the same period last year. Such increase was mainly attributable to an increase in the cost of long-term loan interests for the acquisition of NPM at the end of 2013.

## **INVESTMENT INCOME**

For the six months ended 30 June 2014, the investment income of the Group was RMB374.7 million, representing an increase of RMB237.0 million or 172.1% from RMB137.7 million for the same period last year. Such increase was mainly attributable to the increase in equity transfer income derived from the disposal in equity of a subsidiary during the period.

## **NON-OPERATING INCOME**

For the six months ended 30 June 2014, the non-operating income of the Group amounted to RMB12.3 million, representing an increase of RMB5.3 million or 75.7% from RMB7.0 million for the same period last year. Such increase was mainly attributable to an increase in the use of financial capital as compared with the same period last year.

## **NON-OPERATING EXPENSES**

For the six months ended 30 June 2014, the non-operating expenses of the Group amounted to RMB54.2 million, representing an increase of RMB52.4 million or 2,911.1% from RMB1.8 million for the same period of 2013. Such increase in the non-operating expenses was mainly attributable to the suspension of production for repair and maintenance of Yongning Gold & Lead and losses on retirement of part of fixed assets in the period.

---

## **INCOME TAX EXPENSES**

For the six months ended 30 June 2014, the income tax expenses of the Group amounted to RMB231.3 million, representing an increase of RMB120.0 million or 107.8% from RMB111.3 million for the same period last year. Such increase was mainly attributable to the increase of the total profit during the period as compared with the same period last year and the relatively high income tax rate of NPM.

## **NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY**

For the six months ended 30 June 2014, the net profit of the Group attributable to owners of the parent company amounted to RMB1,004.9 million, representing an increase of RMB400.0 million or 66.1% from RMB604.9 million for the six months ended 30 June 2013. Such increase was mainly attributable to the increase of the net profit for the six months ended 30 June 2014.

## **MINORITY INTERESTS**

For the six months ended 30 June 2014, the minority interests of the Group was RMB-11.5 million, representing an increase of RMB38.8 million or 77.1% from RMB-50.3 million for the same period last year. Such increase was mainly attributable to the fact that the decrease in the loss undertaken by minority shareholders during the period.

## **FINANCIAL POSITION**

As of 30 June 2014, the total assets of the Group amounted to RMB22,529.7 million, comprising non-current assets of RMB13,911.4 million and current assets of RMB8,618.3 million. Equity attributable to shareholders of the parent company for the six months ended 30 June 2014 increased by RMB459.7 million or 3.8% to RMB12,638.0 million from RMB12,178.3 million as of 31 December 2013. Such increase was mainly due to the increase in profit of the Company during the period.

## **CURRENT ASSETS**

As of 30 June 2014, the current assets of the Group increased by RMB1,445.7 million or 20.2% to RMB8,618.3 million from RMB7,172.6 million as of 31 December 2013. Such increase was mainly attributable to the increase in bank balances and cash resulting from the production and operation as well as disposal of subsidiary during the period.

## **NON-CURRENT ASSETS**

As of 30 June 2014, the non-current assets of the Group amounted to RMB13,911.4 million, representing a decrease of RMB815.1 million or 5.5% from RMB14,726.5 million as of 31 December 2013. Such decrease was mainly attributable to the decrease of non-current assets resulting from the disposal of subsidiary during the period.



---

## **CURRENT LIABILITIES**

As of 30 June 2014, the current liabilities of the Group amounted to RMB2,319.5 million, representing an increase of RMB275.5 million or 13.5% from RMB2,044.0 million as of 31 December 2013. Such increase in the current liabilities was mainly attributable to the increase in the financing and tax payable of NPM during the period.

## **NON-CURRENT LIABILITIES**

As of 30 June 2014, the non-current liabilities of the Group amounted to RMB7,048.4 million, representing an increase of RMB85.9 million or 1.2% from RMB6,962.5 million as of 31 December 2013. Such increase was mainly attributable to the increase of the expected costs of closing and recovery as well as the changes in the exchange rate of foreign currency borrowings during the period.

## **CONTINGENCY**

The NPM of the Group provides guarantees to various government agencies of New South Wales, Australia through certain banks in relation to the operation of the business. The guarantees amounted to AUD28.38 million (equivalent to RMB164.8 million) as of 30 June 2014. The owners of the joint venture agreed to assume the relevant responsibilities should the guarantees be called upon as a result of the operation of the business. As of 30 June 2014, no significant obligations incurred on the guarantees.

In order to address the capital issue of Fuchuan Mining, and considering that Fuchuan Mining is the joint venture of the Company, the development of Fuchuan Mining is significant to the long-term strategy of the Company. This time, Fuchuan Mining borrowed a loan of RMB270 million from a bank. The Company provided RMB148.5 million borrowings guarantee to Fuchuan Mining in accordance with its proportion of indirect contribution.

## **GEARING RATIO**

The gearing ratio (total liabilities/total assets) of the Group increased to 41.6% as of 30 June 2014 from 41.1% as of 31 December 2013 which remained at a relatively stable level.

## **CASH FLOW**

As of 30 June 2014, the Group had cash and cash equivalents of RMB3,731.2 million, representing an increase of RMB1,926.6 million or 106.8% from RMB1,804.6 million as of 31 December 2013.

For the six months ended 30 June 2014, net cash inflow generated from operating activities was RMB1,244.0 million; net cash inflow generated from investment activities was RMB1,197.4 million; net cash outflow generated from financing activities was RMB522.2 million, including the payment of dividends for 2013 of RMB713.6 million.

In 2014, the Group implemented strict internal management and costs saving measures, thus maintaining sound operation status and healthy financial position. As of the first half of 2014, the Company had sufficient capital which enabled it to operate in a virtuous circle and satisfy the liquidity requirement for coping with the variations in the production capacity.

---

## **EXPOSURE TO PRICE FLUCTUATIONS OF MAJOR PRODUCTS**

The Company derived its income primarily from the sales of molybdenum, tungsten and copper products, including ferromolybdenum, tungsten concentrates, copper concentrates and other molybdenum products. Its operational results are mainly influenced by fluctuations in the market prices of molybdenum, tungsten and copper. In the meantime, the Company sells gold, silver and lead products. Therefore, the price fluctuations of gold, silver and lead also have an impact on the Company. Since the fluctuations in the cost of exploration and smelting are relatively insignificant, the Company's profit and profit margin in the reporting period are closely related with the price trend of commodities. If the prices of molybdenum, tungsten, copper, gold, silver and lead fluctuate significantly in the future, the operational results of the Company will become unstable. In particular, if the prices of molybdenum, tungsten and copper plummet, the operational results of the Company will be affected.

## **EXPOSURE TO THE MINERAL RESOURCES**

As an enterprise engaged in mineral exploitation, the Company is highly dependent on resources. The retained reserves and grade of mineral resources directly affect the Company's continuity and development. The exploitation of mineral reserves with relatively low grade may be economically infeasible if the cost of production rises due to fluctuations in the market price of metal products, the drop in the recovery rate, inflation or other factors, or restrictions caused by technical problems in the process of mining and natural conditions such as weather and natural disasters. Therefore, full utilisation of the retained reserves of the Company cannot be guaranteed and the production capacity of the Company might be affected.

## **EXPOSURE TO INTEREST RATE**

The exposure to interest rate of the Company is mainly related to our short-term and long-term borrowings and deposits. The outstanding liabilities of the Company are calculated based on the benchmark interest rate amended by The People's Bank of China and the London inter-bank market from time to time. As of the date of this report, the Company has not entered into any type of interest agreement or derivatives to hedge against fluctuations in interest rate or liabilities.

## **EXPOSURE TO EXCHANGE RATE**

The Company's principal operations are in the PRC and recorded in RMB, the lawful currency of the PRC. As the production capacity of the Company increases along with its development in the markets and recovery in the overseas markets of molybdenum, tungsten and copper, export sales to different countries by the Company or through its subsidiaries will increase. On 29 September 2013, the Company provided loans of approximately USD785 million for the mergers and acquisitions of CMOC Limited and CMP (wholly-owned subsidiaries of the Company). All the assets of CMP are located in Australia, and its income is denominated in U.S. Dollar while its cost is settled in Australian Dollar. The foreign currency risks of the Company are primarily generated from the sales of products in foreign currencies and the holding of foreign assets and liabilities. Currently, the Company has no formal hedging policy in place. The Company has not entered into any foreign currency exchange contracts or derivatives to hedge against the Company's currency risks.

---

## USE OF PROCEEDS

The proceeds raised by the Group from the public offering of H shares in April 2007 of approximately RMB7,694.0 million were used up.

The net proceeds raised from the issue of A shares at the listing of the Company on the Shanghai Stock Exchange amounted to approximately RMB558.1 million in total. Relevant issuance expenses have been deducted from such net proceeds. As at 30 June 2014, the balances in special account of the above proceeds was RMB42,000, which represented income generated from the interests of the proceeds.

## ANALYSIS TO A MAJOR SUBSIDIARY AND A JOINT STOCK COMPANY

### *1. Luoyang Yongning Gold & Lead Refining Co., Ltd.*

Legal representative:	Xie Fengxiang
Date of establishment:	21 September 2007
Registered capital and paid-up capital:	RMB400 million
Registered address:	Xishandi Street, Xishandi Village, Luoning County, Luoyang City, Henan Province, the PRC
Major businesses engaged:	Smelting of lead and recycling of co-products, procurement and sale of mineral products, export of self-produced products of this company, import of raw and auxiliary materials, mechanical equipments, instruments and meters and components required by the production and research of this company, processing business in relation to the products of this company, etc.

Precious Metals Company, a wholly-owned subsidiary of the Company, holds 75% of the equity of this company, while Henan Found Mining Co., Ltd. (河南發恩德礦業有限公司), Luoning Huatai Mining Corp. Ltd. (洛寧華泰礦業開發有限公司) and Luoyang Haobo Mining Co., Ltd. (洛陽浩博礦業有限公司) own 15%, 9.8% and 0.2% of the equity interest of this company, respectively.

As of 30 June 2014, the total assets of this company amounted to RMB594.33 million with net asset of RMB-281.50 million. Revenue of this company between January and June 2014, revenue of this company amounted to RMB408.64 million with a profit of RMB-192.69 million and net profit of RMB-241.64 million, including losses on retirement of fixed assets of RMB49.07 million. At present, the subsidiary has suspended its production to carry out repair and maintenance. Since more time is needed to further research and analyse the technical improvement solution, it is expected that the status of suspension of production would be extended for approximately nine months, to May 2015 at least.

---

## 2. *CMOC Mining Pty Limited*

Date of establishment:	25 July 2013
Registered capital and paid-up capital:	USD346 million
Registered address:	Governor Phillip Tower Level 61, 1 Farrer Place, Sydney, Australia
Major businesses engaged:	Copper and other nonferrous metal ore exploration, mining, processing and sales of related products

CMOC Limited, a wholly-owned subsidiary of the Company, holds 100% of the shares of this company. As of 30 June 2014, the total assets of this Company amounted to RMB6,574.38 million (approximately USD1,068.52 million) with net asset of RMB2,627.45 million (approximately USD427.03 million). Operating revenue of this company between January and June 2014 amounted to RMB1,079.96 million (approximately USD175.93 million) with operating profit of RMB445.50 million (approximately USD72.57 million) and net profit of RMB381.40 million (approximately USD62.13 million).

## **EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES**

### **(I) Exploration**

During the reporting period, the Company had exploration projects only in NPM. Details of the works are as follows:

As an important development strategy of the Company and Northparkes mine, the exploration is a part of this strategy. During the reporting period, NPM Copper Mine completed a total of 3,908 meters of exploration, including 426 meters of reverse circulation drilling and 3,482 meters of core drilling.

### **(II) Development**

#### 1. Sandaozhuang Mine

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

#### 2. Luoning Gold Mine

During the reporting period, the Company continued to implement the systematic construction relating to the exploration of the inner part of Luoning Gold Mine. The construction is favorable for resolving the problem of the mine's lack of mining capacity and the conflicts in the ratio of mining to processing, which is in line with the interests of long-term development of the mine.



3. Shangfanggou Mine

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

4. Xinjiang Mine

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

5. NPM Copper Mine

During the reporting period, E48 Extension Project of 615 meters of lateral development was completed. The costs for lateral development and construction of other supporting facilities were USD10.09 million. The completion rate of the whole project was 65%, and the construction is expected to be completed in February 2015.

### (III) Mining

#### First half of 2014

Sandaozhuang Molybdenum Mine	
Production volume of open-pit mining ( <i>kilotonnes</i> )	8,400.7
NPM Copper Mine	
Production volume of underground mining ( <i>kilotonnes</i> )	3,005.13
Luoning Gold Mine	
Production volume of underground mining ( <i>kilotonnes</i> )	193.7

*Remarks:*

1. The mining production volume of Luoning Gold Mine reflects the production volume between January and April 2014.
2. The mining production volume of Sandaozhuang Molybdenum Mine, NPM Copper Mine and Luoning Gold Mine were calculated on the basis of the statistics prepared by the Company and had been confirmed by our own experts.
3. During the reporting period, no mining activities were conducted in Xinjiang Mine and Shangfanggou Mine.

---

## **EXPLORATION, DEVELOPMENT AND MINING FEES OF THE COMPANY**

For the reporting period, the summary of the expenditure of exploration, development and mining activities of the Company is as follows:

- (i) Exploration costs: The exploration fees for NPM Copper Mine amounted to USD1,395,364.
- (ii) Development costs: 1) the costs relating to the development of the inner part of Luoning Gold Mine amounted to RMB3.17 million; and 2) the development costs of NPM Copper Mine amounted to USD10,092,590.
- (iii) Mining costs: 1) The mining costs of Sandaozhuang Mine amounted to RMB241.35 million; 2) the mining costs of Luoning Gold Mine amounted to RMB29.39 million; and 3) the mining costs of NPM Copper Mine amounted to USD13.92 million. (Note: the above costs exclude the costs of ore processing)

By Order of the Board  
**Li Chaochun**  
*Chairman*

Luoyang City, Henan Province, the PRC, 11 August 2014

---

## DIRECTORS AND SUPERVISORS

As at 11 August 2014, our Board consisted of the following 11 directors of the Company (the “Directors”), and the supervisory committee consisted of the following 3 supervisors of the Company. Pursuant to the Articles of Association, our Directors and supervisors have a term of three years and are subject to re-election.

Executive Directors	:	Li Chaochun, Li Faben, Wang Qinxi, Gu Meifeng, Wu Wenjun
Non-executive Directors	:	Yuan Honglin, Zhang Yufeng
Independent non-executive Directors	:	Bai Yanchun, Xu Shan, Cheng Gordon, Xu Xu
Supervisors	:	Zhang Zhenhao, Yin Dongfang, Deng Jiaoyun

## EMPLOYEES

As at 30 June 2014, the Group had approximately 7,334 full-time employees, classified by function and department as follows:

Department	Employees	Proportion
Management & administration	599	8.17%
Quality control, research and development	578	7.88%
Production	4,941	67.37%
Finance, sales and others	1,216	16.58%
Total	7,334	100%

The remuneration policy for the employees of the Company principally consist of a salary point and performance remuneration system, based on employee’s positions and responsibilities and their quantified assessment results. Performance is linked to the overall economic efficiency of the Company and personal performances, which provides a consistent, fair and impartial remuneration system for all the employees. The domestic companies of Group have participated in the social insurance contribution plans introduced by the PRC local governments. In accordance with the laws and regulations regarding to the national and local labor and social welfare in the PRC, the Group is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund. Pursuant to the current applicable PRC local regulations, the percentage of certain insurance polices are as follows: the pension insurance, medical insurance, unemployment insurance and the contribution to housing reserve fund of our PRC employees represent 20%, 6%, 3% and 5% to 12% of his or her total basic monthly salary respectively. Employees in Australia are enrolled under the requisite pension fund and healthcare scheme as required by Australian law.

Note: On 15 April 2014, the Proposal in Relation to Transfer of 70% Equity Interest in Luoyan Kunyu Mining Co., Ltd. was considered and approved at the thirteenth meeting of the third session of the Board of the Company. On 28 May 2014, the registration procedures of the business license in relation to the equity transfer has been completed. Upon completion of the equity transfer, Kunyu Mining ceased to be a subsidiary of the Company, thus the number of employees of the Company had a relatively large decrease as compared to that of 2013.

## SHARE CAPITAL

	As at 30 June 2014	
	Number of shares	Amount RMB
A shares at a nominal value of RMB0.20 per share	3,765,014,525	753,002,905
H shares at a nominal value of RMB0.20 per share	1,311,156,000	262,231,200
<b>Total</b>	<b>5,076,170,525</b>	<b>1,015,234,105</b>

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES AND SHORT POSITIONS IN SHARES

To the best knowledge of all Directors and supervisors, as at 30 June 2014, the persons or companies (other than Directors, the chief executives or supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are as follows:

Name	Number of shares held	Capacity	Class of Share	Approximate percentage of shareholding in relevant class of shares
LMG	1,776,593,475	Beneficial owner	A share	47.19%
Guohong Group <sup>(1)</sup>	1,776,593,475	Interest in a controlled corporation	A share	47.19%
Cathay Group	1,726,706,322	Beneficial owner	A share	45.86%
	101,000,000(L)	Interest in a controlled corporation	H share	7.70%
Cathay Hong Kong <sup>(2)</sup>	101,000,000(L)	Beneficial owner	H share	7.70%
Yu Yong <sup>(3)</sup>	1,726,706,322	Interest in a controlled corporation	A share	45.86%
	101,000,000(L)	Interest in a controlled corporation	H share	7.70%
NSSF <sup>(4)</sup>	20,000,000	Beneficial owner	A share	0.53%
	89,184,000	Beneficial owner	H share	6.80%



---

Notes: (L) - Long position

- (1) On 29 November 2013, the Board was informed by the State-owned Assets Supervision and Administration Commission of the Municipal Government of Luoyang City\* (洛陽市人民政府國有資產監督管理委員會) that it agreed to transfer all its interests in LMG to Guohong Group. On 20 May 2014, LMG gave a notice to the Company that Guohong Group recently completed the change of industry and commerce registration concerning the transfer at nil consideration (Please refer to the announcements of the Company dated 29 November 2013, 27 January 2014 and 20 May 2014 for details).
- (2) Cathay Hong Kong is a wholly-owned subsidiary of Cathay Group in Hong Kong.
- (3) Mr. Yu Yong held 99% interest in Cathay Group.
- (4) NSSF decreased the holding of 150,000 H shares of the Company on 29 July 2014. Upon the completion of such shareholding reduction, the percentage of the Company's H shares held by NSSF reduced to 4.99%. Accordingly, NSSF ceased to be a person or company who is deemed to be interested in 5% or more of the nominal value of the Company's H class of share capital.

Save as disclosed above, as at 30 June 2014, the Directors were not aware of any other person (other than Directors, chief executives or supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

## **DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES**

As at 30 June 2014, none of the Directors, chief executives and supervisors nor their respective associates had any interests and 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 the Hong Kong Stock Exchange to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 of the Listing Rules of the Stock Exchange.

## **DIRECTORS', CHIEF EXECUTIVES' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

During the six months ended 30 June 2014, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors, chief executives, supervisors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors, chief executives or supervisors of the Company to acquire such rights in any other body corporate.

## **DIVIDENDS**

At the Board meeting held on 11 August 2014, no interim dividend was resolved to declare for the six months ended 30 June 2014.

---

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company for the six months ended 30 June 2014.

## **CORPORATE GOVERNANCE**

The Group has strived to uphold high standard of corporate governance to safeguard the interests of shareholders and enhance corporate value and accountability. For the period of the six months ended 30 June 2014, save as disclosed below, in the opinion of the Board, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

Pursuant to the code provision E.1.2, the chairman of the Board should invite the chairmen of its Board committees to attend the annual general meeting. In their absence, the chairman of the Board should invite another committee member (or failing this his duly appointed delegate, to attend). All members of the Audit Committee were unable to attend the annual general meeting of the Company held on 9 May 2014 due to other business arrangements.

## **BOARD OF DIRECTORS**

The Board of the Company consisted of 11 Directors, namely 5 executive Directors, 2 non-executive Directors and 4 independent non-executive Directors. For the six months ended 30 June 2014, the Board convened ten meetings (with an attendance rate of 97%).

## **SUPERVISORY COMMITTEE**

The Company has a supervisory committee comprising 3 supervisors to exercise supervision over the Board and its members as well as members of the senior management; and to prevent them from abusing their powers and authorities and jeopardizing the legal interests of the shareholders, the Company and its employees. The supervisory committee convened four meetings for the six months ended 30 June 2014 (with an attendance rate of 100%).

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries, the Board confirmed that all the Directors complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

---

## **AUDIT COMMITTEE**

The terms of reference of the audit committee based on “A Guide for Effective Audit Committees” issued by the Hong Kong Institute of Certified Public Accountants have been adopted by the Board. The audit committee provides an important link between the Board and the Company’s auditors in matters falling within the scope of the audit of the Company and the Group. The audit committee will review the effectiveness of the external audit and of internal controls, evaluate risks and will provide advice and guidance to the Board. The current audit committee comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Xu Shan (chairman of the committee), Mr. Cheng Gordon and Mr. Zhang Yufeng. The audit committee has reviewed the unaudited financial statements of the Company for the six months ended 30 June 2014 and considered that the statements complied with relevant accounting standards and that the Company has made appropriate disclosure.

## **NON-COMPETE AGREEMENTS**

On 6 September 2006, non-compete agreements were entered into between the Company and each of Cathay Group and LMG, respectively. Cathay Group and LMG agreed not to compete with us in businesses and granted us certain options and rights of first refusal pursuant to the non-compete agreements. Details of the non-compete agreements have already been disclosed under the section headed “Relationship with Controlling Shareholders - Non-Compete Agreements” in the prospectus of the Company dated 13 April 2007.

Cathay Group and LMG issued Non-competition Undertaking Letters (《避免同業競爭承諾函》) to the Company on 30 January 2011 and 18 May 2011 respectively, and undertook not to compete in the businesses that the Company operates or further develops. Details of the Non-competition Undertaking Letters had been disclosed under Section VII headed “Peer Competition and Connected Transactions” in the prospectus of A Shares dated 8 October 2012.

Cathay Group (together with its parties acting in concert, Cathay Hong Kong) and Guohong Group issued the Acquisition Report of China Molybdenum Co., Ltd.\* on 23 January 2014 and 29 November 2013 respectively, pursuant to which each of them undertook not to compete with the Company in the businesses we operated. Details of the Acquisition Report were disclosed in the announcements of the Company dated 23 January 2014 and 27 January 2014.

## CONSOLIDATED BALANCE SHEET

30 June 2014

Unit: Yuan Currency: RMB

Item	Notes 5	Closing balance	Opening balance
<b>Current Assets:</b>			
Bank balances and cash	(1)	3,824,792,975.64	1,882,647,897.27
Bills receivables	(2)	1,620,166,106.80	1,591,402,447.61
Accounts receivables	(5)	994,356,879.45	805,679,742.94
Prepayments	(7)	271,148,084.13	297,345,943.53
Interest receivables	(4)	12,748,342.48	452,860.33
Dividend receivables	(3)	61,226,476.23	—
Other receivables	(6)	312,045,483.78	72,517,407.57
Inventories	(8)	489,000,169.27	820,996,265.56
Other current assets	(9)	1,032,777,917.23	1,701,577,473.05
<b>Total current assets</b>		<b>8,618,262,435.01</b>	<b>7,172,620,037.86</b>
<b>Non-current Assets:</b>			
Long-term equity investments	(11)	1,530,758,787.71	1,598,462,198.92
Fixed assets	(12)	5,264,391,858.45	5,876,304,885.87
Construction in progress	(13)	543,329,302.06	493,586,919.64
Inventories		355,547,749.68	334,515,072.36
Intangible assets	(14)	4,078,064,401.01	4,425,899,735.38
Long-term deferred expenses	(15)	157,117,209.77	128,517,647.63
Deferred income tax assets	(16)	223,606,837.97	140,019,796.25
Other non-current assets	(18)	1,758,641,388.47	1,729,212,246.72
<b>Total non-current assets</b>		<b>13,911,457,535.12</b>	<b>14,726,518,502.77</b>
<b>Total assets</b>		<b>22,529,719,970.13</b>	<b>21,899,138,540.63</b>
<b>Current liabilities:</b>			
Short-term borrowings	(19)	377,250,272.66	224,344,311.98
Held-for-trading financial liabilities	(20)	470,716,454.00	357,251,970.00
Bills payable	(21)	39,150,400.00	27,910,000.00
Accounts payable	(22)	194,940,686.14	197,385,526.41
Receipts in advance	(23)	55,171,741.54	61,827,310.76
Employee remuneration payables	(24)	103,426,537.08	146,914,601.55
Tax payables	(25)	143,539,854.70	(63,559,475.84)
Interest payables	(26)	97,990,167.03	55,733,935.24
Dividend payables	(27)	27,885,796.67	57,085,715.06
Other payables	(28)	435,768,588.02	568,214,130.26
Non-current liabilities due within one year	(30)	342,944,567.70	390,708,567.70
Other current liabilities	(31)	30,751,167.57	20,202,200.99
<b>Total current liabilities</b>		<b>2,319,536,233.11</b>	<b>2,044,018,794.11</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	(32)	4,706,892,000.00	4,664,128,500.00
Bonds payables	(33)	2,000,000,000.00	2,000,000,000.00
Provisions	(29)	316,918,238.55	261,261,918.67
Other non-current liabilities	(34)	24,606,528.20	37,077,021.10
<b>Total non-current liabilities</b>		<b>7,048,416,766.75</b>	<b>6,962,467,439.77</b>
<b>Total liabilities</b>		<b>9,367,952,999.86</b>	<b>9,006,486,233.88</b>
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)	(35)	1,015,234,105.00	1,015,234,105.00
Capital reserve	(37)	8,102,977,121.92	8,102,977,121.92
Special reserve	(36)	245,936,145.62	199,586,093.33
Surplus reserve	(38)	704,898,171.11	704,898,171.11
Undistributed profit	(39)	2,500,828,864.75	2,206,609,158.00
Exchange differences arising on translation of financial statements denominated in foreign currencies		68,093,539.90	(51,029,120.69)
Total equity attributable to owners of the parent Company		12,637,967,948.30	12,178,275,528.67
Minority interests		523,799,021.97	714,376,778.08
<b>Total owners' equity</b>		<b>13,161,766,970.27</b>	<b>12,892,652,306.75</b>
<b>Total liabilities and owners' equity</b>		<b>22,529,719,970.13</b>	<b>21,899,138,540.63</b>

Legal representative:  
Li Chaochun

Person-in-charge of accounting affairs:  
Gu Meifeng

Head of the accounting department:  
Zhang Hongwei

## BALANCE SHEET OF THE PARENT COMPANY

30 June 2014

Unit: Yuan Currency: RMB

Item	Notes XII	Closing balance	Opening balance for the year
<b>Current Assets:</b>			
Bank balances and cash		2,949,223,754.60	1,296,225,259.30
Bills receivables		1,546,031,442.64	1,532,198,858.49
Accounts receivables	(1)	89,290,883.39	79,874,780.99
Prepayments		26,546,896.12	15,611,991.69
Interest receivables		49,442,645.32	131,263,834.40
Dividend receivables		105,232,560.31	108,312,560.31
Other receivables	(2)	2,034,816,811.15	1,731,121,391.74
Inventories		106,341,315.81	158,400,078.53
Other current assets		1,026,247,122.37	1,685,456,006.01
<b>Total current assets</b>		<b>7,933,173,431.71</b>	<b>6,738,464,761.46</b>
<b>Non-current assets:</b>			
Long-term equity investments	(3)	4,948,140,758.04	5,357,935,660.44
Fixed assets		1,578,571,796.28	1,658,096,510.88
Construction in progress		139,861,269.18	96,286,476.83
Intangible assets		537,750,116.68	558,953,398.22
Long-term deferred expenses		116,295,630.08	122,350,554.82
Deferred income tax assets		27,367,078.60	36,735,752.23
Other non-current assets		1,683,517,163.47	1,641,635,056.42
<b>Total non-current assets</b>		<b>9,031,503,812.33</b>	<b>9,471,993,409.84</b>
<b>Total assets</b>		<b>16,964,677,244.04</b>	<b>16,210,458,171.30</b>
<b>Current liabilities:</b>			
Short-term borrowings		279,644,085.16	127,568,106.88
Held-for-trading financial liabilities		470,716,454.00	356,963,220.00
Bills payable		5,300,000.00	—
Accounts payable		77,963,901.17	92,199,139.88
Receipts in advance		1,691,737.25	1,658,254.42
Employee remuneration payables		45,294,737.39	79,940,117.22
Tax payables		38,909,034.15	(28,101,095.82)
Interest payables		94,063,303.76	64,730,326.94
Other payables		990,237,370.70	942,347,593.73
Non-current liabilities due within one year		466,111.70	466,111.70
Other current liabilities		85,289,066.62	79,072,854.40
<b>Total current liabilities</b>		<b>2,089,575,801.90</b>	<b>1,716,844,629.35</b>
<b>Non-current liabilities:</b>			
Bonds payables		2,000,000,000.00	2,000,000,000.00
Provisions		47,570,371.67	47,570,371.67
Other non-current liabilities		19,323,132.20	30,293,625.10
<b>Total non-current liabilities</b>		<b>2,066,893,503.87</b>	<b>2,077,863,996.77</b>
<b>Total liabilities</b>		<b>4,156,469,305.77</b>	<b>3,794,708,626.12</b>
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or share capital)		1,015,234,105.00	1,015,234,105.00
Capital reserve		8,102,977,121.92	8,102,977,121.92
Special reserve		245,434,235.10	199,381,120.18
Surplus reserve		704,898,171.11	704,898,171.11
Undistributed profits		2,739,664,305.14	2,393,259,026.97
<b>Total owners' equity (or shareholders' equity)</b>		<b>12,808,207,938.27</b>	<b>12,415,749,545.18</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<b>16,964,677,244.04</b>	<b>16,210,458,171.30</b>



## CONSOLIDATED INCOME STATEMENT

January to June 2014

Unit: Yuan Currency: RMB

Item	Notes V	Amount for the period	Amount for the prior period
<b>I. Total operating income</b>		<b>3,706,264,957.22</b>	2,689,732,751.26
Including: Operating income	(40)	<b>3,706,264,957.22</b>	2,689,732,751.26
<b>II. Total operating cost</b>		<b>2,819,033,333.28</b>	2,165,226,332.67
Including: Operating costs	(40)	<b>2,334,096,371.48</b>	1,813,823,569.12
Business tax and surcharges	(41)	<b>142,897,916.56</b>	124,994,203.81
Selling expenses	(42)	<b>52,324,024.40</b>	9,243,181.98
Administrative expenses	(43)	<b>174,097,056.67</b>	139,233,853.05
Financial costs	(44)	<b>55,375,977.78</b>	9,583,033.51
Impairment losses of assets	(47)	<b>60,241,986.39</b>	68,348,491.20
Add: Gains from changes in fair value (losses are indicated by "--")	(45)	<b>4,678,325.00</b>	(1,508,246.56)
Investment income (losses are indicated by "--")	(46)	<b>374,707,615.99</b>	137,687,128.40
Including: Investment income in associates and joint ventures		<b>53,454,563.36</b>	74,641,519.62
<b>III. Operating profit (losses are indicated by "--")</b>		<b>1,266,617,564.93</b>	660,685,300.43
Add: Non-operating income	(48)	<b>12,259,276.04</b>	7,018,841.43
Less: Non-operating expenses	(49)	<b>54,189,957.15</b>	1,816,693.91
Including: Loss from disposal of non-current assets		<b>49,068,268.76</b>	40,132.90
<b>IV. Total profit (total losses are indicated by "--")</b>		<b>1,224,686,883.82</b>	665,887,447.95
Less: Income tax expenses	(50)	<b>231,344,517.70</b>	111,313,357.58
<b>V. Net profit (net losses are indicated by "--")</b>		<b>993,342,366.12</b>	554,574,090.37
Net profit attributable to owners of the parent company		<b>1,004,883,580.25</b>	604,890,267.10
Profit or loss attributable to minority interests		<b>(11,541,214.13)</b>	(50,316,176.73)
<b>VI. Earnings per share:</b>			
(I) Basic earnings per share	(51)	<b>0.1980</b>	0.1192
(II) Diluted earnings per share		<b>N/A</b>	N/A
<b>VII. Other comprehensive income</b>	(52)	<b>119,122,660.59</b>	(540,615.52)
Items to be reclassified into the profit or loss when the prescribed conditions are met in the subsequent accounting period		<b>119,122,660.59</b>	(540,615.52)
Exchange differences arising on translation of financial statements denominated in foreign currencies		<b>119,122,660.59</b>	(540,615.52)
Items can not reclassified into the profit or loss in the subsequent accounting period		—	—
<b>VIII. Total comprehensive income</b>		<b>1,112,465,026.71</b>	554,033,474.85
Total comprehensive income attributable to owners of the parent company		<b>1,124,006,240.84</b>	604,349,651.58
Total comprehensive income attributable to minority interests		<b>(11,541,214.13)</b>	(50,316,176.73)

## INCOME STATEMENT OF THE PARENT COMPANY

January to June 2014

Unit: Yuan Currency: RMB

Item	Notes XII	Amount for the period	Amount for the prior period
<b>I. Operating income</b>	(4)	<b>1,499,069,983.29</b>	1,529,210,519.85
Less: Operating costs	(4)	<b>659,885,415.43</b>	637,383,880.23
Business tax and surcharges		<b>131,571,677.13</b>	120,454,343.56
Selling expenses		<b>279,212.93</b>	—
Administrative expenses		<b>95,576,103.98</b>	67,560,515.45
Financial costs		<b>(30,938,038.80)</b>	(12,060,168.64)
Impairment losses of assets		<b>1,731,941.65</b>	2,936,453.13
Add: Gains from changes in fair value (losses are indicated by “—”)		—	(1,492,920.00)
Investment income (losses are indicated by “—”)	(5)	<b>600,323,881.86</b>	204,866,021.96
Including: Investment income in associates and joint ventures		<b>58,263,072.17</b>	89,823,550.55
<b>II. Operating profit (losses are indicated by “—”)</b>		<b>1,241,287,552.83</b>	916,308,598.08
Add: Non-operating income		<b>11,110,644.77</b>	10,845,133.95
Less: Non-operating expenses		<b>4,664,553.31</b>	1,519,974.37
Including: Loss from disposal of non-current assets		—	40,132.90
<b>III. Total profit (Total losses are indicated by “—”)</b>		<b>1,247,733,644.29</b>	925,633,757.66
Less: Income tax expenses		<b>190,664,492.62</b>	107,751,785.55
<b>IV. Net profit (Net losses are indicated by “—”)</b>		<b>1,057,069,151.67</b>	817,881,972.11
<b>V. Other comprehensive income</b>		—	—
<b>VI. Total comprehensive income</b>		<b>1,057,069,151.67</b>	817,881,972.11

## CONSOLIDATED CASH FLOW STATEMENT

January to June 2014

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
<b>I. Cash flows from operating activities:</b>		
Cash receipts from the sales of goods and the rendering of services	3,519,309,028.99	2,931,524,955.30
Receipts of tax refunds	23,870,952.98	1,339,180.54
Other cash receipts relating to operating activities (53).1	65,475,400.56	76,304,299.67
<b>Sub-total of cash inflows from operating activities</b>	<b>3,608,655,382.53</b>	<b>3,009,168,435.51</b>
Cash payments for goods purchased and services received	1,357,712,001.56	1,070,444,021.88
Cash payments to and on behalf of employees	364,227,025.02	331,059,022.30
Payments of various types of taxes and levies	571,201,389.61	499,104,682.30
Other cash payments relating to operating activities (53).2	71,484,394.43	44,739,251.75
<b>Sub-total of cash outflows from operating activities</b>	<b>2,364,624,810.62</b>	<b>1,945,346,978.23</b>
<b>Net cash flows from operating activities</b>	<b>1,244,030,571.91</b>	<b>1,063,821,457.28</b>
<b>II. Cash flows from investing activities:</b>		
Cash receipts from recovery of investments	1,154,184,735.00	1,400,016,888.25
Cash receipts from investment income	172,000,056.90	141,000,000.00
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,688,681.45	13,000.00
Net cash receipts from disposal of subsidiaries and other business units	398,415,393.06	—
Other cash receipts relating to investing activities (53).3	171,000,000.00	—
<b>Sub-total of cash inflows from investing activities</b>	<b>1,901,288,866.41</b>	<b>1,541,029,888.25</b>
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	203,893,384.14	191,261,396.38
Cash paid for investments	500,000,000.00	2,750,000,000.00
Other cash payments relating to investment activities (53).4	26,841.16	—
<b>Sub-total of cash outflows from investing activities</b>	<b>703,920,225.30</b>	<b>2,941,261,396.38</b>
<b>Net cash flows from investing activities</b>	<b>1,197,368,641.11</b>	<b>(1,400,231,508.13)</b>

Item	Amount for the period	Amount for the prior period
<b>III. Cash flows from financing activities:</b>		
Cash receipts from absorbing investment	—	—
Including: Cash receipts by subsidiaries from absorbing investment of minority interest	—	—
Cash receipts from borrowings	<b>172,075,978.28</b>	395,894,862.18
Cash receipts from issue of bonds	—	—
Other cash receipts relating to financing activities	(53).5	352,728,000.00
<b>Sub-total of cash inflows from financing activities</b>	<b>639,236,432.28</b>	748,622,862.18
Cash paid for repayments of debts	<b>356,963,220.00</b>	40,300,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>766,647,783.24</b>	571,503,419.04
Including: payments for distribution of dividends or profits to minority interests of subsidiaries	<b>2,960,000.00</b>	—
Other cash payments relating to financing activities	(53).6	10,514,045.18
<b>Sub-total of cash outflows from financing activities</b>	<b>1,161,458,190.32</b>	622,317,464.22
<b>Net cash flows from financing activities</b>	<b>(522,221,758.04)</b>	126,305,397.96
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>7,402,893.47</b>	(68,899.81)
<b>V. Net increase in cash and cash equivalents</b>	<b>1,926,580,348.45</b>	(210,173,552.70)
Add: Opening balance of cash and cash equivalents	<b>1,804,583,230.33</b>	1,463,636,840.70
<b>VI. Closing balance of cash and cash equivalents</b>	<b>3,731,163,578.78</b>	1,253,463,288.00

## CASH FLOW STATEMENT OF THE PARENT COMPANY

January to June 2014

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
<b>I. Cash flows from operating activities:</b>		
Cash receipts from the sale of goods and the rendering of services	1,588,128,544.51	1,700,162,073.92
Receipts of tax refunds	—	—
Other cash receipts relating to operating activities	233,594,981.66	61,599,894.53
Sub-total of cash inflows from operating activities	1,821,723,526.17	1,761,761,968.45
Cash payments for goods purchased and services received	210,566,527.08	259,612,121.02
Cash paid to and on behalf of staff	175,428,180.76	182,741,955.49
Various types of taxes and levies paid	501,773,028.90	428,830,329.34
Other cash payments relating to other operating activities	184,611,573.76	15,647,987.70
Sub-total of cash outflows from operating activities	1,072,379,310.50	886,832,393.55
Net cash flows from operating activities	749,344,215.67	874,929,574.90
<b>II. Cash flows from investing activities:</b>		
Cash receipts from recovery of investments	1,150,000,000.00	810,815,372.94
Cash receipts from investment income	173,882,166.67	141,000,000.00
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	5,241,355.20	—
Net cash receipts from disposal of subsidiaries and other business units	453,157,974.57	—
Other cash receipts relating to investing activities	171,000,000.00	704,000,000.00
Sub-total of cash inflows from investing activities	1,953,281,496.44	1,655,815,372.94
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	28,596,261.64	18,241,253.70
Cash paid for investments	500,100,000.00	2,814,959,466.00
Other cash payments relating to investment activities		
Sub-total of cash outflows from investing activities	528,696,261.64	2,833,200,719.70
Net cash flows from investing activities	1,424,585,234.80	(1,177,385,346.76)

Item	Amount for the period	Amount for the prior period
<b>III. Cash flows from financing activities:</b>		
Cash receipts from absorbing investment	—	—
Cash receipts from borrowings	<b>152,075,978.28</b>	394,655,555.52
Other cash receipts relating to financing activities	<b>467,160,454.00</b>	352,728,000.00
Sub-total of cash inflows from financing activities	<b>619,236,432.28</b>	747,383,555.52
Cash paid for repayments of debts	<b>356,963,220.00</b>	—
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>693,044,154.69</b>	571,503,419.04
Other cash payments relating to financing activities	<b>37,847,187.08</b>	10,415,637.87
Sub-total of cash outflows from financing activities	<b>1,087,854,561.77</b>	581,919,056.91
Net cash flows from financing activities	<b>(468,618,129.49)</b>	165,464,498.61
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>191,489.05</b>	(68,899.81)
<b>V. Net increase in cash and cash equivalents</b>	<b>1,705,502,810.03</b>	(137,060,173.06)
Add: Opening balance of cash and cash equivalents	<b>1,243,720,932.85</b>	1,232,946,372.40
<b>VI. Closing balance of cash and cash equivalents</b>	<b>2,949,223,742.88</b>	1,095,886,199.34



## CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January to June 2014

Unit: Yuan Currency: RMB

Item	Amount for the period					Foreign currency exchange difference	Minority interests	Total owners' equity
	Share capital	Capital reserve	Special reserve	Surplus reserve	Undistributed profits			
<b>I. Opening balance of 2014</b>	1,015,234,105.00	8,102,977,121.92	199,586,093.33	704,898,171.11	2,206,609,158.00	(51,029,120.69)	714,376,778.08	12,892,652,306.75
<b>II. Changes for the period (decrease is indicated by "-")</b>	—	—	46,350,052.29	—	294,219,706.75	(11,541,214.13)	(190,577,756.11)	269,114,663.52
(I) Net profit	—	—	—	—	1,044,883,580.25	—	(11,541,214.13)	993,342,366.12
(II) Other comprehensive income	—	—	—	—	—	119,122,660.59	—	119,122,660.59
Sub-total of (I) and (II) above	—	—	—	—	1,044,883,580.25	119,122,660.59	(11,541,214.13)	1,112,465,026.71
(III) Owners' contributions and capital reduction	—	—	—	—	—	—	(179,313,086.56)	(179,313,086.56)
1. Owners' capital contributions	—	—	—	—	—	—	—	—
2. Disposal of subsidiaries	—	—	—	—	—	—	(179,313,086.56)	(179,313,086.56)
(IV) Profit distribution	—	—	—	—	(710,663,873.50)	—	—	(710,663,873.50)
1. Appropriation of surplus reserve	—	—	—	—	—	—	—	—
2. Distribution to owners (or shareholders)	—	—	—	—	(710,663,873.50)	—	—	(710,663,873.50)
(V) Special reserve	—	—	46,350,052.29	—	—	—	276,544.58	46,626,596.87
1. Appropriation for the period	—	—	180,461,403.20	—	—	—	1,429,434.39	181,890,837.59
2. Utilised in the period	—	—	134,111,350.91	—	—	—	1,152,889.81	135,264,240.72
<b>III. Closing balance for the period</b>	1,015,234,105.00	8,102,977,121.92	245,936,145.62	704,898,171.11	2,500,828,864.75	68,093,539.90	523,799,021.97	13,161,766,970.27

Unit: Yuan Currency: RMB

Item	Amount for the same period last year					Foreign currency exchange difference	Minority interests	Total owners' equity
	Share capital	Capital reserve	Special reserve	Surplus reserve	Undistributed profits			
<b>I. Opening balance of 2014</b>	1,015,234,105.00	8,102,977,121.92	78,938,263.32	704,898,171.11	1,641,545,905.43	(2,058,590.46)	829,859,172.33	12,371,394,148.65
<b>II. Changes for the period (decrease is indicated by "-")</b>	—	—	45,484,503.10	—	(4,250,195.90)	(540,615.52)	(76,556,095.12)	(35,862,403.44)
(I) Net profit	—	—	—	—	604,890,267.10	—	(50,316,176.73)	554,574,090.37
(II) Other comprehensive income	—	—	—	—	—	(540,615.52)	—	(540,615.52)
Sub-total of (I) and (II) above	—	—	—	—	604,890,267.10	(540,615.52)	(50,316,176.73)	554,033,474.85
(III) Owners' contributions and capital reduction	—	—	—	—	—	—	—	—
1. Owners' capital contributions	—	—	—	—	—	—	—	—
(IV) Profit distribution	—	—	—	—	(609,140,463.00)	—	(26,239,918.39)	(635,380,381.39)
1. Appropriation of surplus reserve	—	—	—	—	—	—	—	—
2. Distribution to owners (or shareholders)	—	—	—	—	(609,140,463.00)	—	(26,239,918.39)	(635,380,381.39)
(V) Special reserve	—	—	45,484,503.10	—	—	—	—	45,484,503.10
1. Appropriation for the period	—	—	205,373,861.39	—	—	—	—	205,373,861.39
2. Utilised in the period	—	—	159,889,358.29	—	—	—	—	159,889,358.29
<b>III. Closing balance for the period</b>	1,015,234,105.00	8,102,977,121.92	124,422,766.42	704,898,171.11	1,637,295,709.53	(2,599,205.98)	753,303,077.21	12,335,531,745.21

## STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY

January to June 2014

Unit: Yuan Currency: RMB

Item	Share capital	Amount for the period			Undistributed profits	Total owners' equity
		Capital reserve	Special reserve	Surplus reserve		
<b>I. Opening balance of 2014</b>	1,015,234,105.00	8,102,977,121.92	199,381,120.18	704,898,171.11	2,393,259,026.97	12,415,749,545.18
<b>II. Changes for the period (decrease is indicated by "-")</b>	—	—	46,053,114.92	—	346,405,278.17	392,458,393.09
(I) Net profit	—	—	—	—	1,057,069,151.67	1,057,069,151.67
(II) Other comprehensive income	—	—	—	—	—	—
Sub-total of (I) and (II) above	—	—	—	—	1,057,069,151.67	1,057,069,151.67
(III) Owners' contributions and capital reduction	—	—	—	—	—	—
1. Owners' capital contributions	—	—	—	—	—	—
(IV) Profit distribution	—	—	—	—	(710,663,873.50)	(710,663,873.50)
1. Appropriation of surplus reserve	—	—	—	—	—	—
2. Distribution to owners (or shareholders)	—	—	—	—	(710,663,873.50)	(710,663,873.50)
(V) Special reserve	—	—	46,053,114.92	—	—	46,053,114.92
1. Appropriation for the period	—	—	173,793,761.65	—	—	173,793,761.65
2. Amount utilised in the period	—	—	127,740,646.73	—	—	127,740,646.73
<b>III. Closing balance for the period</b>	1,015,234,105.00	8,102,977,121.92	245,434,235.10	704,898,171.11	2,739,664,305.14	12,808,207,938.27

Unit: Yuan Currency: RMB

Item	Share capital	Amount for the same period last year			Undistributed profits	Total owners' equity
		Capital reserve	Special reserve	Surplus reserve		
<b>I. Opening balance of 2014</b>	1,015,234,105.00	8,102,977,121.92	78,466,587.27	704,898,171.11	1,626,299,905.53	11,527,875,890.83
<b>II. Changes for the period (decrease is indicated by "-")</b>	—	—	43,387,196.32	—	208,741,509.11	252,128,705.43
(I) Net profit	—	—	—	—	817,881,972.11	817,881,972.11
(II) Other comprehensive income	—	—	—	—	—	—
Sub-total of (I) and (II) above	—	—	—	—	817,881,972.11	817,881,972.11
(III) Owners' contributions and capital reduction	—	—	—	—	—	—
1. Owners' capital contributions	—	—	—	—	—	—
(IV) Profit distribution	—	—	—	—	(609,140,463.00)	(609,140,463.00)
1. Appropriation of surplus reserve	—	—	—	—	—	—
2. Distribution to owners (or shareholders)	—	—	—	—	(609,140,463.00)	(609,140,463.00)
(V) Special reserve	—	—	43,387,196.32	—	—	43,387,196.32
1. Appropriation for the period	—	—	192,760,237.46	—	—	192,760,237.46
2. Amount utilised in the period	—	—	149,373,041.14	—	—	149,373,041.14
<b>III. Closing balance for the period</b>	1,015,234,105.00	8,102,977,121.92	121,853,783.59	704,898,171.11	1,835,041,414.64	11,780,004,596.26

## I. BASIC INFORMATION ABOUT THE COMPANY:

China Molybdenum Co., Ltd. (hereinafter referred to as the "Company"), transformed from Luoyang Luanchuan Molybdenum (Group) Limited (洛陽樂川鉬業集團有限責任公司), was incorporated on 25 August 2006 as a joint stock limited company by Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司, "LMG") and Cathay Fortune Corporation (鴻商產業控股集團有限公司, "CFC").

According to the resolution of the Company's Extraordinary General Meeting on 3 December 2006 and the approval of Zheng Jian Guo He Zi [2007] No. 7 issued by the China Securities Regulatory Commission, the Company was authorized to issue up to 1,246.10 million shares of ordinary overseas listed foreign shares (including the over-allotment of 162.50 million shares), with a par value of Renminbi ("RMB") 0.2 each. On 25 April 2007, the Company issued 1,083.60 million shares of overseas listed foreign shares with a par value of RMB 0.2 each, and traded on the Hong Kong Stock Exchange from 26 April 2007. After the issuance of H shares, the Company's issued share capital totaled to 4,767.81 million shares.

On 4 May 2007, the Company further issued 108.36 million over-allotment shares with a par value of RMB0.2 each. After the over-allotment, the Company's issued share capital totaled to 4,876.17 million shares.

On 16 July 2012, pursuant to the Zheng Jian Xu Ke [2012] No. 942 "The Reply and Approval in respect of the Initial Public Offering of China Molybdenum Co., Ltd." issued by the China Securities Regulatory Commission, the Company was approved to undergo initial public offering of up to 542 million RMB ordinary shares (A shares). As at 26 September 2012, the Company had 200 million shares of RMB ordinary shares (A shares) with a par value of RMB0.20 each issued under public offering. The relevant shares were listed and traded on the Shanghai Stock Exchange on 9 October 2012. The Company's total share capital was 5,076.17 million shares after this issuance of A shares.

For details of the share capital, please see notes to the consolidated accounting statements.

The business scope of the Company and its subsidiaries (hereinafter referred to as the "Group") consists of mining, processing, smelting and deep-processing of tungsten and molybdenum series of products, mining, processing and smelting of tungsten series of products, exports of molybdenum and tungsten and series of products and chemical products, mining and processing of copper series of products as well as the mining and processing as well as production and sales of gold and silver.

The registered office and principal place of business is North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, PRC.

## II. THE COMPANY'S SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS IN PRIOR PERIODS :

### (I) Basis of preparation of financial statements:

The Group has implemented the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MoF"). In addition, the Group has also disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2010). In addition, the financial statements also include relevant disclosure required under Hong Kong Company Ordinance and the Listing Rules of the Hong Kong Stock Exchange.

Basis of accounting and principle of measurement

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

### (II) Statement of compliance with the ASBE:

The financial statements prepared by the Group are in compliance with ASBE, and present truly and completely, relevant information on the Company's and the consolidated financial position, results of operations, changes in shareholders' equity and cash flows.

### (III) Accounting period:

The Group has adopted the Gregorian calendar year, which means from 1 January to 31 December as its accounting year.

### (IV) Functional currency:

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 identify relevant currencies as their functional currencies with regard to the currencies in the primary economic environment in which it operates. The Group adopts RMB to prepare its financial statements.

---

**(V) The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control:**

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

**5.1 Business combinations involving enterprises under common control**

A business combination involving enterprises under common control is a business combination in which 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 shall be measured at their 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 shall be adjusted against retained earnings.

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

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

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

The cost of combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer, such as auditing, legal services, valuation and consultancy services and other associated administrative expenses attributable to the business combination are recognised in profit or loss during the period when they are incurred. 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 equity interest in the acquiree before the acquisition date. The equity interest in the acquiree held before the acquisition date is remeasured at its fair value at the acquisition date, with any difference between its fair value and its carrying amount being recognised as investment income for the period. Where other comprehensive income is involved in equity interest in the acquiree held before the acquisition date, the relevant comprehensive income is transferred to investment income in the period of such acquisition.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date. Where the cost of combination exceeds interest in the fair value of the acquiree's identifiable net assets acquired in the combination, the difference is treated as an asset and recognised as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than interest in the fair value of the acquiree's identifiable net assets acquired in the combination, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and of the cost of combination. If after that reassessment, the cost of combination is still less than the interest in the fair value of the acquiree's identifiable net assets, the acquirer recognises the difference 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. It 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 group(s), i.e. the carrying amount of goodwill is reasonably allocated to the assets group(s) or sets of assets group(s) which can be benefited from the synergies of the business combination from the date of acquisition. An impairment loss is recognised 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 reduce the carrying amount of the other assets (other than goodwill) of the assets group or sets of assets group pro-rata on the basis of the carrying amount of each asset in the group.

The recoverable amount of an asset is the higher of the net amount of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. An asset's fair value is the price of a sale agreement in an arm's length transaction. If there is no sale agreement but an asset is traded in an active market, fair value is the current bid price. If there is no sale agreement and active market for an asset, fair value is assessed based on the best information available. Costs of disposal include legal costs related to the disposal of the asset, related taxes, costs of removing the asset and direct costs to bring the asset into condition for its sale. The present value of expected future cash flows of an asset shall be determined by estimating the future cash flows to be derived from continuing use of the asset and from its ultimate disposal and applying the appropriate discount rate to those future cash flows.

The impairment loss of goodwill is recognised in profit or loss for the period in which it is incurred and will not be reversed in any subsequent accounting period.

---

**(VI) Preparation method of consolidated financial statements:**

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control refers to the power of an investor over the investee and the 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.

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 statement, 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, and no adjustment is made to the opening balances for the year and comparative figures in the consolidated financial statements.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are deemed to be included in the Group's scope of consolidation from the date when they came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of year of the earliest reporting period are included in the consolidated income statement and consolidated cash flow statement, 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.

All significant intra-group balances and transactions are eliminated on consolidation.

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

When the amount of loss of a subsidiary attributable to the minority shareholders exceeds the minority shareholders' portion of the owners' equity of the subsidiary at the beginning of the year, the excess amount are no longer allocated against minority interests.

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

When the Group loses control over a former 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 the aggregate of the consideration received on disposal and the fair value of any retained interest, less the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of shareholding is recognised as investment income in the period in which control is lost. Other comprehensive income associated with equity investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

**(VII) Recognition criteria of cash and cash equivalents:**

Cash comprises cash on hand and deposits that can be readily available for payment. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(VIII) Translation of transactions and financial statements denominated in foreign currencies:**

**8.1 Transactions denominated in foreign currencies**

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

At the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rates at such sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the such date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that (1) exchange differences of specific-purpose borrowings denominated in foreign currency that qualify for capitalization are capitalised as part of the cost of the qualifying asset during the capitalisation period; (2) exchange differences of hedging instruments for the purpose of foreign currency risks aversion are accounted for using hedge accounting; (3) exchange differences generated from changes in the carrying amounts (other than the amortisation cost) of available-for-sale monetary items are recognized as other comprehensive income and included in capital reserve.

---

When the preparation of consolidated financial statements involves foreign operations, if there is foreign currency monetary item substantively constituting a net investment in a foreign operation, exchange differences arising from changes in exchange rates are included under "exchange differences arising on translation of financial statements denominated in foreign currencies" in shareholder's equity, and included under profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost will remain measured in an amount denominated in functional currency, translated at the spot exchange rates on the date of transaction. 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 included in profit and loss for the period or recognized as other comprehensive income and included in capital reserve.

## **8.2 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 into RMB statements using the following method: all assets and liabilities-type items on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owners' equity items except for "retained earnings" are translated at the spot exchange rates as such items incurred; 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 opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; the closing balance of retained earnings is allocated to each item for calculation and presentation on the basis of translated income. The difference between the translated assets and the aggregate of liabilities and owners' equity items is separately presented as the exchange differences arising on translation of financial statements denominated in foreign currencies under the shareholders' equity in the balance sheet.

Foreign currency cash flows and the cash flows of a foreign subsidiary are translated at an exchange rate approximate the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is presented separately in the cash flow statement under "effect of exchange rate changes on cash and cash equivalents" as a reconciling item.

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

## **(IX) Financial instruments:**

Financial assets or financial liabilities are recognised when the Group becomes a party to the contract of a financial instrument. Financial assets and financial liabilities are measured at fair value upon initial recognition. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are directly recognized in profit or loss. For other types of financial assets and financial liabilities, related transaction costs are included in their initial recognised amounts.

### **9.1 Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. For a financial instrument which has an active market, the Group uses the quoted price in the active market to determine its fair value. For a financial instrument which has no active market, the Group determines fair value by using a valuation technique. Valuation techniques include referring to price used in recent market transactions between knowledgeable, willing parties, taking into account the current fair value of other financial instruments that is substantially the same, discounted cash flow analysis and option pricing models, etc.

### **9.2 Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of the interest income or interest expense of each period, using its effective interest rate. The effective interest rate is the rate that discounts future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the current carrying amount of such financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows having considered all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees, transaction fees and discount or premium paid or received between the parties to the contract which constitute an integral part of the effective interest rate.

---

### 9.3 *Classification, recognition and measurement of financial assets*

On initial recognition, a financial asset is classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale (“AFS”) financial assets. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis.

#### 9.3.1 *Financial Assets at Fair Value through Profit or Loss (“FVTPL”)*

Financial assets at FVTPL consist of financial assets held for trading and those designated as at FVTPL.

A financial asset is classified as held for trading if it satisfied one the following conditions: (1) such financial asset has been acquired principally for the purpose of selling in the near term; or (2) on initial recognition it is part of a portfolio of identifiable financial instruments that the Group manages collectively and there is objective evidence indicating that the Group has recently manage the portfolio in a manner of short-term profit-taking; or (3) it is a derivative, except for a derivative that is a designated and effective hedging instrument, or a derivative which is a financial guarantee contract, or a derivative that is linked to and settled by delivery of an equity instrument unquoted in an active market and the fair value of which cannot be reliably measured.

A financial asset may be designated as a financial asset at FVTPL upon initial recognition when one of the following conditions is satisfied: (1) Such designation can eliminates or significantly reduces recognition or measurement inconsistencies in gains or losses that arising from different measuring basis of such financial assets; (2) as set out in the Group’s formal documented risk management or investment strategies, the financial asset forms part of a group of financial assets or a group of financial assets and financial liabilities, which is managed, evaluated and reported to key management personnel on a fair value basis; (3) the financial asset is allowed to be designated as a hybrid instrument related to an embedded derivative which is measured at fair value through profit or loss according to ASBE No. 22 - Recognition and Measurement of Financial Instruments.

Financial assets at FVTPL are subsequently measured at fair value, gains or losses arising from changes in the fair value and dividend and interest income related to the financial assets are recognised in profit or loss for the period.

#### 9.3.2 *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturity dates and fixed or determinable recoverable amounts that the Group has the clear intention and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortisation is recognised in profit or loss for the period.

#### 9.3.3 *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable recoverable amounts that are not quoted in an active market. Financial assets classified as loans and receivables by the Group include notes receivables, accounts receivables, interest receivables, dividends receivables, other receivables, other current assets and other non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortisation is recognised in profit or loss for the period.

#### 9.3.4 *AFS financial assets*

AFS financial assets include those non-derivative financial assets that are designated as available-for sale upon initial recognition and financial assets apart from financial assets at FVTPL, loans and receivables, and held-to-maturity investments.

AFS financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value (other than impairment losses and amortised cost related foreign exchange differences of foreign currency monetary assets which are included in profit or loss for the current period) are recognised as other comprehensive income and included under capital reserve, and are transferred and included in profit or loss for the period upon derecognition.

Interest received during the period of holding the AFS financial assets and cash dividends declared by the investee are included in investment income.

An equity instrument unquoted in active markets and the fair value of which cannot be measured reliably and derivative financial assets linked to and settled by delivery of such equity instrument are measured at cost.



#### 9.4 Impairment of financial assets

The Group assesses at each balance sheet date the carrying amounts of financial assets other than those at FVTPL. If there is objective evidence indicating that a financial asset is impaired, the impairment will be provided for. An objective evidence that a financial asset is impaired refers to an event effectively occurred after the initial recognition of the financial asset which affects the estimated future cash flows of the financial asset and can be reliably measured by the enterprise.

Objective evidence that a financial asset is impaired includes the following observable events:

- (1) The issuer or debtor is under significant financial difficulty;
- (2) Non-compliance with contract terms by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The Group, for economic or legal considerations, grants a concession to the debtor with financial difficulty;
- (4) It becomes probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) The financial asset cannot be traded on an active market because of significant financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets based on observable information, it indicates that there is a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition, although the decrease in a particular financial asset in the group cannot be identified. Such observable data includes:
  - Gradual determination in the payment ability of the debtor of such group of assets;
  - Conditions occur in the economic environment in the country or region of the debtor which may lead to insolvency of the group of assets;
- (7) Significant adverse changes in the technological, market, economic or legal environment in which the issuer of equity instrument operates, and that the cost of the investment in the equity instrument may not be recovered by the investor;
- (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;
- (9) Other objective evidence indicates that there is an impairment of a financial asset.
  - Impairment of financial assets measured at amortised cost

Where financial assets carried at amortised cost are impaired, the carrying amounts of the financial assets are written-down to the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) determined by discounting at the financial asset's original effective interest rate. The write-down amount is recognised as an impairment loss in profit or loss for the period. If, subsequent to the recognition of an impairment loss on financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognised, the previously recognised impairment loss is reversed. However, the reversal is made to the extent that the carrying amount of the financial asset after reversal of the impairment loss does not exceed the amortised cost of such financial asset at the date of reversal, assuming that no impairment provision has been made.

The Group conduct impairment test separately for a financial asset that is individually significant. For a financial asset that is not individually significant, the Group either conduct separate impairment test or conduct collective impairment test within a group of financial assets with similar credit risk characteristics. Where a financial asset (whether individually significant or not) is determined to be not impaired in a separate impairment test, it will undergo impairment test in a group of financial assets with similar credit risk characteristics. A financial asset for which an impairment loss is individually recognised will not undergo collective impairment test with a group of financial assets with similar credit risk characteristics.

- Impairment of AFS financial assets

Where AFS financial assets are impaired, accumulated losses due to decreases in fair value previously recognised in capital reserve are transferred and charged to profit or loss for the current period. The transferred accumulated losses are the balance of the asset's initial acquisition costs net of principal recovered and amounts amortised, current fair value and impairment losses previously recognised in profit or loss.

If, after the impairment losses were recognised, there is subsequent objective evidence indicating that the amount of such financial assets recovered and can be linked objectively to a subsequent event after the recognition of such losses, the previously recognised impairment losses are reversed. The reversal of impairment losses of AFS equity instruments investment is recognised as other comprehensive income and included in capital reserve, and the reversal of impairment losses of AFS debt instruments are recognised in profit or loss for the current period.

— Impairment of financial assets measured at cost

If an impairment has been incurred on an investment in an equity instrument unquoted in active markets for which the fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such equity instrument, the carrying amount of the financial asset is written-down to the present value of estimated future cash flows discounted at the prevailing market yield for a similar financial asset. The write-down amount is recognised as an impairment loss and included in profit or loss for the period. The impairment loss on such financial asset is not reversible once recognised.

## 9.5 **Transfer of financial assets**

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to receive the cash flows from the financial asset terminate; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; (3) the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has release the control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises associated liabilities accordingly. The extent of continuing involvement in the transferred asset is the extent of risk to which the enterprise is exposed to as a result of changes in the value of the financial asset.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between the carrying amount of the financial asset transferred; and the sum of the consideration received from the transfer and cumulative changes in fair value that formerly has been recognised in other comprehensive income, is recognised in profit or loss for the period.

If a partial transfer of financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that derecognised and the part that is continues to be recognised, based on the relative fair values of those parts. The difference between the sum of the consideration received from the transfer and the cumulative changes in fair value to be allocated to the part derecognised which has been previously included in other comprehensive income and the above mentioned allocated carry amount, is included in profit or loss for the period.

## 9.6 **Classification, recognition and measurement of financial liabilities**

Financial instruments issued by the Group are recognised as financial liabilities or equity instrument in accordance with the substance of the contractual arrangements of such financial instrument and the definitions of financial liability and equity instrument.

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

### 9.6.1 **Financial liabilities at FVTPL**

Financial liabilities at FVTPL consist of financial liabilities held for trading and those designated as at FVTPL.

A financial liability is classified as held for trading if it satisfied one of the following conditions: (1) such financial liability has been assumed principally for the purpose of repurchasing in the near term; (2) on initial recognition it is part of a portfolio of identifiable financial instruments that the Group manages collectively and there is objective evidence indicating that the Group has recently manage the portfolio in a manner of short-term profit-taking; (3) it is a derivative, except for a derivative that is a designated and effective hedging instrument, or a derivative which is a financial guarantee contract, or a derivative that is linked to and settled by delivery of an equity instrument unquoted in an active market and the fair value of which cannot be reliably measured.

A financial liability may be designated as a financial liability at FVTPL upon initial recognition when one of the following conditions is satisfied: (1) such designation can eliminates or significantly reduces recognition or measurement inconsistencies in gains or losses that arising from different measuring basis of such financial liabilities; (2) as set out in the Group's formal documented risk management or investment strategies, the financial liability forms part of a group of financial liabilities or a group of financial assets and financial liabilities, which is managed, evaluated and reported to key management personnel on a fair value basis; (3) the financial asset is allowed to be designated as a hybrid instrument related to an embedded derivative which is measured at fair value through profit or loss according to ASBE No. 22 -Recognition and Measurement of Financial Instruments..

Financial liabilities at FVTPL are subsequently measured at fair value, gains or losses arising from changes in the fair value and dividend and interest expenses related to the financial liabilities are recognised in profit or loss for the period.

### 9.6.2 **Other financial liabilities**

Derivative liabilities that are linked to and settled by delivery of an equity instrument unquoted in an active market and the fair value of which cannot be reliably measured are subsequently measured at cost. Other financial liabilities except financial guarantee contracts liabilities are subsequently measured at amortised cost using the effective interest method, with gains or losses arising from derecognition or amortisation recognised in profit or loss for the period.

### 9.6.3 *Financial guarantee contracts*

A financial guarantee contract is a contract by which the guarantor and the creditor agree that the guarantor would serve the debts or assume the obligations as agreed in case the obligor fails to serve the debts. Financial guarantee contracts that are not designated as financial liabilities at FVTPL are initially recognised at their fair values less the directly attributable transaction costs. Subsequent to initial recognition, they are measured at the higher of: the amount determined in accordance with ASBE No. 13 - Contingencies; or the amount initially recognised less cumulative amortisation determined in accordance with the principles of ASBE No. 14 - Revenue.

### 9.7 *Derecognition of Financial Liabilities*

The Group derecognises a financial liability (or part of it) when the present obligation is discharged in full or in part. Where the Group (as the obligor) and a creditor sign an agreement to replace the existing financial liability by way of assumption of new financial liability with the terms of the new financial liability substantially different from that of the existing financial liability, it derecognise the existing financial liability while recognise the new financial liability.

Where a financial liability is derecognised in full or in part, the difference between the carrying amount of the part of the financial liability derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) is recognised in profit or loss.

### 9.8 *Derivatives and embedded derivatives*

Derivative financial instruments include commodity futures contracts (standard lead, gold and silver futures contracts of Shanghai Futures Exchange) and commodity forward contracts. Derivatives are initially measured at fair value at the date of relevant contracts and are subsequently measured at fair value. The fair value changes of the derivatives are recognised in profit or loss for the period.

For hybrid instrument with embedded derivatives, where the hybrid instrument is not designated as a financial asset or financial liability at FVTPL, and the economic characteristics and risks of the embedded derivatives are not closely related to that of the host contract and the conditions of which are the same as that of the embedded derivatives and a separate instrument meet the definition of a derivative, the embedded derivatives are separated from the hybrid instrument. If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent balance sheet date, it designates the entire hybrid instrument as a financial asset or financial liability at FVTPL.

### 9.9 *Offsetting financial assets and financial liabilities*

Where the Group has current enforceable legal rights to offset the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, the amount after offsetting the financial assets and the financial liabilities is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

### 9.10 *Equity instruments*

An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The consideration received from issuing of equity instruments, net of transaction costs, are added to shareholders' equity.

All types of distributions (excluding share dividends) made by the Group to holders of equity instruments are charged to shareholders' equity. The Group does not recognise any changes in the fair value of equity instruments.

## (X) **Receivables:**

### 10.1 *Receivables that are individually significant and for which bad debt provision is individually made:*

Basis or monetary criteria for determining an individually significant receivable	A receivable that exceeds RMB5 million is recognised as an individually significant receivable by the Group.
Method of making provision for bad debts that are individually significant and for which provision is individually provided	The Group conduct impairment test separately for receivables that are individually significant. Where receivables are determined to be not impaired in a separate impairment test, it will undergo impairment test in a group of receivables with similar credit risk characteristics. Receivables for which an impairment loss is individually recognised will not undergo collective impairment test with a group of receivables with similar credit risk characteristics.

## 10.2 *Receivables for which bad debt provision is collectively made:*

Basis for determining a portfolio:

<b>Name of portfolio</b>	<b>Basis</b>
Basis for determining credit risk characteristics portfolio	For the receivables that are not individually significant and those that are individually significant but are not impaired individually, the Group classified them into groups of financial assets according to the similarity and relevance of credit risk characteristics. These credit risks usually reflect the debtors' ability to repay the full amount when due under contractual terms of the underlying assets and are related to the estimation of future cash flows of the assets subject to assessment.

Bad debt provision method for a portfolio:

<b>Name of portfolio</b>	<b>Provision method</b>
Provision method based on credit risk characteristics portfolio	Aging analysis

Aging analysis is used for bad debt provision of portfolios:

<b>Aging</b>	<b>Accounts receivable proportion (%)</b>	<b>Other receivables proportion (%)</b>
Within 2 years (inclusive)	—	—
Above 2 years	100	100

## (XI) **Inventories:**

### 11.1 *Categories of inventories*

The Group's inventories mainly include raw materials, work in progress, finished goods, etc. Inventories are initially measured at cost. Costs of inventories comprises costs of purchase, costs of processing and other expenditures incurred in bringing the inventories to their present location and condition.

### 11.2 *Valuation method of inventories upon delivery*

The weighted average method

### 11.3 *Basis for determining net realisable value of inventories and provision methods for impairment of inventories*

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for impairment of inventories is made. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs of sale and relevant taxes. Net realisable value of inventories is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

Provision for impairment of inventories is made on the basis of the difference of costs of inventories over net realisable value on an item-by-item basis.

After making the provision for impairment of inventories, if the factors previously caused the value of inventories to be written down no longer exist, so that the net realisable value of inventories is higher than the carrying amount, the original provision for impairment of inventories is reversed and the reversal is included in profit or loss for the period.

### 11.4 *Inventory taking system*

The perpetual inventory system

---

### **11.5 Amortisation method for low-value consumables and packaging materials**

(1) *Low value consumables*

The immediate write-off method

(2) *Packaging materials*

The immediate write-off method

## **(XII) Long-term equity investments:**

### **12.1 Determination of investment cost**

For a long-term equity investment by a business combination, if the long-term equity investment is acquired through business combination under common control, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not under common control, the initial investment cost of the long-term equity investment is the cost of combination. For a long term equity investment acquired through business combination not under common control which implemented by multiple transactions, the investment cost of the long-term equity investment is the sum of the carrying amount of the equity investment held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. Other equity investment apart from long-term equity investment by business combination is initially measured at cost.

### **12.2 Method for subsequent measurement and recognition of profit or loss**

#### *12.2.1 Long-term equity investment accounted for using the cost method*

For long-term equity investments that the Group does not have joint control or significant influence over the investee and unquoted in active markets and that fair values cannot be reliably measured, such long term equity investments are accounted for using the cost method. Besides, long-term equity investments in subsidiaries are accounted for using the cost method in the Company's 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. Except for declared but unpaid cash dividends or profits included in the price or consideration actually paid in acquiring the investment, current investment income is recognised on the basis of the entitlement of cash dividends or profit distributions declared by the investee.

#### *12.2.2 Long-term equity investment 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 and a joint venture is an entity over which the Group exercises joint control with other investors.

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

Under the equity method, investment profit or loss for the period is attributable realised net profit or loss of the investee shared or assumed for the year. Recognition of the attributable net profit or loss of the investee is based on the fair value of the individual identifiable assets, etc. upon acquisition of investment, and recognised upon adjustment to net profit of the investee for compliance with the Group's accounting policies and accounting period. Unrealised profits or losses from the Group's internal transactions with its associates and joint ventures attributable to the Group are calculated in accordance with the shareholding proportion and offset, and investment income or loss are recognised on that basis. However, unrealised losses from the Group's internal transactions with its investees which are impairment losses on the transferred assets are not offset. For other changes in owners' equity of the investee other than net profit or loss, the carrying amount of the long-term equity investment are correspondingly adjusted, and recognised as other comprehensive income and included in the capital reserve.

The attributable net losses of the investee are recognised to the extent that the carrying amount of the long-term equity investment and any long-term interests that in substance form part of its net investment in the investee is written-down to zero. Moreover, if the Group has obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and included under investment losses for the period. Where net profits are realised by the investee in subsequent period, the Group resumes recognising attributable profits after attributable losses not recognised are made good by attributable profits.

### 12.2.3 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the carrying amount and the proceeds actually received is recognised in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the relevant proportion of the amount originally included in the shareholders' equity is transferred to profit or loss for the period upon disposal.

### 12.3 Basis for determining joint control and significant influence over investee

Control refers to the power of an investor over the investee and the 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. Joint control refers to the common control over a particular arrangement according to relevant agreement, and that the decisions on relevant activities under such arrangement is subject to the unanimous consent by the parties sharing the joint control. Significant influence means having the power to participate in the financial and operating policy decision-making of an enterprise, but cannot control or, together with other parties, jointly control the formulation of these policies. When determining whether control can be exercised or significant influence can be imposed over an investee, the factors of potential voting rights such as currently convertible corporate bonds and current exercisable warrants held by the investing enterprise and other parties in the investee is considered.

Jointly controlled operations refer to that the Group uses its own assets or other economic resources to carry out an economic activity jointly with other joint venturers (and such economic activity does not constitute an independent accounting entity), and exercises joint control over the economic activity as agreed under the contract and agreement. The Group recognises in its financial statements the assets, under its control, used in and liabilities incurred for the jointly controlled operations, as well as recognises the costs related to the jointly controlled operations and the income generated by the jointly controlled operations attributable to the Group.

### 12.4 Methods of impairment testing and impairment provision making

The Group reviews whether the long-term equity investments have any impairment indication at each balance sheet date. If there is impairment indication, the recoverable amount of such investments is estimated. If such recoverable amount is less than its carrying amount, a provision for asset impairment is made in respect of the difference and is recognised in profit or loss for the period.

The impairment loss on such long-term equity investment is irreversible in any subsequent period once recognised.

## (XIII) Fixed assets:

### 13.1 Recognition criteria, valuation and depreciation methods for fixed assets:

Fixed assets are tangible assets that are of comparatively high unit value and are held for goods production, services provision, lease, or operation and administrative purposes, and have useful lives of over one year.

A fixed asset is stated at its actual cost of acquisition and depreciated using the straight-line method and units-of-production basis over the useful life since the month following the one it is ready for intended use.

### 13.2 Methods of depreciation of each category of fixed assets:

Category	Life of depreciation (years)	Residual value rate (%)	Annual depreciation rate (%)
Land, building and Structures	8–45	0–5	2.1–11.9
Plant and machinery	8–10	5	9.5–11.9
Electronic equipment	5	5	19.0
Transportation equipment	8	5	11.9
Minging project (PRC domestic)	Expected useful life of mine	0	5%–7.69%
Minging project (Australia)	Expected useful life of mine	0	According to mining quantity

### 13.3 Methods of impairment testing and impairment provision making of fixed assets

The Group reviews whether the fixed assets have any impairment indication at each balance sheet date. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amounts of assets are estimated on individual basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount will be estimated on the basis of the asset group to which the asset belongs. If the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is provided for as an asset impairment and is included in profit or loss for the period.

The impairment losses on fixed assets are irreversible in any subsequent period once recognised.

---

#### **4. Other explanations**

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

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

#### **(XIV) Construction in progress:**

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

The Group reviews whether the construction in progress have any impairment indication at each balance sheet date. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amounts of such construction in progress are estimated on individual basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount will be estimated on the basis of the asset group to which the asset belongs. If the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is provided for as an asset impairment and is included in profit or loss for the period.

The impairment losses on construction in progress are irreversible in any subsequent period once recognised.

#### **(XV) Borrowing costs:**

Borrowing costs that can be directly attributable to acquisition and construction or production of asset qualifying for capitalisation begin capitalisation when expenditures for such asset and borrowing costs are incurred and the acquisition and construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalisation ceases when the asset qualifying for capitalisation being acquired and constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Actual interest expenses of a specific-purpose borrowing incurred for the period are capitalised after netting of interest income receipts of unused borrowing or investment income generated from the temporary investment. The capitalisation amount of general-purpose borrowings are determined according to the weighted average of the excess of its accumulated asset expenses over the asset expenses of the specific borrowing, then times the capitalisation rate of general purpose borrowings. The capitalization rate is the weighted average interest rates applicable to the general-purpose borrowings.

#### **(XVI) Intangible assets:**

##### **16.1 Intangible assets**

Intangible assets include land use rights, mining rights, etc.

An intangible asset is measured initially at cost. For an intangible asset with a finite useful life, its original value is amortised when it is available for use on a straight-line or units-of-production basis over its estimated useful life. An intangible asset with an indefinite useful life is not amortised.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at the end of the period, and makes adjustments when necessary.

##### **16.2 Research and development expenditures**

Expenditures during the research phase is included as an expense in the profit or loss for the period in which it is incurred.

For expenditures during the development phase, those satisfy all of the following conditions is recognised as intangible assets. Expenditures during development phase that do not satisfy the following conditions are included in profit or loss for the period:

- (1) it is technically feasible to complete such intangible asset so that it will be available for use or sale;
- (2) has the intention to complete the intangible asset and use or sell it;
- (3) The Group can demonstrate the ways in which the intangible asset will generate economic benefits, including the evidence to demonstrate the existence of a market for the products produced by the 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 support the completion of the development and the ability to use or sell the intangible asset;
  - (5) The expenditures attributable to the intangible asset during its development phase can be reliably measured.

For the expenditures that cannot distinguish the research phase and development phase, the Group recognises all research and development expenditures in profit or loss for the period.

### **16.3 Methods of impairment testing and impairment provision making of intangible assets**

The Group reviews whether the the intangible assets with a finite useful life have any impairment indication at each balance sheet date. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Recoverable amount of assets are estimated on individual basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount will be estimated on the basis of the asset group to which the asset belongs. If the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is provided for as an asset impairment and is included in profit or loss for the period.

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.

The impairment losses on intangible assets are irreversible in any subsequent period once recognised.

## **(XVII) Long-term deferred expenses:**

Long-term deferred expenses are expenses incurred that should be shared and amortised over the current year and subsequent periods of amortisation period over one year. Long-term deferred expenses are amortised evenly over the expected periods in which benefits are derived.

## **(XVIII) Provision:**

Where an obligation related to a contingency is a present obligation of the Group, and it is probable that an outflow of economic benefits will be required to discharge the obligation, and the amount of the obligation can be measured reliably, it is recognised as a provision.

Provisions are measured on the basis of the best estimate of the expenses required to discharge the present obligation at the balance sheet date, taking into account factors related to contingencies such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the best estimate is determined by amount after discounting the expected future cash outflows.

## **(XIX) Revenue:**

### **19.1 Revenue from sales of goods**

Realisation of revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods has been transferred to the buyer, retains neither continuing managerial involvement usually associated with ownership nor imposes effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the enterprise, the associated costs incurred or to be incurred can be measured reliably.

### **19.2 Revenue from rendering of labour services**

The Group's revenue from rendering hotel room services to external parties is recognised when the hotel room services are provided and the rights to charge a service fee are obtained.

## **(XX) Government grants:**

Government grants are monetary assets and non-monetary assets from the government obtained by the Group at nil consideration. Government grants are recognised when the Group can satisfy the conditions attaching to the grants and the Group can receive the grants.

Government grants measured at the amount received or receivable if they are monetary assets. The government grants are classified into government grants related to assets and government grants related to income according to the granted subjects and natures as stipulated in government documents.

Government grants related to assets are recognised as deferred income, and evenly included in profit or loss for the period over the useful life of the related asset.

For government grants related to income, if a grant applied as a compensation for related expenses or losses incurred in subsequent periods, the grant is recognised as deferred income, and included in profit or loss of the periods in which the related costs are recognised. For those applied as a compensation for related expenses or losses already incurred, the grant is recognised directly in profit or loss for the period.

---

## **(XXI) Deferred tax assets/deferred tax liabilities:**

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

### **21.1 Current income tax**

At the balance sheet date, current income tax liabilities (or assets) resulted in the current and prior periods are measured by the amount of income tax expected to be paid (or refunded) calculated according to the requirements of tax laws.

### **21.2 Deferred income tax assets and deferred income tax liabilities**

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

Deferred tax is generally recognised for all temporary differences. Relevant deferred income tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. Besides, for temporary differences associated with the initial recognition of goodwill and the initial recognition of assets or liabilities arising from a transaction which is not a business combination and affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, relevant deferred tax assets or liabilities will not be recognised.

For deductible losses and tax credits in the subsequent years that can be carried forward, deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

The Group recognises deferred income tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and 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 income tax assets of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures are only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that there will be taxable profits against which to utilise the deductible temporary differences.

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

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

On the balance sheet date, the carrying amount of deferred income tax assets are reviewed and if it is no longer probable that sufficient taxable profits will be available in the future to utilise the benefit of deferred tax assets, the carrying amount of deferred income tax assets is written-down. Such write-downs is reversed when it becomes probable that sufficient taxable profits will be available.

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

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

## **(XXII) Operating leases and finance leases:**

Leases are classified as finance leases if the lease transfers substantially all the risks and rewards relating to ownership to the assets. Other leases apart from finance leases are classified as operating leases.

### **22.1 The Group as lessee under operating leases**

Operating lease expenses are recognised on a straight-line basis in different periods over the term of the relevant lease, and are either included in the cost of related assets or included to profit or loss for the period. Initial direct costs are included in profit or loss for the period. Contingent rents are included in profit or loss in the period in which they are actually incurred.

## 22.2 *The Group as lessor under operating leases*

Rental income from operating leases is recognised in profit or loss for the period on a straight-line basis in different periods over the term of the lease. Initial direct costs in larger amounts are capitalised as incurred, and are included in profit or loss for the period on the same basis as rental income recognised over the lease term. Other initial direct costs in smaller amounts are charged to profit or loss in the period as incurred. Contingent rents are included in profit or loss for the period as actually incurred.

## (XXIII) **Changes in significant accounting policies and accounting estimates:**

### 23.1 *Changes in accounting policies*

None

### 23.2 *Changes in accounting estimates*

Unit: '000 Currency: RMB

<b>Contents and Reasons for changes in accounting estimation</b>	<b>Approval procedures</b>	<b>Name of statement item affected</b>	<b>Amount affected</b>
The Company determined to adjust the criteria of provision for the production maintenance of Sandaozhuang Mine from RMB18 per tonne to RMB15 per tonne, with effect from 1 January 2014, so as to more reasonably and accurately reflect the financial status and status of affairs of the Company.	Considered and approved at the 11 <sup>th</sup> meeting of the third session of the Board held at 25 April 2014	Operating costs	25,200

## (XXIV) **Corrections for errors in prior periods:**

### 24.1 *Retrospective restatement*

None

### 24.2 *Prospective application*

None

## (XXV) **Other significant accounting policies, accounting estimates, and methods for preparation of financial statements:**

### 25.1 *Joint arrangement*

Joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements is classified into joint operations and joint ventures based on the the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, other relevant facts and circumstances. A joint operation is a joint arrangement whereby the parties to the joint arrangement have rights to the relevant assets in the arrangement, and assume relevant liabilities for such arrangement. A joint venture is a joint arrangement whereby the parties to the joint arrangement have rights to the net assets of the arrangement.

Joint Operation

Each joint venturer shall recognise the assets and liabilities, as well as revenues and expenses, relating to its attributable interest held, assumed, entitled or incurred in the joint operation as agreed on individual basis or in proportion to its share.

### 25.2 *Employee Remuneration*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months from the balance sheet date are recognised as current liabilities and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-cumulative sick leaves are recognised as when the leave is taken and is measured at the amount paid or payable. The Group recognises the employee remuneration payables as a liability in the accounting period such services are rendered by the employee, except for compensation for termination of employment relationship with the employees.

Employee benefits

The domestic companies of the Group participates in the employee social security systems, including the basic pensions, medical insurance, housing funds and other social securities established by the Chinese government in accordance with relevant requirements. The related expenditures are either included in cost of related assets or profit or loss in the period as incurred.

The employees of the Group's oversea subsidiaries only participate in the defined pension contribution plan established by the local organization. Benefits under the plan are limited to the amounts of contributions made. The employees are entitled to their accumulation account balance vested on them upon vacating of office. The accumulated account balance consists of employee and employer contributions, voluntary employee contributions, any other contributions or interest and investment returns on the account balance. Related contribution related to this plan are included in the relevant assets cost or profit or loss for the period when paid.

The liability for long service leave of the Group's oversea subsidiaries is recognised on the basis of entitlements and measured as the present value of future payables in respect of services provided by employees up to the reporting date. Consideration is given to estimated future wage and salary levels, experience of departing employee and periods of service. Expected future payments are discounting using market yields at the reporting date.

When the Group terminates the employment relationship with employees before the expiry of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, if the Group has a formal plan for termination of employment relationship or has made an offer for voluntary redundancy which will be implemented shortly, and the Group cannot unilaterally withdraw from the termination plan or the redundancy offer, a provision for the compensation payable arising from the termination of employment relationship with employees is recognised with a corresponding charge to the profit or loss for the period.

### 25.3 *Production maintenance fee*

Pursuant to Cai Qi [2004] No.324 "Notice in relation to Increase in Production Maintenance Fee\*for Metallurgical Mine" issued by the Ministry of Finance of the PRC (財政部財企[2004]324號《關於提高冶金礦山維持簡單再生產費用標準的通知》), the standard of production maintenance fee\*in nonferrous metals mines was RMB15-RMB18 per tonne of ore. As of 31 December 2013, the Company made provision for Production maintenance fee the basis of RMB18/ tonne. The provision for production maintenance fee made for Sandaozhuang Mine of the Company was changed to RMB15 per tonne according to the actual situation of the Company as considered and approved by the Board of the Company upon suggestion by the management of the Company. This adjustment constitute a change in accounting estimate, and is applied prospectively without retrospective adjustment with effect from 1 January 2014.

The Group debits the "manufacturing costs" account and credits the "special reserve" account when provided for production maintenance fee based on the required standard.

When applying such reserve for purchasing and construction of production maintenance related equipment and facilities according to required scope, the amount of relevant asset costs shall be included, and debited from the "construction in progress" account and credited to the "bank deposits" account, it is then recognized as fixed assets when the production maintenance project completed and available for intended use. meanwhile, the special reserve is written-down in the amount of the costs for the fixed assets, and recognises the same amount of accumulated depreciation, debits the "special reserve" account and credits the "accumulated depreciation". Such fixed assets are no longer depreciated in any subsequent period. However, the amount will not be carry forward when the "special reserve" account is written-down to zero.

When applying such reserve for payment of production maintenance related expenses according to required scope,, it shall be offset against the special reserves directly, by debiting "special reserve" account and crediting "bank deposits", However, the amount will not be carry forward when the "special reserve" account is written-down to zero.

#### Production safety fee

Before 14 February 2012, in accordance with state requirements, the Group's domestic mining entities shall make provision for "Production Safety Fee" (hereinafter referred to as " Production Safety Fee") of RMB4 per ton for raw ore from surface mines, and RMB8 per ton for raw ore from underground mines. After 14 February 2012, according to Cai Qi [2012] No. 16 on the notice of the "Management Approach of The enterprise's Production Safety Fee Extraction and Utilisation" ("關於印發《企業安全生產費用提取和使用管理辦法》的通知"), the Group's mining entities shall accrue Production Safety Fee RMB5 per ton for raw ore from surface mine production, RMB10 per ton for raw ore from underground mine production and RMB1 per ton for tailing production in tailing dams.

Before 14 February 2012, in accordance with state requirements, the provision of safety fee for the Group's domestic metallurgical entities is based on the actual sales revenue for the year, which is provided monthly in accordance with the following standards:

- (1) Actual annual sales income of RMB10 million and below, provided on the basis of 4%;
- (2) Actual annual sales income of RMB10 million to RMB100 million (inclusive), provided on the basis of 2%;
- (3) Actual annual sales income of RMB100 million to RMB 1 billion (inclusive), provided on the basis of 0.5%;
- (4) Actual annual sales income above RMB1 billion, provided on the basis of 0.2%.

After 14 February 2012, according to Cai Qi [2012] No. 16 on the notice of "the Management Approach of The enterprise's Production Safety Fee Extraction and Utilisation" ("關於印發《企業安全生產費用提取和使用管理辦法》的通知"), the provision of safety fee for Group's domestic metallurgical enterprise is based on the actual sales revenue for the prior year, which is provided monthly in accordance with the following standards:

- (1) Revenue of RMB10 million and below, provided on the basis of 3%;
- (2) Revenue of RMB10 million to RMB100 million (inclusive), provided on the basis of 1.5%;
- (3) Revenue of RMB100 million to RMB1 billion (inclusive), provided on the basis of 0.5%;
- (4) Revenue of RMB1 billion to RMB5 billion (inclusive), provided on the basis of 0.2%;
- (5) Revenue of RMB5 billion to RMB10 billion (inclusive), provided on the basis of 0.1%;
- (6) Revenue above RMB10 billion, provided on the basis of 0.05%.

Enterprises shall provide the Production Safety Fee based on the required standard by debiting "manufacturing costs" account, and crediting "special reserve" account.

When applying reserve for production safety for purchasing and construction of production safety related equipment and facilities according to required scope, the amount of relevant asset costs shall be included, and debited from the "construction in progress" account and credited to the "bank deposits" account, it is then recognized as fixed assets when the production safety project completed and available for intended use. meanwhile, the special reserve is written-down in the amount of the costs for the fixed assets, and recognises the same amount of accumulated depreciation, debits the "special reserve" account and credits the "accumulated depreciation". Such fixed assets are no longer depreciated in any subsequent period. However, the amount will not be carry forward when the "special reserve" account is written-down to zero.

When applying production safety reserve for payment of production safety inspection and assessment expenses, production safety skill training and emergency drill expenses according to required scope,, it shall be offset against the special reserves directly, by debiting "special reserve" account and crediting "bank deposits", However, the amount will not be carry forward when the "special reserve" account is written-down to zero.

#### **25.4. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Group's accounting policies as described, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### **Determination of mineral reserve estimates**

The Group estimates its mineral reserves based on information compiled by Competent Persons or other similar jurisdictional authoritative guidance. Mineral reserves, and for certain mines, other mineral resources, determined in this way are used in the calculation of depreciation and amortisation charges, the assessment of indications of impairments, the assessment of life-of-mine and for forecasting the timing of the payment of close down and restoration and rehabilitation costs.

In assessing the life-of-mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating mineral reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast price of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately result in the reserves being restated.

##### **Useful lives of fixed assets**

The directors determine the estimated useful lives and related depreciation charges for its fixed assets. This estimate is based on the historical experience of the actual useful lives of fixed assets of similar nature and functions and on the assumption that the PRC government will continue to renew the mining rights certificate upon its expiration. It may also change significantly as a result of technical innovations and competitor actions in response to industry cycles. The directors will increase the depreciation charges where useful lives are less than previously estimated lives, or they will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

##### **Provision for decline in value of inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes.

---

Operational procedures have been in place to monitor this risk as a significant proportion of the Company's of working capital is devoted to inventories. The management reviews the inventory aging list on a periodical basis for those aged inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, physical counts on all inventories are carried out on a periodical basis in order to determine whether allowance need to be made in respect of any obsolete and defective inventories identified. In this regard, the management of the Company are satisfied that this risk is minimal and adequate provision for obsolete and slow-moving inventories has been made in the financial statements.

#### **Impairment of accounts receivable**

Impairment loss of trade and other receivables is made when there is objective evidence that the recoverability of trade and other receivables becomes doubtful. The impairment loss calculations contain uncertainties because the management is required to make assumptions and to apply judgment regarding historical settlement experience, debt aging, financial status of debtors and general economic conditions. There is no reason to believe that there will be a material change in the future estimates or assumptions which are used in the calculations of impairment loss of trade and other receivables. However, when the actual outcome or expectation in future is different from the original estimates, the carrying value of trade and other receivables and impairment loss may change.

#### **Provision for closure, restoration, rehabilitation and environmental costs**

Provision for closure restoration, rehabilitation and environmental 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 third party to perform the required work, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the expenditures expected to be required to settle the obligation. However, in so far as the effect on the land and the environment from current mining activities becomes apparent in future periods, the estimate of the associated costs may be subject to change in the future. The provision is reviewed regularly to verify that it properly reflects the present value of the obligation arising from the current and past mining activities.

#### **Deferred tax assets**

The management determines the deferred tax assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. In cases where the actual future profits generated are more or less than expected, an additional recognition or a reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition or reversal takes place.

### III. TAXATION:

#### (I) Major types of taxes and tax rates

Type of tax	Tax basis	Tax rate
Value-added Tax ("VAT")	The Company is a general tax payer. VAT payable is calculated by output tax less deductible input tax.	Output tax is calculated at 17% of the sales value based on the relevant tax requirements. gold products are exempt from VAT.
Business tax	Revenue subject to business tax	5%
Urban maintenance and construction tax	Turnover tax paid	7% for urban districts, 5% for counties and towns, and 1% for others.
Enterprise income tax	Taxable income, and the amount subject to income tax is calculated by the taxable income (after adjustments to the pre-tax accounting profit for the year according to the relevant tax laws) multiplying by the statutory rate.	Note 1
Price regulation fund	Turnover tax paid	1%
Resource tax	Output of the raw ore	Note 2
Mineral resources compensation fees	Sales revenue of the mineral products during the current period	2%
Educational surtax	Turnover tax paid	3%
Regional educational surtax	Turnover tax paid	2%
PRC Tariff	Sales revenue for export of the molybdenum iron, molybdenum oxide and rolling molybdenum plate, etc. during the current period.	20% for molybdenum-iron, 5%–15% for molybdenum oxide, ammonium molybdate, molybdate, molybdenum powder and unwrought molybdenum, 15% for molybdenum ores and concentrates, and molybdenum waste and scrap.
Australia Goods and services tax ("GST")	The income from providing goods and services in Australia (net of the deductible purchase cost). Goods for export are not subject to GST, and may enjoy an export tax refund of GST.	10% of the sales price of goods or services
Australia mining royalty	Mining royalties are payable on quantum basis or ad valorem basis. Quantum royalty is levied based on the units of ores extracted. Ad Valorem royalty is levied at 4% of the value or sales value of the aggregate extracted ores.	4% of the minerals' sales value (for taxation purpose)

---

Note 1: Applicable tax rate:

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

China Molybdenum (Hong Kong) Company Limited and CMOC Limited were incorporated in Hong Kong, therefore the applicable enterprise income tax rate is 16.5%.

CMOC Mining Pty Limited and CMOC Mining Services Pty. Limited were incorporated in Australia in 2013, the applicable enterprise income tax rate is 30%.

Note 2: The Group's domestic enterprises would pay the molybdenum resource tax at RMB12 per ton for raw ore output as adjusted since 1 February 2012.

The Group's domestic enterprise's rock gold ore is subject to a resource tax of RMB3 or RMB5 per ton of the raw ore output, depending on grade variations.

## **(II) Tax incentive and approval**

On 26 June 2013, according to the "Henan Provincial Development and Reform Commission's notice regarding to the issuance of 'The List of First Batch of Enterprises for Comprehensive Utilization of Resources of the Province in 2013', 'The List of First Batch of Enterprises for New Type Wall Materials in 2013' and 'The List of Enterprises for Renaming and Reissuance of Recognition Certificate' " (Yu Fa Gai Huan Zi [2013] No. 862) issued by Henan Provincial Development and Reform Commission, the validity period of recognition of the Company's above product (process) as comprehensive utilization of resources encouraged by the state was renewed to 1 July 2013 to 30 June 2015. According to the requirements of relevant tax law, the Company's revenue from sale of tungsten concentrate powder (white tungsten concentrates) is included under the total taxable income by a reduced amount of 90%.

Pursuant to the "Notice of Recognition of the 2011 Second Batch of New and High Technology Enterprises in Henan Provinces " (Yu Ke [2012] No. 39) dated 16 March 2012, jointly issued by the Science and Technology Department of Henan Province, Finance Department of Henan Province, State Tax Bureau of Henan Province and Provincial Tax Bureau of Henan Province, the Company was recognised as one of the enterprises in the 2011 second batch of new and high technology enterprises in Henan Province. According to the provisions of Article 28 "Enterprise Income Tax Law of the People's Republic of China", the application income tax rates of the Company during 1 January 2011 to 31 December 2013 are 15%. According to the current operation situations, production scale, research and development (R&D) efforts, the Company's management is of the view that the company is still able to satisfy the relevant recognition requirements in relation to hi-tech enterprises set out in The Measures for the Administration of the Recognition of Hi-tech Enterprises. Therefore, the Company currently still provided and paid enterprise income tax according to the 15% enterprise income tax rate. The Company has submitted the application in relation to the recognition of hi-tech enterprises to relevant government authorities. At present, the application is in the process of approval.





Full name of the subsidiary	Type of subsidiary	Place of incorporation	Nature of business	Registered capital	Business scope	Actual capital contribution at the end of the period	Balance of other items, substance, constitutes net investment in the subsidiary	Shareholding Proportion (%)	Proportion of voting rights (%)	Consolidated or not consolidated	Minority interests	The amount in minority interests used to write down profit or loss attributable to minority interests	The amount of owners' equity attributable to the parent company for offsetting the excess of loss for the current period attributable to the minority shareholders of subsidiaries over the minority shareholders share of the opening balance of owners' equity of the subsidiaries
洛陽諾德國際飯店有限公司 Luoyang Mudu International Hotel Co., Ltd.	Wholly-owned subsidiary	Luoyang, Henan	Hotel	210,000,000	Hospitality, catering, and retail of pre-packaging food etc.	210,000,000	—	100	100	Yes	—	—	—
洛陽諾德酒店管理有限公司 Luoyang Mudu Hotel Management Co., Ltd.	Wholly-owned subsidiary	Luoyang, Henan	Hotel	30,000,000	Hotel management, house leasing	30,000,000	—	100	100	Yes	—	—	—
洛陽諾德川錳業集團鎳業有限公司 Luomu Group Tungsten Co., Ltd.	Wholly-owned subsidiary	Luanchuan, Henan	Smelting and sales of mineral products	100,000,000	Processing and sales of tungsten and molybdenum products, recycling and utilization of and investment on tungsten	100,000,000	—	100	100	Yes	—	—	—
洛陽諾德集團金銀業投資有限公司 Luomu Group Precious Metals Investment Co. Ltd.	Wholly-owned subsidiary	Luoyang, Henan	Processing and sales of mineral products	500,000,000	Investment on non-ferrous metals, black metals and non-metal mining, sales of non-ferrous metals, black metals and non-metal mineral products	500,000,000	—	100	100	Yes	—	—	—
洛陽諾德(香港)有限公司 China Molybdenum (Hong Kong) Company Limited	Wholly-owned subsidiary	Hong Kong	Sales of mineral products	0.96	Sales of mineral products	0.96	—	100	100	Yes	—	—	—
洛陽諾德集團金屬材料有限公司 Luomu Group Metal Material Company Limited	Wholly-owned subsidiary	Luoyang, Henan	Processing and sales of mineral products	650,000,000	Smelting and deep processing of tungsten and molybdenum series products and chemical products, import of production required raw and auxiliary materials, parts and components of machinery and equipment, apparatus and instruments	650,000,000	—	100	100	Yes	—	—	—
洛陽諾德金銀冶煉有限公司 Luoyang Yongning Gold & Lead Refining Co., Ltd.	Controlled subsidiary	Luoming, Henan	Lead smelting, procurement and sales of mineral products	400,000,000	Lead smelting and ancillary products recycling, procurement and sales of mineral products; foreign trade	300,000,000	—	75	75	Yes	(9,968,434.56)	109,968,434.56	60,409,793.58

Full name of the subsidiary	Type of subsidiary	Place of incorporation	Nature of business	Registered capital	Business scope	Actual capital contribution at the end of the period	Balance of other items, that in substance, constitutes net investment in the subsidiary	Shareholding Proportion (%)	Proportion of voting rights (%)	Consolidated or not consolidated	Minority interests	The amount in minority interests used to write down profit or loss attributable to minority interests	The amount of owners' equity attributable to the parent company for offsetting the excess of loss for the current period attributable to the minority shareholders of subsidiaries over the minority shareholders' share of the opening balance of owners' equity of the subsidiaries
新疆宏钨钼业有限公司 Xinjiang Luomu Molybdenum Co., Ltd.	Controlled subsidiary	Xinjiang	Mining, processing and sales of mineral products	1,505,380,000	Development of mineral resources such as molybdenum, copper, lead, zinc, gold and nickel; sales of mineral products	980,000,000	—	70	70	Yes	419,336,295.33	—	—
洛钼攀川钨钼集团销售有限公司 Luomu Group Sales Co., Ltd.	Wholly-owned subsidiary	Luanchuan, Heilan	Sales of mineral products	50,000,000	Sales of mineral products	50,000,000	—	100	100	Yes	—	—	—
洛钼矿业投资有限公司 CMOC Co., Ltd.	Wholly-owned subsidiary	Hong Kong	Investment & Holding	USD 93,866,551.38	Mining investment, investment management and consultancy, minerals products marketing	USD 93,866,551.38	—	100	100	Yes	—	—	—
CMOC Mining Pty Limited	Wholly-owned subsidiary	Australia	Extraction, processing and sales of minerals	USD 946,000,000	Nonferrous metal, such as copper, ore exploration, mining, processing and sales of related products	USD 346,000,000	—	100	100	Yes	—	—	—
CMOC Mining Services Pty. Limited	Wholly-owned subsidiary	Australia	Mining services	AUD1	Nonferrous metal, such as copper, ore exploration, mining, processing, and sales of related products	AUD1	—	100	100	Yes	—	—	—
施基志(上海)国际贸易有限公司 CMOC Trading (Shanghai) Co., Ltd.	Wholly-owned subsidiary	Shanghai	Sales of mineral products, import and export of goods and others	500,000,000	Engaged in import and export of goods and technology business; sales and trade broker and agency business of mineral products (other than those in exclusive control), machines and equipment; investment management and investment consultancy	100,000	—	100	100	Yes	—	—	—
CMOC Mining USA LTD	Wholly-owned subsidiary	USA	Consultancy services	USD1	Consultancy services	USD1	—	100	100	Yes	—	—	—

2. Subsidiaries acquired through consolidation of enterprises not under common control

Unit: Yuan      Currency: RMB

Full name of the subsidiary	Type of subsidiaries	Place of incorporation	Nature of business	Registered capital	Business scope	Actual capital contribution at the end of the period	Balance of other items, that in substance, constitutes net investment in the subsidiary	Shareholding Proportion (%)	Proportion of voting rights (%)	Consolidated or not consolidated	Minority interests	The amount in minority interests used to write down profit or loss attributable to minority interests	The amount of owners' equity attributable to the parent company used to absorb the excess of loss for the current period attributable to the minority shareholders of subsidiaries over the minority shareholders' share of the opening balance or owners' equity of the subsidiaries
樂川縣鴻七礦業有限公司 Luochuan Hong Mining Company Limited	Wholly-owned subsidiary	Luanchuan, Henan	Smelting and sales of mineral products	9,900,000	Molybdenum ore flotation, and processing of molybdenum concentrates and molybdenum cake	9,900,000	—	100	100	Yes	—	—	—
樂川縣嵩開礦業有限公司 Luochuan Fuli Kai Trading Co., Ltd.	Wholly-owned subsidiary	Luanchuan, Henan	Procurement and sales of tungsten and molybdenum products	100,000	Procurement and sales of tungsten and molybdenum products	100,000	—	100	100	Yes	—	—	—
樂川縣嵩興礦業有限公司 Luochuan Dongxing Mining Company Limited	Controlled subsidiary	Luanchuan, Henan	Smelting and sales of mineral products	6,000,000	Comprehensive recycling and sales of iron, tungsten, molybdenum and sulphur	6,000,000	—	90	90	Yes	(234,368.40)	834,368.40	—
樂川縣嵩南礦業有限公司 Luochuan Nanyang Mining Co., Ltd.	Wholly-owned subsidiary	Luanchuan, Henan	Smelting and sales of mineral products	1,000,000	Processing and sales of molybdenum concentrate powder and iron concentrate	1,000,000	—	100	100	Yes	—	—	—
樂川縣大東坡鎮礦業有限公司 Luochuan County Dazhengpo Tungsten & Molybdenum Co., Ltd.	Controlled subsidiary	Luanchuan, Henan	Smelting and sales of mineral products	65,650,000	Molybdenum raw ore flotation, smelting and sales of molybdenum concentrates, ferro-molybdenum, molybdenum oxide, tungsten concentrates, import and export	33,480,000	—	51	51	Yes	54,744,858.11	—	—
樂川縣九間鎮礦業有限公司 Luochuan County Jiujian Mining Co., Ltd.	Controlled subsidiary	Luanchuan, Henan	Smelting and sales of minerals products	33,390,000	Molybdenum ore flotation, smelting and extraction, smelting and sales of bsk ore, lead-zinc ore and magnetic iron ore	17,030,000	—	51	51	Yes	10,290,687.3	—	—
樂川縣三級鎮礦業有限公司 Luochuan County Sanjiazhen Molybdenum & Tungsten Co., Ltd.	Controlled subsidiary	Luanchuan, Henan	Smelting and sales of minerals products	55,480,000	Processing and sales of molybdenum series products and tungsten concentrates, zinc oxide and iron concentrates processing and sales etc.	28,230,000	—	51	51	Yes	49,630,502.75	—	—

## (II) Illustration of changes in the scope of consolidation

At 15 April 2014, the "Resolution on the transfer of 70% equity interest in Luoyang Kunyu Mining Co., Ltd." was considered and approved at the 13th extraordinary meeting of the third session of the Board of the Company. It was agreed to transfer the 70% equity interest in Kunyu Mining owned by the Company. The Company signed the "Equity transfer Agreement Regarding the Transfer of 70% Equity Interest in Luoyang Kunyu Mining Co., Ltd." with Zijin Mining Group Co., Ltd. on 15 April 2014. Pursuant to the agreement, the Company no longer consolidated Kunyu Mining since May 2014.

During the reporting period, the Company invested RMB0.1 million during the first phase to established Schmocker (Shanghai) International Trading Co., Ltd. as a top level wholly-owned subsidiary of the Company.

During the reporting period, CMOC Mining USA LTD was incorporated in USA by the Company as a direct subsidiary of the Company.

## (III) Entities newly included in the scope of consolidation and entities excluded from consolidation in the current period

### 1. *Subsidiary, special purpose entity and operating entity, establishing control by way of entrusted operation or lease, newly included in the scope of consolidation for the period*

Subsidiary newly established in the current period

Unit: Yuan Currency: RMB

Name	Net asset at the end of the period	Net profit for the period	Date of establishment
施莫克(上海)國際貿易有限公司 Schmocker (Shanghai) International Trading Co., Ltd.	84,967.33	(15,032.67)	24 April 2014
CMOC Mining USA LTD	—	—	29 May 2014

### 2. *Subsidiary, special purpose entity and operating entity, establishing control by way of entrusted operation or lease, ceased to be included in the scope of consolidation in the current period*

Unit: Yuan Currency: RMB

Name	Net asset at the disposal date	Net profit from the beginning of the period to the disposal date
Kunyu Mining	598,719,202.14	6,520,380.32

## (IV) Exchange rates used for translating major financial statement items of overseas operating entities

Currency	Average exchange rate		Exchange rate at the end of the period	
	January to June 2014	January to June 2013	30 June 2014	31 December 2013
HK dollars	0.79	0.80	0.80	0.79
AU dollars	5.61	N/A	5.80	5.45
USDs	6.14	N/A	6.15	6.10

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (I) Bank balances and cash

Unit: Yuan

Item	Closing amount			Opening amount		
	Amounts in foreign currency	Exchange rate	Amount in RMB	Amounts in foreign currency	Exchange rate	Amount in RMB
Cash:	/	/		/	/	
RMB	/	/	402,081.90	/	/	371,777.94
AU dollars	4,679.29	5.80	27,125.11	2,092.24	5.45	11,402.71
Bank deposit:	/	/		/	/	
RMB	/	/	417,003,214.17	/	/	1,230,049,261.97
USDs	110,185,945.53	6.15	677,952,199.14	69,335,428.93	6.10	422,946,116.47
HK dollars	2,888,421.17	0.80	2,292,685.73	2,888,419.71	0.79	2,281,851.57
AU dollars	14,397,854.48	5.80	83,486,272.73	8,976,664.16	5.45	48,922,819.67
Other Bank balances and cash:	/	/		/	/	
RMB	/	/	2,643,629,396.86	/	/	178,064,666.94
Total	/	/	3,824,792,975.64	/	/	1,882,647,897.27

At the end of the period, the Group's other bank balances and cash as described above mainly include structured bank deposit of RMB2,550,000,000.00 (opening balance for the year: RMB100,000,000.00), security for bank acceptance bills of RMB77,941,516.55 (opening balance for the year: RMB56,524,625.47) and security for commodity futures of RMB15,687,880.31 (opening balance for the year: RMB21,540,041.47).

At the end of the period, the Group had deposits equivalent to RMB29,715,873.54 placed in the bank account opened in Hong Kong, and deposits equivalent to RMB730,935,590.59 placed in the bank account opened in Australia.

### (II) Bills receivables:

#### 1. Types of bills receivable

Unit: Yuan Currency: RMB

Type	Closing amount	Opening amount
Bank acceptance bills	1,620,166,106.80	1,591,402,447.61
Total	1,620,166,106.80	1,591,402,447.61

#### 2. Top five bills receivables pledged by the Company at the end of period:

Unit: Yuan Currency: RMB

Name of drawer	Issuance date	Maturity date	Amount	Remarks
Unit A	9 January 2014	8 July 2014	5,000,000.00	
Unit B	13 January 2014	13 July 2014	4,603,200.00	
Unit A	7 January 2014	13 July 2014	4,569,008.75	
Unit A	14 January 2014	13 July 2014	4,000,000.00	
Unit C	13 January 2014	13 July 2014	2,200,000.00	
Total	/	/	20,372,208.75	/

3. **Particulars of top five bills transferred to account receivables due to the drawers' failure in performing the agreements, and bills endorsed by the Company to other parties but outstanding at the end of the period**

Unit: Yuan Currency: RMB

Name of drawer	Issuance date	Maturity date	Amount	Remarks
<b>Bills endorsed by the Company to other parties but not due yet</b>				
Unit D	28 April 2014	28 October 2014	3,000,000.00	
Unit E	16 May 2014	16 November 2014	1,400,000.00	
Unit F	28 May 2014	16 November 2014	1,000,000.00	
Unit G	9 April 2014	28 December 2014	1,000,000.00	
Unit H	20 May 2014	28 November 2014	500,000.00	
Total	/	/	6,900,000.00	/

As at the end of the period, bank acceptance bills with a carrying amount of RMB22,372,208.75 were pledged for the issuance of bank acceptance bills.

As at the end of the period and at the beginning of year, none of the Group's bills was transferred to account receivables due to the drawers' failure in performing the agreements.

Bills endorsed by the Group to other parties but outstanding at the end of the period are RMB98,034,104.32, which have been derecognized. (At the end of last year: RMB53,093,050.76)

**(III) Dividend receivables:**

Unit: Yuan Currency: RMB

Item	Opening amount of the period	Increase during the period	Decrease during the period	Closing amount of the period	Reason for outstanding	Impairment of relevant amount
Dividend receivables aged within 1 year		61,226,476.23	—	61,226,476.23	Agreed dividend payment date not yet effective	No
Including: Kunyu Mining		61,226,476.23	—	61,226,476.23	Agreed dividend payment date not yet effective	No
Total		61,226,476.23	—	61,226,476.23	/	/

There were changes in the scope of consolidated statement due to disposal of Kunyu Mining during the period, leading to an increase in the dividend receivables of RMB61,226,476.23.

**(IV) Interest receivables:**

**1. Interest receivables**

Unit: Yuan Currency: RMB

Item	Opening amount for the period	Increase during the period	Decrease during the period	Closing amount for the period
Interest on bank deposits receivables	452,860.33	31,094,299.84	18,798,817.69	12,748,342.48
Total	452,860.33	31,094,299.84	18,798,817.69	12,748,342.48

## (V) Accounts receivables:

### 1. Disclosure of accounts receivables by types:

Unit: Yuan Currency: RMB

Type	Closing amount				Opening amount			
	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Account receivables that are individually significant and for which bad debts are individually provided for	927,578,795.92	90.83	4,229,626.57	15.75	727,482,654.45	87.61	4,229,626.57	17.12
Account receivables for which bad debts are provided for collectively:								
Other insignificant account receivables	93,624,773.12	9.17	22,617,063.02	84.25	102,907,712.98	12.39	20,480,997.92	82.88
Sub-total	93,624,773.12	9.17	22,617,063.02	84.25	102,907,712.98	12.39	20,480,997.92	82.88
Total	1,021,203,569.04	/	26,846,689.59	/	830,390,367.43	/	24,710,624.49	/

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

The Group normally allows credit period of no longer than 90 days to its trade customers, but a longer credit period is allowed for major customers.

Accounts receivables that are individually significant and for which bad debts are provided for individually

Unit: Yuan Currency: RMB

Accounts receivables	Carrying amount	Bad debt amount	Provision proportion (%)	Reason
Loans	8,459,253.13	4,229,626.57	50.00	It is determined to make a 50% bad debt provision based on the financial condition and credit history of the debtor
Total	8,459,253.13	4,229,626.57	/ /	

The aging structure of amount receivables is as follows:

Unit: Yuan Currency: RMB

Aging	Closing amount			Opening amount		Bad debt provision
	Book balance Amount	Proportion (%)	Bad debt provision	Book balance Amount	Proportion (%)	
Within 1 year	958,550,988.76	93.87	—	754,642,158.64	90.88	—
Over 1 year but within 2 years	31,576,264.13	3.09	—	55,925,095.89	6.73	4,887,511.59
Over 2 years but within 3 years	18,311,459.71	1.79	14,081,833.15	10,995,975.09	1.32	10,995,975.09
Over 3 years	12,764,856.44	1.25	12,764,856.44	8,827,137.81	1.07	8,827,137.81
Total	1,021,203,569.04	100.00	26,846,689.59	830,390,367.43	100.00	24,710,624.49



2. *Particulars of reversal or recovery during the period*

Unit: Yuan Currency: RMB

Account receivables coverage	Reason for reversal or recovery	Basis for recognition of original bad debt provision	Accumulative provision amount for bad debt before reversal or recovery	Amount recovered	Bad debt provision reversed
Loans	Recovered account receivables	Provisions for the prior years pursuant to the Group's policy	543,612.00	543,612.00	543,612.00

3. *Particulars of accounts receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period*

There is no account receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period.

4. *Top five entities in terms of account receivables*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Maturity	Proportion to the total account receivables (%)
Unit I	Third Party	162,872,442.42	Within one year	15.95
Unit J	Third Party	117,221,602.29	Within one year	11.48
Unit K	Third Party	89,306,381.24	Within one year	8.74
Unit L	Third Party	53,206,290.47	Within one year	5.21
Unit M	Third Party	48,687,885.36	Within one year	4.77
Total	/	471,294,601.78	/	46.15

5. *Particulars of receivables due from related parties*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion to the total account receivables (%)
Fuchuan Mining	Joint venture	15,228.00	0.002
Luoyang High Tech	Joint venture	495,000.00	0.048
Total	/	510,228.00	0.05

## (VI) Other receivables:

### 1. Disclosure of other receivables by types:

Unit: Yuan Currency: RMB

Type	Closing amount				Opening amount			
	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Other account receivables that are individually significant for which bad debts are individually provided for	296,625,210.53	89.03	—	—	52,625,210.53	61.32	—	—
Other account receivables for which bad debts are provided for collectively: Other insignificant receivables	36,533,349.69	10.97	21,113,076.44	100	33,194,892.76	38.68	13,302,695.72	100.00
Subtotal	36,533,349.69	10.97	21,113,076.44	100	33,194,892.76	38.68	13,302,695.72	100.00
Total	333,158,560.22	/	21,113,076.44	/	85,820,103.29	/	13,302,695.72	/

The Group recognizes such other receivables that are over RMB5,000,000 as individually significant account receivables.

The aging structure of other receivables is as follows:

Unit: Yuan Currency: RMB

Aging	Closing amount			Opening amount		
	Book balance Amount	Proportion (%)	Bad debt provision	Book balance Amount	Proportion (%)	Bad debt provision
Within 1 year subtotal	266,096,848.60	79.87	—	12,936,110.24	15.07	105,078.52
Over 1 year but within 2 years	4,323,424.65	1.30	—	1,652,423.77	1.93	1,039,488.20
Over 2 years but within 3 years	9,694,098.44	2.91	9,694,098.44	4,968,166.65	5.79	4,121,553.69
Over 3 years	53,044,188.53	15.92	11,418,978.00	66,263,402.63	77.21	8,036,575.31
Total	333,158,560.22	100.00	21,113,076.44	85,820,103.29	100.00	13,302,695.72

Note: Prepayment in the amount of RMB5,038,536.88 that was expected to be irrecoverable was transferred to other receivables and provided for in full.

### 2. Particulars of reversal or recovery during the period

Unit: Yuan Currency: RMB

Other account receivables coverage	Reason for reversal or recovery	Basis for recognition of original bad debt provision	Accumulative provision amount for bad debt before reversal or recovery	Amount recovered	Bad debt provision reversed
Others	Other receivables recovered	Provision for prior years pursuant to the policy of the Group	22,722.55	22,722.55	22,722.55

### 3. Particulars of other receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period

There is no other account receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period.

4. *Top five entities in terms of other receivables*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Maturity	Proportion to the total other receivables (%)
Unit N	Third Party	250,000,000.00	Within one year	75.04
Unit AB	Joint Venture	21,200,000.00	More than three years	6.36
Unit O	Third Party	10,250,000.00	More than three years	3.08
Individual P (Note)	Third Party	10,175,210.53	More than three years	3.05
Unit Q	Third Party	5,000,000.00	Within one year	1.50
Total	/	296,625,210.53	/	89.03

Note: This amount is the debt of the former shareholder of Huqi Mining.

5. *Amounts due from related parties*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion to the total other account receivables (%)
Xuzhou Huanyu	Joint Venture	21,200,000.00	6.36

(VII) **Prepayments:**

1. *Breakdowns of prepayments by aging analysis*

Unit: Yuan Currency: RMB

Aging	Closing amount		Opening amount	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	196,623,574.44	72.52	289,386,047.00	97.33
Over 1 year and within 2 years	72,746,509.04	26.83	3,149,040.56	1.06
Over 2 years and within 3 years	1,523,691.05	0.56	3,628,900.42	1.22
Over 3 years	254,309.60	0.09	1,181,955.55	0.39
Total	271,148,084.13	100.00	297,345,943.53	100.00

2. *Top five entities in terms of prepayments amount*

Unit: Yuan Currency: RMB

Name of Entity	Relationship with the Company	Amount	Age	Reasons for unsettlement
Unit L	Third Party	98,375,346.08	Within one year	Prepayment for materials, goods not yet received
Unit R	Third Party	20,000,000.00	Within one year	Prepayment for materials, goods not yet received
Unit S	Third Party	8,966,039.25	Within one year	Prepayment for materials, goods not yet received
Unit T	Third Party	8,482,730.98	Within one year	Prepayment for materials, goods not yet received
Unit U	Third Party	7,090,934.13	Within one year	Prepayment for materials, goods not yet received
Total	/	142,915,050.44	/	/

3. *Details of prepayments due from shareholders holding 5% or above of the Company's shares with voting rights during the Reporting Period*

There is no balance of prepayments due from shareholders holding 5% or above of the Company's shares with voting rights during the Reporting Period.

**(VIII) Inventories:**

1. *Categories of inventories*

Unit: Yuan Currency: RMB

Item	Closing amount			Opening amount		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials	288,079,963.29	7,547,235.50	280,532,727.79	421,440,741.81	38,273,918.03	383,166,823.78
Work-in-progress	228,475,104.37	83,831,053.74	144,644,050.63	332,735,172.34	28,311,800.42	304,423,371.92
Finished goods	64,872,814.64	1,049,423.79	63,823,390.85	137,050,051.18	3,643,981.32	133,406,069.86
Total	581,427,882.30	92,427,713.03	489,000,169.27	891,225,965.33	70,229,699.77	820,996,265.56

**Non-current assets—Inventories**

Unit: Yuan Currency: RMB

Non-current	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Raw materials (Note)	355,547,749.68	—	355,547,749.68	334,515,072.36	—	334,515,072.36
Total	355,547,749.68	—	355,547,749.68	334,515,072.36	—	334,515,072.36

Note: Refers to the sulfide ore reserves extracted and maintained by NPM. According to the estimation of the management, it is expected that these ore material reserves will not be sold before the end of the mining period of E48 mine shaft, which is 2024, and therefore are presented as non-current assets.

## 2. Provision for impairment of inventories

Unit: Yuan Currency: RMB

Category of Inventories	Opening book balance	Provision for the period	Decrease for the period Reversals	Write-off	Closing book balance
Raw materials	38,273,918.03	—	30,726,682.53	—	7,547,235.50
Work-in-progress	28,311,800.42	55,519,253.32	—	—	83,831,053.74
Finished goods	3,643,981.32	462,343.42	591,529.29	2,465,371.66	1,049,423.79
<b>Total</b>	<b>70,229,699.77</b>	<b>55,981,596.74</b>	<b>31,318,211.82</b>	<b>2,465,371.66</b>	<b>92,427,713.03</b>

## 3. Details of provision for impairment of inventories

Item	Basis of provision for impairment of inventories	Reason of reversals of provision for impairment of inventories for the period	Proportion of reversals for the period to inventories balance as at the end of the period (%)
Raw materials	Accounting policies of the Group	—	—
Work-in-progress	Accounting policies of the Group	—	—
Finished goods	Accounting policies of the Group	Increase in the market prices	0.91

RMB0 of borrowing costs capitalised was included in the closing balance for the period.

## (IX) Other current assets:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Entrusted bank wealth management product (Note 1)	662,465,753.42	1,528,001,380.14
Entrusted Loan (Note 2)	150,000,000.00	150,000,000.00
Collective wealth management plans of securities brokerages	200,890,410.96	—
Others	19,421,752.85	23,576,092.91
<b>Total</b>	<b>1,032,777,917.23</b>	<b>1,701,577,473.05</b>

Note 1: The Company participated in a bank-initiated structured wealth management plan. The management of the Company considers that the difference between the value of the Company's interests in and risk exposures to these bank wealth management products as compared to their book value is not significant.

Note 2: The Company lent RMB150 million to the joint venture company Fuchuan Mining by way of entrusted loan on 22 August 2013. Fuchuan Mining provided a collateral guarantee of RMB300 million, which is part of its total assets of RMB350 million, which consist of its fixed assets of approximately RMB160 million and land use right of approximately RMB190 million.

**(X) Investments in joint ventures and associates:**

Unit: Yuan Currency: RMB

Name of investee	Shareholding of the Group (%)	Proportion of voting rights in the investee held by the Group (%)	Total assets at the end of the period	Total liabilities at the end of the period	Total net assets at the end of the period	Total Operating income for the period	Net profit for the period
<b>I. Joint ventures</b>							
Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. ("Luoyang High-Tech")	50.00	50.00	445,215,830.61	7,110,554.76	438,105,275.85	58,048,581.52	(6,212,700.93)
Xuzhou Huanyu Molybdenum Co., Ltd. ("Xuzhou Huanyu")	50.00	50.00	861,219,338.16	706,100,389.43	155,118,948.73	556,264.56	(48,092,687.83)
Luoyang Fuchuan Mining Co., Ltd. ("Fuchuan Mining")	10.00	50.00	860,979,885.30	684,901,881.60	176,078,003.70	556,264.56	(48,085,088.12)
<b>II. Associates</b>							
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining")	40.00	40.00	279,994,405.08	36,349,276.81	243,645,128.27	281,167,010.62	158,348,100.15
Caly Nanomoly Development, Inc. ("Nanomoly Development")	40.00	40.00	—	—	—	—	—

**(XI) Long-term equity investments:****1. Details of long-term equity investments:****Under cost method:**

Unit: Yuan Currency: RMB

Investee	Investment cost	Balance as at the beginning of the period	Increase/ (decrease)	Balance as at the end of the period	Provision for impairment losses	Shareholding in the investee (%)	Proportion of voting rights in the investee (%)	Explanation of the inconsistency between the Shareholding and the proportion of voting rights
Henan Qianjin Dynamite Project Co., Ltd.	200,000.00	200,000.00	—	200,000.00	—	10	10	
Others	4,928.00	4,928.00	—	4,928.00	—			

**Under equity method:**

Unit: Yuan Currency: RMB

Investee	Investment cost	Opening balance	Increase/ (decrease)	Closing Balance	Provision for impairment losses	Cash dividends for the period	Shareholding in the investee (%)	Proportion of voting rights in the investee (%)	Explanation of the inconsistency between the Shareholding and the proportion of voting rights
Luoyang High-Tech	265,000,000.00	221,981,150.83	(3,106,350.47)	218,874,800.36	—	—	50	50	
Xuzhou Huanyu	1,036,348,604.30	972,083,604.30	(22,599,991.42)	949,483,612.88	—	—	50	50	
Fuchuan Mining	250,220,000.00	250,220,000.00	—	250,220,000.00	—	—	10	50	Note 1
Yulu Mining	20,000,000.00	150,801,396.38	(38,825,949.92)	111,975,446.46	—	118,000,000.00	40	40	Note 2
Yuhua Molybdenum	1,650,000.00	3,171,119.41	(3,171,119.41)	—	—	—	—	—	Note 3
Nanomoly Development	8,201,370.00	—	—	—	—	—	40	40	

Note 1: The Group holds Fuchuan Mining's 10% equity interests indirectly through its subsidiary, Huqi Mining, and the joint venture, Xuzhou Huanyu holds another Fuchuan Mining's 90% equity interests. Since Xuzhou Huanyu's remaining 50% equity interests are held by a third party company, therefore, the Group have common control over Fuchuan Mining and Fuchuan Mining is accounted for as a jointly controlled entity. According to an agreement with the local government, the local government is entitled to a dividend right of 8% of Fuchuan Mining. As a result, the Group is entitled to 47% of the revenue of Fuchuan Mining under equity method.

The mining rights of Shangfanggou Mine is legally owned by Fuchuan Mining, but there were disputes in its minning. During the 2012, the production and operation of those disputing parties were all suspended. According to the notification issued by Luoyang Municipal People's Government in March 2013, Fuchuan Mining and the disputing party reached an intent of acquisition and the disputing party agreed to leave the Shangfanggou Mine. Fuchuan Mining was undergoing preparation for resumption of the production as of the date of this report.

Note 2: (1) As resolved at Yulu Mining's 2007 annual general meeting, both investors would share its net profit in the proportion of 1:1 since 2008. Therefore, although the Group holds 40% equity interest in Yulu Mining, it recognises investment income in the proportion of 50%.

(2) There is no limit existing regarding cash realisation and investment income repatriation from these associates.

(3) The enterprises of the Group's long term equity investment are all non-listed entities.

Note 3: Yuhua Molybdenum was deregistered on 7 January 2014.

## (XII) Fixed assets:

### 1. Details of fixed assets

Unit: Yuan Currency: RMB

Item	Opening Balance	Increase for the period	Decrease for the period	Exchange differences arising from translation of financial statements denominated in foreign currencies	Closing Balance
<b>I. Total original carrying amount:</b>	8,390,661,924.47	138,194,028.63	680,109,244.47	122,653,248.49	7,971,399,957.12
Including: Buildings and mining structures	5,536,721,594.92	112,672,600.36	419,140,868.63	92,207,549.02	5,322,460,875.67
Plant and machinery	2,509,461,404.25	23,300,582.62	242,029,760.19	30,445,699.47	2,321,177,926.15
Transportation equipment	159,826,973.82	1,767,261.80	8,090,680.34	—	153,503,555.28
Electronic equipment, fixtures and furniture	184,651,951.48	453,583.85	10,847,935.31	—	174,257,600.02
<b>II. Total accumulated depreciation:</b>	2,511,390,784.30	293,818,475.72	131,097,728.63	4,406,233.02	2,678,517,764.41
Including: Buildings and mining structures	1,471,356,793.14	171,062,003.78	70,719,451.37	2,832,588.94	1,574,531,934.49
Plant and machinery	802,213,075.61	111,533,845.92	50,649,901.34	1,573,644.08	864,670,664.27
Transportation equipment	131,970,842.56	3,104,408.79	5,430,844.07	—	129,644,407.28
Electronic equipment, fixtures and furniture	105,850,072.99	8,118,217.23	4,297,531.85	—	109,670,758.37
<b>III. Total net book value of fixed assets</b>	5,879,271,140.17				5,292,882,192.71
Including: Buildings and mining structures	4,065,364,801.78				3,747,928,941.18
Plant and machinery	1,707,248,328.64				1,456,507,261.88
Transportation equipment	27,856,131.26				23,859,148.00
Electronic equipment, fixtures and furniture	78,801,878.49				64,586,841.65
<b>IV. Total provision for impairment losses</b>	2,966,254.30	25,524,079.96			28,490,334.26
Including: Buildings and mining structures	—	9,087,783.62			9,087,783.62
Plant and machinery	2,966,254.30	16,436,296.34			19,402,550.64
Transportation equipment	—	—			—
Electronic equipment, fixtures and furniture	—	—			—
<b>V. Total carrying amount of fixed assets</b>	5,876,304,885.87				5,264,391,858.45
Including: Buildings and mining structures	4,065,364,801.78				3,738,841,157.56
Plant and machinery	1,704,282,074.34				1,437,104,711.24
Transportation equipment	27,856,131.26				23,859,148.00
Electronic equipment, fixtures and furniture	78,801,878.49				64,586,841.65

Note: original value and accumulated depreciation of fixed assets were reclassified and adjusted at the beginning of the period pursuant to the characteristics of fixed assets in the period.

The depreciation for the period: RMB293,818,475.72.

The original price of the fixed assets transferred from construction in progress for the period is: RMB21,995,994.60.

The decrease in original carrying amount for the period consists of a decrease of RMB519,985,523.26 on the disposal of subsidiaries.

The decrease in accumulated depreciation for the period consists of a decrease of RMB106,835,251.71 on the disposal of subsidiaries.

2. **Temporarily idle fixed assets**

Unit: Yuan Currency: RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Net carrying amount	Remark
Buildings	10,693,117.45	1,605,333.83	9,087,783.62	—	
Plant and machinery	32,501,332.25	12,691,357.07	19,402,550.64	407,424.54	

Note: As Yongning Gold & Lead, a subsidiary of the Company is not in production due to the overhaul, according to the overhaul plan as at the end of the period, part of the fixed assets will be idled. Full impairment provision have been made for net value of these fixed assets.

3. **Fixed assets pending certificates of title**

Item	Reasons for pending of certificates of title	Estimated time for obtaining certificates of title
Mine branch company 1# hostel	Undergoing relevant procedures and pending approval and reply	31 December 2014
Mine branch company 5# hostel	Undergoing relevant procedures and pending approval and reply	31 December 2014
Processing branch Xiazhigou 4# staff hostel	Undergoing relevant procedures and pending approval and reply	31 December 2014

As at the end of the period, the net book value of fixed assets pending certificates of title is RMB7,471,752.30.

**(XIII) Construction in progress:**

1. **Details of construction in progress**

Unit: Yuan Currency: RMB

Item	Closing amount			Opening amount		
	Book balance	Provision for impairment	Net book value	Book balance	Provision for impairment	Net book value
Construction in progress	543,329,302.06	—	543,329,302.06	493,586,919.64	—	493,586,919.64

2. **Details of changes in significant construction in progress:**

Unit: Yuan Currency: RMB

Item	Budget amount	Opening balance	Increase for the period	Transfer to fixed assets	Decreases for the period	Exchange differences arising from translation of financial statements denominated in foreign currencies	Amount injected as a proportion of budget amount (%)	Closing balance
Tailings dam project of No. 2 Ore Processing Plant	90,000,000.00	51,119,293.50	—	—	720,000.00	—	98.00	50,399,293.50
5000 tons/day technical refurbishment of No. 3 Ore Processing Plant	88,130,000.00	7,308,262.41	51,671,746.55	—	—	—	60.63	58,980,008.96
Exploration project of Kunyu	210,000,000.00	56,292,165.78	—	—	56,292,165.78	—	97.00	—
Molybdenum project in East Gobi, Hami, Xinjiang	2,849,000,000.00	72,091,181.30	622,328.34	—	—	—	81.02	72,713,509.64
Nanyuan construction project of International Hotel	242,000,000.00	102,476,200.85	—	—	22,257,824.88	—	97.00	80,218,375.97
Northparkes E48 mine redevelopment project	111,267,834.17	41,168,641.45	9,069,488.12	6,710,482.72	—	3,040,579.89	42.00	46,568,226.74
Northparkes E48 mine northern extension project	157,741,391.13	53,030,417.43	47,980,050.11	—	—	4,211,512.76	39.00	105,221,980.30
Others	—	108,349,867.67	42,562,844.02	15,285,511.88	12,978,418.50	3,570,026.39	—	126,218,807.70
Total	3,798,139,225.30	493,586,919.64	153,206,457.14	21,995,994.60	92,290,199.16	10,822,119.04	—	543,329,302.06

Decrease of others consists of a decrease of RMB63,468,261.57 on the disposal of subsidiaries.



## (XIV) Intangible assets:

### I. Details of Intangible assets:

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Exchange differences arising from translation of financial statements denominated in foreign currencies	Closing balance
<b>I. Total original carrying amount</b>	4,741,681,642.16	291,805.24	322,815,816.78	22,494,891.34	4,441,652,521.96
Land use rights	692,757,855.16	6,650.00	155,538,872.27	—	537,225,632.89
Mining rights	4,029,150,117.18	—	167,016,194.51	22,494,891.34	3,884,628,814.01
Others	19,773,669.82	285,155.24	260,750.00	—	19,798,075.06
<b>II. Total accumulated amortisation</b>	315,781,906.78	93,316,699.60	45,617,784.87	107,299.44	363,588,120.95
Land use rights	67,365,252.93	5,537,711.25	10,753,117.62	—	62,149,846.56
Mining rights	244,620,460.35	86,920,419.80	33,809,089.09	107,299.44	297,839,090.50
Others	3,796,193.50	858,568.55	1,055,578.16	—	3,599,183.89
<b>III. Total net book value of intangible assets</b>	4,425,899,735.38				4,078,064,401.01
Land use rights	625,392,602.23				475,075,786.33
Mining rights	3,784,529,656.83				3,586,789,723.51
Others	15,977,476.32				16,198,891.17
<b>IV. Total provision for impairment</b>	—				—
Land use rights	—				—
Mining rights	—				—
Others	—				—
<b>V. Total carrying amount of intangible assets</b>	4,425,899,735.38				4,078,064,401.01
Land use rights	625,392,602.23				475,075,786.33
Mining rights	3,784,529,656.83				3,586,789,723.51
Others	15,977,476.32				16,198,891.17

The amortization for the period: RMB93,316,699.60.

The decrease in original carrying amount for the period consists of a decrease of RMB290,540,622.40 on the disposal of subsidiaries.

The decrease in accumulated amortisation for the period consists of a decrease of RMB45,617,784.87 on the disposal of subsidiaries.

As of 30 June 2014, a net carrying amount of RMB41,361,499.09 of land use rights are in the process of obtaining certificates of title.

## (XV) Long-term deferred expenses:

Unit: Yuan Currency: RMB

Item	Opening amount	Increased amount for the period	Amortization for the period	Other decreased amount	Closing amount	Reasons for other decreased amount
Relocation compensation fee (Note 1)	75,164,782.86	—	3,216,212.03	—	71,948,570.83	
Geological Museum project (Note 2)	29,400,000.00	—	300,000.00	—	29,100,000.00	
Others	23,952,864.77	50,724,844.39	16,653,552.04	1,955,518.18	56,068,638.94	Disposal of subsidiaries
Total	128,517,647.63	50,724,844.39	20,169,764.07	1,955,518.18	157,117,209.77	

Note 1: The Company paid the relocation compensation fees to the villagers in the surrounding area of the tailing dams.

Note 2: According to the Geological Museum use right agreement signed by the Company and Luanchuan County Finance Bureau on 18 December 2012, the Company would possess the land use rights of 2,000-square-meter exhibition area in the Geological Museum for the publicity and product display of the Company for 50 years with effect from 1 January 2013.

## (XVI) Deferred income tax assets/Deferred tax liabilities:

### 1. Deferred income tax assets and deferred tax liabilities are not presented at the net amount after offsetting

- (1) Recognised deferred income tax assets and deferred tax liabilities

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Deferred income tax assets:		
Provision for impairment of assets	6,893,070.83	6,769,861.78
Deductible gross losses	83,676,817.64	44,255,188.77
Unrealised profit	17,651,686.80	31,561,916.62
Deferred income of government grant	2,968,386.59	4,613,960.52
Gains and losses from changes in fair value	—	635,283.00
Accrued expenses, net	20,342,466.53	34,986,798.18
Retirement of fixed assets without filing	3,510,509.81	3,510,509.81
Difference arising from tax concerning provision for depreciation	7,759,540.39	—
Accrued estimated liabilities which were unused	80,804,359.38	—
Acquisition costs to be deferred (Note)	—	87,646,574.04
Sub-total	223,606,837.97	213,980,092.72
Deferred tax liabilities:		
Fair value adjustment of business combinations not involving enterprises under common control (Note)	—	(73,960,296.47)
Sub-total	—	(73,960,296.47)
Net amount	223,606,837.97	140,019,796.25

Note: Pursuant to the requirements of taxation authorities of New South Wales, Australia in 2014, the transaction costs of the acquisition is the tax basis of the acquired assets, and therefore, the transaction costs of the acquisition and the deferred income tax arising from the changes in fair value of business combinations not under common control are adjusted at the same time.

## (2) Breakdown of unrecognised deferred tax assets

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Deductible temporary differences	143,039,364.42	84,893,908.82
Deductible losses	648,582,036.71	397,980,162.33
<b>Total</b>	<b>791,621,401.13</b>	<b>482,874,071.15</b>

## (3) Deductible losses, for which no deferred income tax assets are recognised, will expire in the following years

Unit: Yuan Currency: RMB

Year	Closing amount	Opening amount
2014	17,218,082.22	17,218,082.22
2015	8,800,651.42	8,800,651.42
2016	29,272,505.09	29,272,505.09
2017	122,704,761.04	122,704,761.04
2018	470,586,036.94	219,984,162.56
<b>Total</b>	<b>648,582,036.71</b>	<b>397,980,162.33</b>

## (4) Breakdown of items of taxable differences and deductible differences

Unit: Yuan Currency: RMB

Item	Amount
Items of taxable differences:	
Provision for impairment of assets	37,122,313.10
Deductible losses	334,707,270.55
Unrealised gross profit	70,606,747.21
Deferred income of government grant	19,789,243.90
Accrued expenses, net	129,894,507.00
Retirement of fixed assets without filing	23,403,398.76
Difference arising from tax concerning provision for depreciation	25,865,134.64
Accrued estimated liabilities which were not paid	269,347,864.62
<b>Subtotal</b>	<b>910,736,479.78</b>

## (XVII) Breakdown of provision for impairment of assets:

Unit: Yuan Currency: RMB

Item	Opening book balance	Increase for the period	Decrease for the period	Write-off	Closing book balance
			Reversal		
I. Bad debts provision	38,013,320.21	10,620,856.06	566,334.55	108,075.69	47,959,766.03
II. Provision for impairment of inventories	70,229,699.77	55,981,596.74	31,318,211.82	2,465,371.66	92,427,713.03
III. Provision for impairment of fixed assets (Note)	2,966,254.30	25,524,079.96	—	—	28,490,334.26
IV. Provision for impairment of goodwill	3,933,952.68	—	—	—	3,933,952.68
<b>Total</b>	<b>115,143,226.96</b>	<b>92,126,532.26</b>	<b>31,884,546.37</b>	<b>2,573,447.35</b>	<b>172,811,766.00</b>

Note: As Yongning Gold & Lead, a subsidiary of the Company is not in production due to the overhaul, according to the overhaul plan as at the end of the reporting period, part of the fixed assets will be idled. Full impairment provision have been made for net value of these fixed assets.

### (XVIII) Other non-current assets:

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Prepayments for land fees (Note 1)	8,659,900.00	8,659,900.00
Prepayment for water fees (Note 2)	63,000,000.00	63,000,000.00
Deposits more than one year (Note 3)	1,679,227,163.47	1,641,635,056.42
Others	7,754,325.00	15,917,290.30
<b>Total</b>	<b>1,758,641,388.47</b>	<b>1,729,212,246.72</b>

Note 1: The Group's prepayments for land compensation fee and land grant fee.

Note 2: Prepayment for water resources usage fees by Xinjiang Luomu.

Note 3: Term deposits more than one year include principal and interest of RMB1,629,937,500.00 and RMB49,289,663.47, respectively, among which, a 3-year term deposit with a principal amount of RMB531,975,000.00 was used as the security of a long-term borrowings in the amount of USD306 million (RMB1,865,651,400.00), and a 5-year term deposit with a principal amount of RMB797,962,500.00 was used as the security of a long-term borrowings in the amount of USD239.5 million (RMB1,460,207,550.00) by CMOG Mining Pty Limited.

### (XIX) Short-term borrowings:

#### 1. Categories of short-term borrowings:

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Secured borrowings	97,606,187.50	96,776,205.10
Unsecured and non-guaranteed borrowings	279,644,085.16	127,568,106.88
<b>Total</b>	<b>377,250,272.66</b>	<b>224,344,311.98</b>

### (XX) Held-for-trading financial liabilities:

Unit: Yuan Currency: RMB

Item	Closing fair value	Opening fair value
Financial liabilities designated as fair value through profit and loss of the current period (Note)	469,250,454.00	296,092,800.00
Derivative financial liabilities (Note)	1,466,000.00	61,159,170.00
<b>Total</b>	<b>470,716,454.00</b>	<b>357,251,970.00</b>

Note: The Group entered into a gold commodity lease agreement with the bank for financing purpose. According to agreement, the Group leases gold from the bank, which is permitted to be sold to third parties during the lease period, and the Group is obliged to return gold with same quality and weight to the bank when the lease is expired. The obligation to return the gold is recognised as financial liability held for trading. The Group manages its risk exposure to gold return obligation arising from fluctuation of gold market price, by using gold forward contract that are not designated as hedging instrument, and changes in the fair value of the gold forward contract are recognised in profit or loss immediately.

### (XXI) Bills payable:

Unit: Yuan Currency: RMB

Category	Closing amount	Opening amount
Bank acceptances	39,150,400.00	27,910,000.00

(XXII) **Accounts payable:**

1. *Details of accounts payable*

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Payables for purchase of goods	194,940,686.14	197,385,526.41
Total	194,940,686.14	197,385,526.41

2. *Accounts payable due to shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period*

There are no accounts payable due to shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period.

3. *Aged analysis of accounts payable is set out below:*

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Within 1 year	183,685,811.95	188,066,861.47
1-2 years	3,959,314.55	2,562,561.42
More than 2 years	7,295,559.64	6,756,103.52
Total	194,940,686.14	197,385,526.41

(XXIII) **Receipts in advance:**

1. *Details of receipts in advance:*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Advance for goods purchased	55,171,741.54	61,827,310.76
Total	55,171,741.54	61,827,310.76

2. *Details of receipts in advance from shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period:*

There are no receipts in advance from shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period.

#### (XXIV) Employee remuneration payables:

Unit: Yuan Currency: RMB

Item	Opening amount	Increase for the period	Decrease for the period	Exchange differences arising on translation of financial statements denominated in foreign currencies	Closing amount
I. Wages or salaries, bonuses, allowances and subsidies	108,127,539.70	178,546,913.30	224,242,308.15	94,131.12	<b>62,526,275.97</b>
II. Staff welfare	2,600.00	10,083,359.50	9,569,259.50	—	<b>516,700.00</b>
III. Social security contributions	459,404.15	82,148,232.71	81,930,836.95	—	<b>676,799.91</b>
Medical insurance premium	116,484.49	16,216,553.37	16,333,037.86	—	—
Basis pension insurance premium	226,508.42	55,510,763.86	55,737,272.28	—	—
Unemployment insurance premium	31,533.59	3,155,102.96	3,186,636.55	—	—
Maternity insurance premium	9,864.54	1,674,433.12	1,643,016.59	—	<b>41,281.07</b>
Work injury insurance premium	75,013.11	5,591,379.40	5,030,873.67	—	<b>635,518.84</b>
IV. Housing funds	34,131.72	42,242,363.01	42,276,494.73	—	—
V. Termination benefits	—	—	—	—	—
VI. Others	—	—	—	—	—
Labor union and employee education fund	12,159,744.18	6,304,968.15	7,198,152.96	—	<b>11,266,559.37</b>
Annual leave (Note)	14,764,956.34	2,314,108.49	1,928,850.90	135,377.88	<b>15,285,591.81</b>
Long service leave (Note)	11,366,225.46	2,289,347.57	605,174.93	104,211.92	<b>13,154,610.02</b>
Total	146,914,601.55	323,929,292.73	367,751,078.12	333,720.92	<b>103,426,537.08</b>

None of the employee remuneration payables is overdue in nature.

Note: It represents the relevant liabilities provided for annual leave and long service leave provided by the NPM to its employees.

For the decrease of employee remuneration payables during the year, a decrease of RMB4,402,032.66 was due to the disposal of a subsidiary.

#### (XXV) Tax payables:

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Value added tax	<b>(12,748,087.77)</b>	(52,662,486.21)
Business tax	<b>942,078.44</b>	9,797,045.88
Enterprise income tax	<b>118,178,338.70</b>	(67,716,300.67)
Personal income tax	<b>1,383,143.23</b>	830,730.27
Urban maintenance and construction tax	<b>1,471,858.34</b>	930,948.03
Resources tax	<b>16,443,052.69</b>	17,870,641.34
Mineral resources compensation fee	<b>10,013,452.39</b>	18,224,798.29
Price regulation fund	<b>389,823.90</b>	489,721.86
Education surtax	<b>1,655,609.38</b>	1,270,288.77
Others	<b>5,810,585.40</b>	7,405,136.60
Total	<b>143,539,854.70</b>	(63,559,475.84)

## (XXVI) Interest payables:

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Interest on long-term borrowings (interest payable in installments and principal repayable when due)	90,138,082.19	41,166,666.65
Interest payables on short-term borrowings	7,852,084.84	14,567,268.59
Total	97,990,167.03	55,733,935.24

On 2 August 2012, the Company issued medium-term notes with a par value and in a principal amount of RMB2 billion (security short name: 12 CMOC MTN1) and the relevant bonds is permitted to trade and circulate fully on the inter-bank bond market. The proceeds from the issuance of the medium-term financing notes were used for replenishing the Company and its subsidiaries' working capital and repayment of bank borrowings. The medium-term notes were issued at an interest rate of 4.94% per annum with a term of 5 years.

## (XXVII) Dividend payables:

Unit: Yuan Currency: RMB

Name of entity	Closing amount	Opening amount
樂川縣泰峰工貿有限公司Luanchuan Taifeng Industry and Trading Co., Ltd. (Note)	6,623,109.24	7,603,109.24
樂川縣宏基礦業有限公司Luanchuan Hongji Mining Co., Ltd. (Note)	15,943,017.89	16,923,017.89
樂川縣誠志礦業有限公司Luanchuan Chengzhi Mining Co., Ltd. (Note)	5,319,669.54	6,319,669.54
洛寧縣伏牛礦業開發中心Luoning County Funiu Mining Development Center (Note)		21,866,598.66
中國黃金河南公司China Gold Henan Company (Note)		4,373,319.73
Total	27,885,796.67	57,085,715.06

Note: Minority shareholders of subsidiaries of the Group.

## (XXVIII) Other payables:

### 1. Particulars of other payables

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Project payment	147,474,449.79	193,134,375.05
Unpaid Australian stamp duty arising from acquisition of mining rights	—	131,158,843.62
Others	288,294,138.23	243,920,911.59
Total	435,768,588.02	568,214,130.26

### 2. Particulars of other payables due to shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period

None of other payables was due to shareholders or related parties holding 5% or above of the Company's shares with voting rights during the reporting period.

## (XXIX) Provisions:

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Exchange differences arising from translation of financial statements denominated in foreign currencies	Closing balance
Closing down and restoration and rehabilitation fee (Note 1)	254,879,435.10	53,215,856.38	355,539.55	1,900,732.61	<b>309,640,484.54</b>
Long service leave (Note 2)	6,382,483.57	836,753.98	—	58,516.46	<b>7,277,754.01</b>
Total	261,261,918.67	54,052,610.36	355,539.55	1,959,249.07	<b>316,918,238.55</b>

Note 1:

- Pursuant to the requirements of "Notice of Matters related to Revision on Fee Standards for Restoration and Rehabilitation Fees" (Yufagai shoufei [2006] No. 1263), jointly issued by the Henan Development and Reform Commission and the Finance Department of Henan Province, the Company is obliged to discharge rehabilitation obligations in respect of the land occupied or damaged by mining and residual discharging, and the Company estimates for the restoration and rehabilitation fee according to relevant requirements.
- NPM is required to discharge restoration and rehabilitation obligations such as mine closure and land restoration at the end of the useful life of the mine, such obligations are determined according to the present value of the estimated costs for discharging restoration and rehabilitation obligations at the end of its useful life.

Note 2: It represents the relevant liabilities provided for annual leave and long service leave provided by NPM of the Group to its employees.

## (XXX) Non-current liabilities due within one year:

### 1. Particulars for non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Long-term borrowings due within one year	<b>246,112,000.00</b>	243,876,000.00
Long-term payables due within one year	<b>96,832,567.70</b>	146,832,567.70
Total	<b>342,944,567.70</b>	390,708,567.70

### 2. Long-term borrowings due within one year

(1) Long-term borrowings due within one year

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Secured borrowings	<b>123,056,000.00</b>	121,938,000.00
Unsecured and non-guaranteed borrowings	<b>123,056,000.00</b>	121,938,000.00
Total	<b>246,112,000.00</b>	243,876,000.00



**(XXXI) Other current liabilities:**

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Accrued expenses	30,751,167.57	20,202,200.99
Total	30,751,167.57	20,202,200.99

**(XXXII) Long-term borrowings:****1. Types of long-term borrowings:**

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
Secured borrowings	3,356,352,400.00	3,325,858,950.00
Unsecured and guaranteed loans	1,596,651,600.00	1,582,145,550.00
Long-term borrowings due within one year	(246,112,000.00)	(243,876,000.00)
Total	4,706,892,000.00	4,664,128,500.00

As at 30 Jun 2014, the interest rates for the above mentioned borrowings ranged from 3 months LIBOR+220BPS to 3 months LIBOR+300BPS per annum.

As at 30 Jun 2014, the Group has no overdue but outstanding long-term borrowings.

**2. Top five long-term borrowings:**

Unit: Yuan Currency: RMB

Lender	Inception date of borrowing	Maturity date	Currency	Interest rate (%)	Closing balance		Opening balance	
					Amount in foreign currency	Amount in functional currency	Amount in foreign currency	Amount in functional currency
Bank A (Note 1)	25 November 2013	25 November 2016	USD	3 months LIBOR+220BPS	306,000,000.00	1,882,756,800.00	306,000,000.00	1,865,651,400.00
Bank B (Note 2)	27 November 2013	27 November 2018	USD	3 months LIBOR+300BPS	259,500,000.00	1,596,651,600.00	259,500,000.00	1,582,145,550.00
China C (Note 3)	29 November 2013	29 November 2018	USD	3 months LIBOR+245BPS	239,500,000.00	1,473,595,600.00	239,500,000.00	1,460,207,550.00
Total	/	/	/	/	/	4,953,004,000.00	/	4,908,004,500.00

**(XXXIII) Bonds payables:**

Unit: Yuan Currency: RMB

Bond name	Par value	Issuance date	Term	Issue amount	Interest payables at the beginning of the period	Interest accrued for the period	Interest payables at the end of the period	Closing balance
12 CMOC MTN1	2,000,000,000.00	2 August 2012	5 years	2,000,000,000.00	41,166,666.65	48,971,415.54	90,138,082.19	2,000,000,000.00

On 2 August 2012, the Company issued medium-term notes with a par value and in a principal amount of RMB2 billion (security short name: 12 CMOC MTN1) and the relevant bonds is permitted to trade and circulate fully on the inter-bank bond market. The proceeds from the issuance of the medium-term financing notes were used for replenishing the Company and its subsidiaries' working capital and repayment of bank borrowings. The medium-term notes were issued at an interest rate of 4.94% per annum with a term of 5 years.

**(XXXIV) Other non-current liabilities:**

Unit: Yuan Currency: RMB

Item	Closing book balance	Opening book balance
Deferred income of land grant fee refund (Note 1)	22,110,842.00	22,303,634.90
Deferred income of research and development expenses subsidy (Note 2)	3,080,525.90	3,080,525.90
Deferred income of demonstration base project subsidy (Note 2)	—	10,777,700.00
Deferred income of heavy metal treatment subsidy	—	1,500,000.00
CCTV installation subsidy for heavy metal treatment	247,728.00	247,728.00
Including: Deferred income released within 1 year	(832,567.70)	(832,567.70)
<b>Total</b>	<b>24,606,528.20</b>	<b>37,077,021.10</b>

Note 1: Refers to the land grant fee refund received by the Group, which is included under deferred income and amortised on straight line basis in equal amounts over the term of the land use rights.

Note 2: Refers to the "Special Fund for Provincial Important Technologies", "Special Fund for the Conservation and Comprehensive utilisation of mineral resources" and "The Central Mineral Resources Comprehensive Utilisation Demonstrative Base Subsidy", intended to be applied on the key technology for processing and deep-processing and refining of molybdenum and tungsten, which is included under deferred income and will be recognised as current non-operating income as the relevant technology research fee incurred.

**(XXXV) Share capital:**

Unit: Yuan Currency: RMB

	Opening amount	New shares issuance	changes for this change			Sub-total	Closing amount
			Bonus Issue	Capitalisation of surplus reserve	Others		
Total number of shares	1,015,234,105.00	N/A	N/A	N/A	N/A	N/A	1,015,234,105.00

**(XXXVI) Special reserve:**

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Production safety fee	64,462,699.12	54,451,102.40	52,259,317.17	66,654,484.35
Provision for production maintenance fee (Note)	135,123,394.21	126,010,300.80	81,852,033.74	179,281,661.27
<b>Total</b>	<b>199,586,093.33</b>	<b>180,461,403.20</b>	<b>134,111,350.91</b>	<b>245,936,145.62</b>

Note: the Company adjusted the provision standard for production maintenance fee of domestic mines from RMB18 per tonne to RMB15 per tonne since 1 January 2014. As domestic mines of the Company has entered the stage of stable mining, the balance of provision for production maintenance fee of the Company increased by RMB44,158,267.06 as at 30 June 2014 as compare with that of the beginning of the year upon the adjustment of provision standard.

**(XXXVII) Capital reserve:**

Unit: Yuan Currency: RMB

Item	Opening amount	Increase for the period	Decrease for the period	Closing amount
Capital premium (share premium)	8,102,977,121.92	—	—	8,102,977,121.92
<b>Total</b>	<b>8,102,977,121.92</b>	<b>—</b>	<b>—</b>	<b>8,102,977,121.92</b>

(XXXVIII) **Surplus reserve:**

Unit: Yuan Currency: RMB

Item	Opening amount	Increase for the period	Decrease for the period	Closing amount
Statutory surplus reserve	704,898,171.11	—	—	<b>704,898,171.11</b>
Total	704,898,171.11	—	—	<b>704,898,171.11</b>

Note: In accordance with The Company Law and the Articles of Association of the Company, the Company ceased to appropriate statutory surplus reserve since year 2012 as the accumulated statutory surplus reserve of the Company has reached 50% of the Company's registered capital.

(XXXIX) **Undistributed profits:**

Unit: Yuan Currency: RMB

Item	Amount	Proportion of appropriation or distribution (%)
Undistributed profits at the end of preceding year (before adjustment)	2,206,609,158.00	/
Undistributed profits at the beginning of preceding year (after adjustment)	2,206,609,158.00	/
Add: Net profit attributable to owners of the parent company for the period	1,004,883,580.25	/
Dividends on ordinary shares payable	710,663,873.50	/
Undistributed profits at the end of the period	2,500,828,864.75	/

Cash dividends for 2013 of RMB0.14 per share, had been paid to all the shareholders on the basis of 5,076,170,525 issued shares (RMB0.2 each) during the period.

The Directors determined that no interim dividend will be distributed for the six months ended 30 June 2014. (six months ended 30 June 2013: Nil).

(XL) **Operating income and operating costs:**

1. *Operating income and operating costs*

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
Principal operating income	<b>3,614,797,024.13</b>	2,638,236,744.08
Other operating income	<b>91,467,933.09</b>	51,496,007.18
Operating costs	<b>2,334,096,371.48</b>	1,813,823,569.12

2. *Principal operating activities (by products)*

Unit: Yuan Currency: RMB

Name of product	Incurred in the current period		Incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Molybdenum and tungsten related products	<b>1,921,872,260.39</b>	<b>1,042,555,217.46</b>	1,821,153,030.08	934,156,101.57
Copper concentrate	<b>1,066,095,149.32</b>	<b>540,725,218.18</b>	—	—
Others	<b>626,829,614.42</b>	<b>681,147,253.50</b>	817,083,714.00	825,069,537.60
Total	<b>3,614,797,024.13</b>	<b>2,264,427,689.14</b>	2,638,236,744.08	1,759,225,639.17

### 3. Principal operating activities (by regions)

Unit: Yuan Currency: RMB

Regions	Incurred in the current period		Incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Mainland China	2,902,765,136.63	1,906,560,499.38	2,624,986,739.85	1,746,917,548.22
USA	—	—	5,774,790.20	5,364,273.23
Germany	—	—	5,640,368.25	5,239,407.03
U.K.	—	—	1,834,845.78	1,704,410.69
Japan	675,869,782.61	339,270,462.38	—	—
South Korea	11,170,510.91	5,393,177.76	—	—
Netherland	21,382,095.46	11,477,953.40	—	—
India	3,609,498.52	1,725,596.22	—	—
<b>Total</b>	<b>3,614,797,024.13</b>	<b>2,264,427,689.14</b>	<b>2,638,236,744.08</b>	<b>1,759,225,639.17</b>

### 4. Top five customers by operating income

Unit: Yuan Currency: RMB

Name of customer	Operating income	Proportion to total operating income (%)
Unit I	406,061,686.22	10.96
Unit J	266,274,963.72	7.18
Unit Z	140,229,913.09	3.78
Unit K	130,356,247.63	3.52
Unit AA	127,737,886.46	3.45
<b>Total</b>	<b>1,070,660,697.12</b>	<b>28.89</b>

### (XLI) Business tax and surcharges:

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period	Basis of calculation
Business tax	5,060,197.12	1,450,691.67	Note 3
Urban maintenance and construction tax	13,280,806.92	11,136,828.55	Note 3
Educational surtax	7,687,650.43	6,882,946.37	Note 3
Resources tax	102,690,836.38	98,672,242.56	Note 3
Tariff	6,904,580.60	76,298.80	Note 3
Others	7,273,845.11	6,775,195.86	
<b>Total</b>	<b>142,897,916.56</b>	<b>124,994,203.81</b>	/

(XLII) **Selling expenses:**

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
Wages and social security contributions	2,447,806.23	1,516,197.13
Transportation costs	41,806,621.02	4,038,766.08
Entertainment expenditures	642,707.70	672,393.20
Travelling expenses	349,958.30	466,082.85
Loading and unloading fees	4,788,872.52	474,070.99
Others	2,288,058.63	2,075,671.73
Total	52,324,024.40	9,243,181.98

(XLIII) **Administrative expenses:**

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
Wages and social security contributions	54,527,935.88	55,999,469.57
Depreciation and amortisation	35,279,332.67	36,019,685.79
Auditing fees	5,672,555.66	240,332.04
Consulting and agency fees	12,549,703.24	5,079,822.53
Entertainment expenditures	2,217,291.56	2,438,394.92
Technology development fee	32,270,662.09	10,111,110.19
Others	31,579,575.57	29,345,038.01
Total	174,097,056.67	139,233,853.05

(XLIV) **Financial costs:**

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
Interest expenses	119,819,996.54	54,503,266.71
Interest income	(95,702,257.10)	(49,571,938.61)
Exchange differences	(1,594,540.46)	(1,177,576.58)
Others	32,852,778.81	5,829,281.99
Total	55,375,977.78	9,583,033.51

(XLV) **Gains from changes in fair value:**

Unit: Yuan Currency: RMB

Sources of gains from changes in fair value	Incurred in the current period	Incurred in the prior period
Held-for-trading financial assets	4,678,325.00	(1,508,246.56)
Including: Gains from changes in fair value of derivative financial instruments	4,678,325.00	(1,508,246.56)
Derivative instruments not designated as hedge instruments		
— Gains(loss) from changes in fair value of gold future contracts	5,560,000.00	(52,983,720.00)
Gains (loss) from changes in fair value of gold leases measured in fair value	(5,560,000.00)	52,983,720.00
Total	4,678,325.00	(1,508,246.56)

(XLVI) **Investment income:**

1. **Breakdown of investment income:**

Unit: Yuan Currency: RMB

	Incurred in the current period	Incurred in the prior period
Income from long-term equity investments under equity method	53,467,708.20	74,641,519.62
Income from disposal of subsidiaries and associated companies	281,589,659.86	—
Investment income from wealth management products of banks	37,331,950.91	63,045,608.78
Income from liquidation of commodity futures contracts	2,318,297.02	—
Total	374,707,615.99	137,687,128.40

2. **Income from long-term equity investments under equity method:**

Unit: Yuan Currency: RMB

Investee	Incurred in the current period	Incurred in the prior period	Reasons for increase or decrease in the current period compared to the prior period
Yulu Mining	79,174,050.09	96,286,817.09	Change in net profits of the invested company
Yuhua Molybdenum	—	(213,848.60)	Change in net profits of the invested company
Luoyang High-Tech	(3,106,350.47)	(6,249,417.94)	Change in net profits of the invested company
Fuchuan Mining	(22,599,991.42)	(15,182,030.93)	Change in net profits of the invested company
Total	53,467,708.20	74,641,519.62	/

The remaining balance for the disposal of subsidiary has been fully received before the date of this interim report.

(XLVII) Impairment losses of assets:

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
I. Bad debt losses	10,054,521.51	3,203,681.30
II. Impairment losses of inventories	24,663,384.92	65,144,809.90
III. Impairment losses of fixed assets	25,524,079.96	—
Total	60,241,986.39	68,348,491.20

(XLVIII) Non-operating income:

1. Particulars of non-operating income

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period	Amount included in non-recurrent profit and loss during the period
Total gains on disposal of non-current assets	160,882.21	—	160,882.21
Including: Gains on disposal of fixed assets	160,882.21	—	160,882.21
Government grants	11,414,819.90	6,395,268.10	11,414,819.90
Others	683,573.93	623,573.33	683,573.93
Total	12,259,276.04	7,018,841.43	12,259,276.04

2. Particulars of government grants

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period	Description
The Central Mineral Resources Efficient Utilisation Demonstration Base Subsidy	10,777,700.00	200,000.00	Related to profit
Special Fund for the Conservation and Comprehensive utilisation of mineral resources	—	4,676,087.56	Related to profit
Others	637,119.90	1,519,180.54	
Total	11,414,819.90	6,395,268.10	/

(XLIX) **Non-operating expenses:**

Unit: Yuan Currency: RMB

Item	Incurring in the current period	Incurring in the prior period	Amount included in non-recurrent profit and loss during the period
Total losses from disposal of non-current assets	<b>49,068,268.76</b>	40,132.90	49,068,268.76
Including: Loss disposal of fixed assets	<b>49,068,268.76</b>	40,132.90	49,068,268.76
External donations	<b>3,052,000.00</b>	580,000.00	3,052,000.00
Others	<b>2,069,688.39</b>	1,196,561.01	2,069,688.39
Total	<b>54,189,957.15</b>	1,816,693.91	54,189,957.15

Note: As Yongning Gold & Lead, a subsidiary of the Company is not in production due to the overhaul, according to the overhaul plan, the fixed assets proposed to be demolished has been retired.

(L) **Income tax expenses:**

Unit: Yuan Currency: RMB

Item	Incurring in the current period	Incurring in the prior period
Current Income tax calculated according to tax laws and relevant requirements	<b>318,630,851.63</b>	118,077,476.91
Adjustments to deferred income tax	<b>(83,587,041.72)</b>	(8,599,794.88)
Settlement difference in income tax for preceding year	<b>(3,699,292.21)</b>	1,835,675.55
Total	<b>231,344,517.70</b>	111,313,357.58

(LI) **The calculation procedures of basic earnings per share and diluted earnings per share:**

When calculating basic earnings per share, net profit attributable to ordinary shareholders for the year is as follows:

Unit: Yuan Currency: RMB

Item	Incurring in the current period	Incurring in the prior period
Net profit attributable to ordinary shareholders for the year	<b>1,004,883,580.25</b>	604,890,267.10
Including: Net profit attributable to continuing operations	<b>1,004,883,580.25</b>	604,890,267.10
Net profit attributable to discontinued operations	—	—

In calculating the basic earnings per share, the denominator is the weighted average number of the issued and outstanding ordinary shares and the calculation process is set out below:

Item	Incurring in the current period	Incurring in the prior period
Number of ordinary shares issued and outstanding at the beginning of year	<b>5,076,170,525</b>	5,076,170,525
Add: Weighted average number of ordinary shares issued during the year		
Less: Weighted average number of ordinary shares repurchased during the year		
Number of ordinary shares issued and outstanding at the end of year	<b>5,076,170,525</b>	5,076,170,525



### Earnings per share

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
Calculated based on net profit attributable to shareholders of the parent Company:		
Basic earnings per share	1,004,883,580.25 0.1980	604,890,267.10 0.1192
Calculated based on net profit from continuing operations attributable to shareholders of the parent Company:		
Basic earnings per share	1,004,883,580.25 0.1980	604,890,267.10 0.1192
Calculated based on net profit from discontinued operations attributable to shareholders of the parent Company:		
Basic earnings per share	N/A	N/A
Basic earnings per share	N/A	N/A

### (LII) Other comprehensive income:

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Foreign currency denominated financial Statements translation differences	119,122,660.59	(540,615.52)
Less: net amount transferred to profit or loss during the current period upon disposal of overseas operations		
Total	119,122,660.59	(540,615.52)

### (LIII) Notes on cash flow statement items:

#### 1. Other cash receipts relating to operating activities:

Unit: Yuan Currency: RMB

Item	Amount
Government grants, compensation and penalties received	924,122.32
Interest income received	48,497,245.80
Warranty for production safety and tender security received	5,655,682.60
Others	10,398,349.84
Total	65,475,400.56

#### 2. Other cash payments relating to operating activities:

Unit: Yuan Currency: RMB

Item	Amount
Other fees, including consulting fee, technology development fee and transportation fee paid	47,399,714.51
Donations and penalties, etc. paid	3,032,000.00
Bank charges, etc. paid	251,977.90
Others	20,800,702.02
Total	71,484,394.43

3. *Other cash receipts relating to investing activities:*

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount</b>
Initial investment amounts received	11,000,000.00
Advance receipts on disposal of subsidiaries	160,000,000.00
Total	171,000,000.00

4. *Other cash paid in respect of investing activities:*

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount</b>
Handling fees of futures paid	26,841.16
Total	26,841.16

5. *Others cash receipts relating to financing activities:*

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount</b>
Cash receipts for gold leases business	467,160,454.00
Total	467,160,454.00

6. *Other cash payments relating to investing activities:*

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Amount</b>
Fees for foreign letters of guarantee paid	23,037,799.84
Fees for gold leases paid	14,809,387.24
Total	37,847,187.08

(LIV) **Supplementary information to cash flow statement:**

1. *Supplementary information to cash flow statement:*

Unit: Yuan Currency: RMB

Supplementary information	Amount for the period	Amount for the prior period
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	<b>993,342,366.12</b>	554,574,090.37
Add: Provision for impairment of assets	<b>60,241,986.39</b>	68,348,491.20
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	<b>293,818,475.72</b>	193,038,292.49
Amortisation of intangible assets	<b>93,316,699.60</b>	28,509,262.79
Amortisation of long-term deferred expenses	<b>20,169,764.07</b>	7,591,781.71
Losses on disposal of fixed assets, intangible assets and other long term assets(gains are indicated by “-”)	<b>(160,882.21)</b>	40,132.90
Losses on retirement of fixed assets (gains are indicated by “-”)	<b>49,068,268.76</b>	—
Losses on changes in fair value (gains are indicated by “-”)	<b>(4,678,325.00)</b>	1,508,246.56
Financial costs(gains are indicated by “-”)	<b>55,375,977.78</b>	55,090,555.25
Investment losses (gains are indicated by “-”)	<b>(374,707,615.99)</b>	(137,687,128.40)
Decrease in deferred income tax assets (increase is indicated by “-”)	<b>(83,587,041.72)</b>	(8,599,794.88)
Increase in deferred income tax liabilities(decrease is indicated by “-”)	<b>—</b>	—
Decrease in inventories(increase is indicated by “-”)	<b>331,996,096.29</b>	283,693,416.94
Decrease in receivables from operating activities (increase is indicated by “-”)	<b>(180,771,012.51)</b>	79,218,616.40
Increase in payables from operating activities (decrease is indicated by “-”)	<b>33,305,714.34</b>	(169,150,432.41)
Others	<b>(42,699,899.73)</b>	107,645,926.36
Net cash flows from operating activities	<b>1,244,030,571.91</b>	1,063,821,457.28
<b>2. Significant investment and financing activities that do not involve cash receipts and payments:</b>		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash for the period	<b>3,381,163,578.78</b>	1,093,463,288.00
Less: opening balance of cash for the period	<b>1,704,583,230.33</b>	1,013,636,840.70
Add: Closing balance of cash equivalents for the period	<b>350,000,000.00</b>	160,000,000.00
Less: opening balance of cash equivalents for the period	<b>100,000,000.00</b>	450,000,000.00
Net increase in cash and cash equivalents	<b>1,926,580,348.45</b>	(210,173,552.70)

2. **Relevant information for subsidiaries and other business units acquired or disposed of during the period**

Unit: Yuan Currency: RMB

Item	Incurred in the current period	Incurred in the prior period
<b>I. Relevant information for subsidiaries and other business units acquired:</b>		
<b>II. Relevant information for subsidiaries and other business units disposed:</b>		
1. Price for subsidiaries and other business units disposed of	703,157,974.57	—
2. Cash and cash equivalents received for subsidiaries and other business units disposed of	453,157,974.57	—
Less: Cash and cash equivalents held by subsidiaries and other business units disposed of	54,742,581.51	—
3. Net cash receipts for subsidiaries and other business units disposed of	398,415,393.06	—
4. Net assets of subsidiaries disposed of	598,719,202.14	—
Current Assets	87,702,398.94	—
Non-current assets	775,114,495.24	—
Current liabilities	231,502,236.04	—
Non-current liabilities	32,595,456.00	—

3. **Composition of cash and cash equivalents**

Unit: Yuan Currency: RMB

Item	Closing amount	Opening amount
<b>I. Cash</b>	3,381,163,578.78	1,704,583,230.33
Including: Cash on hand	429,207.01	383,180.65
Bank deposits readily available for payment	3,380,734,371.77	1,704,200,049.68
<b>II. Cash equivalents</b>	350,000,000.00	100,000,000.00
<b>III. Closing balance of cash and cash equivalents</b>	3,731,163,578.78	1,804,583,230.33

4. **Notes to supplementary information to the cash flow statement**

Cash and cash equivalents exclude restrictive cash and cash equivalents of the Company and subsidiaries.

Cash equivalents represent structural bank deposits due within 3 months.

## VI. RELATED PARTIES AND RELATED PARTY TRANSACTIONS:

### (I) Subsidiaries of the Company

Unit: Yuan Currency: RMB

Full name of subsidiary	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of Shareholding (%)	Proportion of voting rights (%)	Organisation code
洛陽樂川鉬業集團冶煉有限公司Luomu Group Refining Co., Ltd.	Limited liability company	Luanchuan, Henan	Ju Chengxin	Smelting and sales of mineral products	5,660,000	100	100	73906919-6
洛陽樂川鉬業集團錳鉬銷售貿易有限公司Luomu Group Sales and Trading Co., Ltd.	Limited liability company	Luanchuan Henan	Jia Liusheng	Sales of mineral products	5,000,000	100	100	72701763-9
洛陽大川鉬錳科技有限公司Luoyang Dachuan Molybdenum & Tungsten Technology Co., Ltd.	Limited liability company	Luanchuan Henan	Wang Bin	Processing and sales of mineral products	157,500,000	100	100	74921649-5
洛陽鉬都國際飯店有限公司Luoyang Mudu International Hotel Co., Ltd.	Limited liability company	Luoyang, Henan	Jia Zhonghui	Hotel	210,000,000	100	100	66093471-4
洛陽鉬都國際酒店管理有限公司 Luoyang Mudu Hotel Management Co., Ltd	Limited liability company	Luoyang, Henan	Jia Hongwei	Hotel	30,000,000	100	100	08083873-4
洛陽樂川鉬業集團錳業有限公司Luomu Group Tungsten Co., Ltd.	Limited liability company	Luanchuan Henan	Yang Jianbo	Smelting and sales of mineral products	100,000,000	100	100	66468709-5
洛陽鉬業集團貴金屬投資有限公司Luomu Group Precious Metals Investment Co. Ltd.	Limited liability company	Luoyang, Henan	Wang Bin	Processing and sales of mineral products	500,000,000	100	100	66469021-9
洛陽鉬業(香港)有限公司 China Molybdenum (Hong Kong) Company Limited	Limited liability company	Hong Kong	Li Faben	Sales of mineral products	0.96	100	100	
洛陽鉬業集團金屬材料有限公司Luomu Group Metal Material Company Limited	Limited liability company	Luoyang, Henan	Ju Chengxin	Processing and sales of mineral products	650,000,000	100	100	67007693-6
洛陽永寧金鉛冶煉有限公司 Luoyang Yongning Gold & Lead Refining Co., Ltd.	Limited liability company	Huoning, Henan	Xie Fengxiang	Smelting of lead, procurement and sales of mineral products	400,000,000	75	75	66720543-4
新疆洛鉬礦業有限公司 Xinjiang Luomu Mining Co., Ltd	Limited liability company	Xinjiang	Li Faben	procurement, processing and sales of mineral products	1,505,380,000	70	70	56050369-3
洛陽樂川鉬業集團銷售有限公司Luomu Group Sales Co., Ltd.	Limited liability company	Luanchuan Henan	Jiang Zhongqiang	Sales of mineral products	50,000,000	100	100	57762722-x
樂川縣鴻七礦業有限公司 Luanchuan Huqi Mining Company Limited	Limited liability company	Luanchuan Henan	Zhou Tianping	Smelting and sales of mineral products	9,900,000	100	100	17151319-5
樂川縣富凱商貿有限公司 Luanchuan Fu Kai Trading Co., Ltd.	Limited liability company	Luanchuan Henan	Yang Guangxu	Procurement and sales of molybdenum products	100,000	100	100	08082829-6
樂川縣啟興礦業有限公司 Luanchuan Qi Xing Mining Co., Ltd	Limited liability company	Luanchuan Henan	Zhou Tianping	Smelting and sales of mineral products	6,000,000	90	90	67289972-5
樂川縣富源礦業有限公司 Luanchuan Furun Ming Co., Ltd.	Limited liability company	Luanchuan Henan	Yang Guangxu	Smelting and sales of mineral products	1,000,000	100	100	79064782-8
樂川縣大東坡錳鉬礦業有限公司Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd.	Limited liability company	Luanchuan Henan	Yi Lin	Smelting and sales of mineral products	65,650,000	51	51	61483705-9
樂川縣九場礦業有限公司 Luanchuan County Jiuyang Mining Co., Ltd.	Limited liability company	Luanchuan Henan	Zhu Haisong	Smelting g and sales of minerals products	33,390,000	51	51	17151578-9

Full name of subsidiary	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of Shareholding (%)	Proportion of voting rights (%)	Organisation code
樂川縣三強鎢錳有限公司 Luanchuan County Sangqiang Molybdenum & Tungsten Co., Ltd.	Limited liability company	Luanchuan Henan	Zhou Jianqiang	Smelting and sales of minerals products	55,480,000	51	51	17151035-5
洛陽鎢業控股有限公司 CMOC Co., Ltd	Limited liability company	Hong Kong	Li Chaochun	Investment holding	USD93,866,551.38	100	100	
CMOC Mining Pty Limited	Limited liability company	Australia	Li Chaochun	Mining, finishing and sales of mineral products	USD346,000,000	100	100	
CMOC Mining Services Pty. Limited	Limited liability company	Australia	Li Chaochun	Mining services	AUD 1	100	100	
CMOC Trading (Shanghai) Co., Ltd	Limited liability company	Shanghai	Li Chaochun	Sales of mineral products, imports and exports of minerals products, etc.	500,000,000	100	100	30133433-8
CMOC Mining USA LTD	Limited liability company	USA		Consultancy services	USD1	100	100	

## (II) Details of joint ventures and associates enterprises of the Company

Unit: Yuan Currency: RMB

Name of investee	Type	Place of Incorporation	Legal Representative	Nature of business	Registered capital	Proportion of shareholding of the Company (%)	Proportion of voting rights in the investee held by the Company (%)	Organisation code
<b>I. Joint ventures</b>								
Luoyang High-Tech	Limited liability company	Luoyang	Li Chaochun	Processing and sales of minerals products	530,000,000	50	50	77086657-2
Xuzhou Huanyu	Limited liability company	Xuzhou	Li Lingmin	Investment	50,446,620	50	50	60800332-2
Fuchuan Mining	Limited liability company	Luanchuan	Li Lingmin	Smelting, processing, refining and sales of minerals products	50,000,000	10	50	75389549-4
<b>II. Associate enterprises</b>								
Yulu Mining	Limited liability company	Luanchuan	Guo Tianhuang	Refining and sales of minerals products	50,000,000	40	40	73743497-0
Nanomoly Development	Limited liability company	United States of America		Research and development of molybdenum processing technology	USD3,000,000	40	40	

## (III) Details of other related parties of the Company

Name of other related party	Relationship between other related parties and the Company	Organisation code
LMG	Shareholder of the Company	790627544
CFC	Shareholder of the Company	752458495

## (IV) Details of related party transactions

### 1. Details of guarantees with related parties

Unit: Dollar Currency: USD

Guarantor	Guaranteed party	Guaranteed amount	Guarantee period	Whether has been completed
China Molybdenum Co., Ltd. (Note 1)	CMOC Mining Pty Limited	USD45,000,000.00	29 September 2013 - 21 October 2014	No
China Molybdenum Co., Ltd. (Note 1)	CMOC	USD306,000,000.00	25 November 2013 - 25 November 2018	No
China Molybdenum Co., Ltd. (Note 1), (Note 2)	CMOC Mining Pty Limited	USD259,500,000.00	29 November 2013 - 29 November 2020	No
China Molybdenum Co., Ltd. (Note 1)	CMOC Mining Pty Limited	USD259,500,000.00	27 November 2013 - 27 November 2020	No
China Molybdenum Co., Ltd.	CMOC Mining Pty Limited	AUD32,000,000.00	18 December 2013 - 18 December 2019	No
China Molybdenum Co., Ltd.	Fuchuan Mining	RMB 148,500,000.00	23 May 2014 - 22 May 2017	No

Note 1: Debts are repayable by installments, the guarantee periods are from the effective date of the contract to two years after the debt discharge period of the last installment expires.

Note 2: The amount covered by letter of guarantee is USD259.5 million and the actual loan amount is USD239.5 million.

### 2. Loans with related parties

Unit: Yuan Currency: RMB

Related party	Amount of loan	Inception date	Maturity date	Description
Lent to Fuchuan Mining	150,000,000.00	27 August 2013	27 August 2014	In 2003, the Company provided RMB150 million of entrusted loan to Fuchuan at an interest rate of 6.6% per annum. Accumulative interest income received as of 30 June 2014 was RMB7,782,500.00

## (V) Amounts due from / to related parties

Amounts due from related parties:

Unit: Yuan Currency: RMB

Item	Related party	At the end of the period		At the opening of the period	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Receivables	Luoyang High-Tech	495,000.00	—	—	—
Receivables	Fuchuan Mining	15,228.00	—	—	—
Other receivables	Xuzhou Huanyu	21,200,000.00	—	21,200,000.00	—
Prepayments	Fuchuan Mining	1,360,060.60	—	1,360,060.60	—
Other current assets	Fuchuan Mining	150,000,000.00	—	150,000,000.00	—

Amount due to related parties:

Unit: Yuan Currency: RMB

Item	Related party	Closing book balance	Opening book balance
Other payables	Xuzhou Huanyu	4,000,000.00	4,000,000.00
Other payables	Fuchuan Mining	493,276.21	16,373,178.97

## VII. SHARE-BASED PAYMENTS:

Nil

## VIII. CONTINGENCY:

### (I) Contingent liabilities arising from pending litigations and arbitration and financial impact:

Nil

### (II) Contingent liabilities arising from provision of debt guarantees for other unites and financial impact:

The NPM of the Group provides guarantees to various government agencies of New South Wales, Australia through certain banks in relation to the operation of the business. The guarantees amounted to AUD28.38 million (equivalent to RMB164.8 million) as of 30 June 2014. The owners of the joint venture agreed with the enforcement of the guarantees arising from any obligations in relation to the business. As of 30 June 2014, no any significant obligations for the guarantees happened.

As Fuchuan Mining is a joint controlled entry of the Company, its development has a long-term strategic significance for the Company. To solve the working capital issue of Fuchuan Mining, the Company provided a loan guarantee of RMB148.50 million according to its indirect proportion of capital contribution for Fuchuan Mining's financing from bank amounting to RMB270 million.

### (III) Other contingent liabilities and its financial impact:

Nil

## IX. COMMITMENTS EVENTS:

### (I) Significant commitments events

#### (1) Capital commitments

Unit: Yuan Currency: RMB

	Closing balance	Opening balance
Contracted but not recognised in the financial statements:		
— Commitment for acquisition and construction of long-term assets	182,253	208,127
Capital commitments approved by the management but not contracted:	—	2,911
Total	182,253	211,038

(2) As at 30 June 2014, the Group has no other commitments events that need to be disclosed.

## X. POST BALANCE SHEET DATE EVENTS:

Nil

## XI. OTHER SIGNIFICANT EVENTS:

### Assets and liabilities measured at fair value

Unit: Yuan Currency: RMB

Item	Opening Amount	Profit or loss arising from changes in fair value for the period	Changes in fair value included under equity	Provision for impairment for the period	Closing amount
Financial liabilities	357,251,970.00	4,678,325.00	—	—	470,716,454.00



## XII. NOTES TO MAJOR ITEMS TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY:

### (I) Accounts receivables:

#### 1 Disclosure of accounts receivables by types:

Unit: Yuan Currency: RMB

Type	Closing amount				Opening amount			
	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Accounts receivables that are individually significant and for which bad debt provision is individually provided for	84,429,871.65	86.74	4,229,626.57	52.59	84,167,826.79	95.57	4,229,626.57	51.60
Accounts receivables for which bad debts are provided for collectively:								
Other insignificant accounts receivables	12,903,272.50	13.26	3,812,634.19	47.41	3,904,641.34	4.43	3,968,060.57	48.40
Subtotal	12,903,272.50	13.26	3,812,634.19	47.41	3,904,641.34	4.43	3,968,060.57	48.40
<b>Total</b>	<b>97,333,144.15</b>	<b>/</b>	<b>8,042,260.76</b>	<b>/</b>	<b>88,072,468.13</b>	<b>/</b>	<b>8,197,687.14</b>	<b>/</b>

The Company recognizes such accounts receivables that are over RMB5,000,000 as individually significant accounts receivables.

Accounts receivables that are individually significant and for which bad debts are for individually

Unit: Yuan Currency: RMB

Details of accounts receivable	Book balance	Bad debt amount	Provision proportion (%)	Reasons
Amount for purchased goods	8,459,253.13	4,229,626.57	50.00	It is determined to make a 50% bad debt provision based on the financial condition and credit history of the debtor
<b>Total</b>	<b>8,459,253.13</b>	<b>4,229,626.57</b>	<b>/ /</b>	

The aging structure of accounts receivables is as follows:

Unit: Yuan Currency: RMB

Aging	Closing amount			Opening amount		
	Book balance Amount	Proportion (%)	Bad debt provision	Book balance Amount	Proportion (%)	Bad debt provision
Within 1 year sub-total	85,061,256.83	87.39	—	75,744,273.66	86.00	—
Over 1 year but within 2 years	—	—	—	8,459,253.13	9.60	4,328,745.80
Over 2 years but within 3 years	8,459,253.13	8.69	4,229,626.57	2,893,641.05	3.29	2,893,641.05
Over 3 years	3,812,634.19	3.92	3,812,634.19	975,300.29	1.11	975,300.29
<b>Total</b>	<b>97,333,144.15</b>	<b>100.00</b>	<b>8,042,260.76</b>	<b>88,072,468.13</b>	<b>100</b>	<b>8,197,687.14</b>

2 **Particulars of accounts receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period**

There is no balance of accounts receivables due from shareholders holding 5% or above of the Company's shares with voting rights in the reporting period.

3 **Top five entities in terms of accounts receivables**

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Age	Proportion of the amount to the total account receivables (%)
Unit L	Third Party	53,206,290.47	Within 1 year	54.66
Unit V	Third Party	15,789,440.85	Within 1 year	16.22
Unit W	Third Party	8,459,253.13	Over 2 years but within 3 years	8.69
Unit X	Third Party	6,974,887.20	Within 1 year	7.17
Unit Y	Third Party	2,643,641.05	Over 3 years	2.72
Total	/	87,073,512.70	/	89.46

(II) **Other receivables:**

1. **Disclosure of other receivables by types:**

Unit: Yuan Currency: RMB

Type	Closing amount				Opening amount			
	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Book balance Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)
Other accounts receivables that are individually significant for which bad debts are individually provided for	2,028,528,626.92	99.06	—	—	1,632,593,716.61	93.71	—	—
Other accounts receivables for which bad debts are collectively provided for:								
Other receivables								
that are not significant	19,155,016.65	0.94	12,866,832.42	100.00	109,507,139.52	6.29	10,979,464.39	100.00
Subtotal	19,155,016.65	0.94	12,866,832.42	100.00	109,507,139.52	6.29	10,979,464.39	100.00
Total	2,047,683,643.57	/	12,866,832.42	/	1,742,100,856.13	/	10,979,464.39	/

The Company recognizes such other receivables that are over RMB5,000,000 as individually significant other receivables.

The aging structure of other accounts receivables is as follows:

Unit: Yuan Currency: RMB

Aging	Closing amount Book balance			Opening amount Book balance		
	Amount	Proportion (%)	Bad debt provision	Amount	Proportion (%)	Bad debt provision
Within 1 year subtotal	940,545,592.40	45.93	—	875,407,283.71	50.25	45,078.52
Over 1 year but within 2 years	853,047,733.75	41.66	—	832,548,674.75	47.79	1,039,488.20
Over 2 years but within 3 years	231,457,357.48	11.30	451,347.11	4,007,158.00	0.23	4,007,158.00
Over 3 years	22,632,959.94	1.11	12,415,485.31	30,137,739.67	1.73	5,887,739.67
<b>Total</b>	<b>2,047,683,643.57</b>	<b>100.00</b>	<b>12,866,832.42</b>	<b>1,742,100,856.13</b>	<b>100.00</b>	<b>10,979,464.39</b>

**2. Particulars of other receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period**

There are no balance of other accounts receivables due from shareholders holding 5% or above of the Company's shares with voting rights during the reporting period.

**3. Top five entities with largest balances of other accounts receivables**

Unit: Yuan Currency: RMB

Name of entities	Relationship with the Company	Amount	Aging	Proportion of the amount to the total account receivables (%)
Unit AC	Subsidiary	822,685,720.02	Over one year but within two years	40.18
Unit AD	Subsidiary	546,561,688.14	Within one year	26.69
Unit N	Third party	250,000,000.00	Within one year	12.21
Unit AE	Subsidiary	229,669,000.00	Over two years but within three years	11.22
Unit AF	Subsidiary	64,796,642.59	Within one year	3.16
<b>Total</b>	<b>/</b>	<b>1,913,713,050.75</b>	<b>/</b>	<b>93.46</b>

### (III) Long-term equity investments:

#### By cost method

Unit: Yuan Currency: RMB

Investee	Investment cost	Opening balance of the period	Increase/ (decrease) changes	Closing balance for the period	Provision for impairment	Provision for impairment for the period	Shareholding proportion in the investee (%)	Proportion of voting rights in the investee (%)
Refining Company	5,638,250.27	5,638,250.27	—	5,638,250.27	—	—	100	100
Dachuan Company	157,500,000.00	157,500,000.00	—	157,500,000.00	—	—	100	100
Trading Company	2,000,000.00	2,000,000.00	3,000,000.00	5,000,000.00	—	—	100	100
Dadongpo Company	33,483,749.86	33,483,749.86	—	33,483,749.86	—	—	51	51
Jiuyang Mining	17,028,900.00	17,028,900.00	—	17,028,900.00	—	—	51	51
Sanqiang Molybdenum & Tungsten	28,294,800.00	33,397,038.41	—	33,397,038.41	—	—	51	51
Mudu Hotel	210,000,000.00	210,000,000.00	—	210,000,000.00	—	—	100	100
Kunyu Mining	350,000,000.00	350,000,000.00	(350,000,000.00)	—	—	—	0	0
Tungsten Company	100,000,000.00	100,000,000.00	—	100,000,000.00	—	—	100	100
Precious Metals Company	500,000,000.00	500,000,000.00	—	500,000,000.00	—	—	100	100
CMOC Hong Kong	0.96	0.96	—	0.96	—	—	100	100
Metal Material Company	650,000,000.00	650,000,000.00	—	650,000,000.00	—	—	100	100
Furun Mining	8,803,190.84	8,803,190.84	—	8,803,190.84	—	—	100	100
Xinjiang Luomu	980,000,000.00	980,000,000.00	—	980,000,000.00	—	—	70	70
Huqi Mining	9,900,000.00	9,900,000.00	—	9,900,000.00	—	—	100	100
Fuhai Trading	261,520,000.00	261,520,000.00	—	261,520,000.00	—	—	100	100
Sales Subsidiary	50,000,000.00	50,000,000.00	—	50,000,000.00	—	—	100	100
Qixing Mining	46,963,636.00	46,963,636.00	—	46,963,636.00	—	—	90	90
CMOC (Note 1)	575,797,299.48	638,797,299.48	—	638,797,299.48	—	—	100	100
Henan Qianjin Dynamite Project Co., Ltd.	200,000.00	200,000.00	—	200,000.00	—	—	10	10
Other	4,928.00	4,928.00	—	4,928.00	—	—	—	—
CMOC Trading (Shanghai) Co., Ltd	100,000.00	—	100,000.00	100,000.00	—	—	100	100

#### By equity method

Unit: Yuan Currency: RMB

Investee	Investment cost	Opening balance of the period	Increase/ (decrease) changes	Closing balance for the period	Provision for impairment	Provision for impairment for the period	Cash dividend	Shareholding proportion in the investee (%)	Proportion of voting rights in the investee (%)
Yulu Mining	20,000,000.00	150,801,396.38	(38,825,949.91)	111,975,446.47	—	—	118,000,000.00	40	40
Yuhua Molybdenum	1,650,000.00	3,171,119.41	(3,171,119.41)	—	—	—	—	—	—
Luoyang High-Tech	265,000,000.00	221,981,150.83	(3,106,350.47)	218,874,800.36	—	—	—	50	50
Xuzhou Huanyu	973,335,000.00	926,745,000.00	(17,791,482.61)	908,953,517.39	—	—	—	50	50

Note 1: Included in the opening balance for the period of RMB63,000,000.00 is a fair value arising from a financial guarantee provided by the Company in respect of a long-term bank borrowings amounted to USD259.5 million of CMOC Mining Pty Limited, a 100% owned subsidiary of CMOC.

#### (IV) Operating income and operating costs:

##### 1. Operating income, operating costs

Unit: Yuan Currency: RMB

Item	Amount incurred in the period	Amount incurred in the prior period
Principal Operating income	1,476,289,910.95	1,509,271,795.53
Other Operating income	22,780,072.34	19,938,724.32
Operating costs	659,885,415.43	637,383,880.23

##### 2. Principal operating activities (by products)

Unit: Yuan Currency: RMB

Name of product	Amount incurred in the period		Amount incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Molybdenum and tungsten related products	1,272,554,624.78	546,768,920.43	1,293,034,614.08	536,174,235.40
Others	203,735,286.17	88,592,526.34	216,237,181.45	75,424,419.44
Total	1,476,289,910.95	635,361,446.77	1,509,271,795.53	611,598,654.84

##### 3. Principal operating activities (by regions)

Unit: Yuan Currency: RMB

Name of regions	Amount incurred in the period		Amount incurred in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Mainland China	1,436,340,322.58	615,027,788.27	1,483,238,012.64	585,813,429.45
Hong Kong	—	—	20,018,861.38	19,733,580.84
Japan	3,787,483.48	1,736,931.12	6,014,921.51	6,051,644.55
South Korea	11,170,510.91	5,393,177.76	—	—
Netherlands	21,382,095.46	11,477,953.40	—	—
India	3,609,498.52	1,725,596.22	—	—
Total	1,476,289,910.95	635,361,446.77	1,509,271,795.53	611,598,654.84

4. *Top five customers of the Company in terms of operating income*

Unit: Yuan Currency: RMB

Name of Customers	Total operating income	Proportion to total operating income of the Company (%)
Unit AD	1,209,894,880.22	80.71
Unit L	75,818,560.04	5.06
Unit AG	55,510,372.09	3.70
Unit AH	42,654,463.44	2.85
Unit AI	29,751,890.60	1.98
Total	1,413,630,166.39	94.30

(V) **Investment income:**

1. *Breakdown of investment income*

Unit: Yuan Currency: RMB

	Amount incurred in the period	Amount incurred in the prior period
Income from long-term equity investments under cost method	154,728,858.78	61,226,478.23
Income from long-term equity investments under equity method	58,276,217.01	89,823,550.55
Investment income generated by the disposal of long-term equity investments	349,986,855.16	—
Others	37,331,950.91	53,815,993.18
Total	600,323,881.86	204,866,021.96

2. *Income from long-term equity investments under cost method*

Unit: Yuan Currency: RMB

Investee	Amount incurred in the period	Amount incurred in the prior period	Reasons for increase or decrease in the current compared to the prior period
Trading Company	3,000,000.00	—	Undistributed profits capitalised for the period
Precious Metals Company	151,728,858.78	—	Revenue recognized in accordance with the profit distribution plan during the period
Kunyu Mining	—	61,226,478.23	The equity of this company has been transferred during the period
Total	154,728,858.78	61,226,478.23	/

### 3. Income from long-term equity investments under equity method

Unit: Yuan Currency: RMB

Investee	Amount incurred in the period	Amount incurred in the prior period	Reasons for increase or decrease in the current compared to the prior period
Yulu Mining	79,174,050.09	96,286,817.09	Changes in the net profit of the invested company
Xuzhou Huanyu	(17,791,482.61)	—	Note 1
Luoyang High Tech	(3,106,350.47)	(6,249,417.95)	Changes in the net profit of the invested company
Yuhua Molybdenum	—	(213,848.59)	This company was allowed to de-registered on 7 January 2014
<b>Total</b>	<b>58,276,217.01</b>	<b>89,823,550.55</b>	/

Note 1: This company was the equity investments of the Company's subsidiary in the prior period. The investment income was recognized in the subsidiary, and the subsidiary was de-registered on 18 September 2013. This investment has been changed to the direct equity investments of the Company.

### (VI) Supplementary information to cash flow statement:

Unit: Yuan Currency: RMB

Supplementary information	Amount for the period	Amount for the prior period
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	1,057,069,151.67	817,881,972.11
Add: Provision for impairment of assets	1,731,941.65	2,936,453.13
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of productive biological assets	76,455,475.61	76,890,410.15
Amortisation of intangible assets	21,473,754.02	22,083,278.52
Amortisation of long-term deferred expenses	6,054,924.74	3,949,134.00
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "--")	(124,396.87)	—
Losses on retirement of fixed assets(gains are indicated by "--")	—	—
Losses on changes in fair values (gains are indicated by "--")	—	1,492,920.00
Financial costs (gains are indicated by "--")	(30,938,038.80)	55,570,164.89
Investment losses (gains are indicated by "--")	(600,323,881.86)	(204,866,021.96)
Decrease in deferred income tax assets (increase is indicated by "--")	9,368,673.63	(2,001,560.40)
Increase in deferred income tax liabilities (decrease is indicated by "--")	—	—
Decrease in inventories (increase is indicated by "--")	52,058,762.72	23,928,049.19
Decrease in receivables from operating activities (increase is indicated by "--")	(87,879,010.39)	(191,595,957.58)
Increase in payables from operating activities (decrease is indicated by "--")	211,352,771.23	219,980,013.17
Others	33,044,088.32	48,680,719.68
Net cash flows from operating activities	749,344,215.67	874,929,574.90
<b>2. Significant investment and financing activities that do not involve cash receipts and payments:</b>		
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash for the period	2,599,223,742.88	935,886,199.34
Less: Opening balance of cash for the period	1,243,720,932.85	1,232,946,372.40
Add: Closing balance of cash equivalents for the period	350,000,000.00	160,000,000.00
Less: Opening balance of cash equivalents for the period	—	—
Net increase in cash and cash equivalents	1,705,502,810.03	(137,060,173.06)

### XIII. SUPPLEMENTARY INFORMATION:

#### (I) Breakdown of non-recurring profit or loss in the period

Unit: Yuan Currency: RMB

Non-recurring profit or loss items	Amount
Profit or loss on disposal of non-current assets	(48,907,386.55)
Government grants recognised in profit or loss for the period (other than government grants which are closely related to the Company's normal business and in compliance with national policies and regulations and enjoyed continuously on the basis of certain quantum or quantitative standards)	11,414,819.90
Profit or loss from changes in fair value of held-for-trading financial assets and held-for-trading financial liabilities and investment income on disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sales financial assets, other than those effective hedging and inflation proof activities relating to normal operating businesses of the Company	44,328,572.93
Effect on profit or loss for the period from one-off adjustment to profit or loss for the period according to the requirements of the tax and accounting laws and regulations	68,732,119.24
Other non-operating income or expenses other than the above	(4,438,114.46)
Investment income on disposal of equity	281,589,659.86
Effect of minority interests	(1,319,541.72)
Effect of income tax	(57,257,394.55)
<b>Total</b>	<b>294,142,734.65</b>

#### (II) Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	8.00	0.1980	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	5.66	0.1400	N/A



### (III) Abnormal financial statements items and description of reasons

Financial statements item	Closing amount	Opening amount	Change by %	Cause for the differences
Bank balances and cash	3,824,792,975.64	1,882,647,897.27	103%	The increase was mainly due to an increase in net cash flows from operating activities and an increase in recovery of investment
Dividend receivables	61,226,476.23	—	100%	The increase was mainly due to an increase in dividend receivables of disposal of a subsidiary
Interest receivables	12,748,342.48	452,860.33	2715%	The increase was mainly due to an increase in the interests of bank deposits
Other receivables	312,045,483.78	72,517,407.57	330%	The increase was mainly due to the additional receivable payment for transferring equity interests in a subsidiary for the period, and the payment for transferring equity interests in a subsidiary was fully recovered as at the date of the report
Inventories	489,000,169.27	820,996,265.56	(40%)	The increase was mainly due to the increase in inventory management, reduction of inventories, enhancement of inventory turnover, grasping market opportunities and increase in sales
Other current assets	1,032,777,917.23	1,701,577,473.05	(39%)	The decrease was mainly due to the recovery of due wealth management products
Deferred income tax assets	223,606,837.97	140,019,796.25	60%	The increase was mainly due to the recognition of deferred income tax assets by NPM
Short-term borrowings	377,250,272.66	224,344,311.98	68%	The increase was mainly due to an increase in short-term borrowings
Held-for-trading financial liabilities	470,716,454.00	357,251,970.00	32%	The increase was mainly due to an increase in the size of gold lease arrangement for the period compared to the beginning
Bills payable	39,150,400.00	27,910,000.00	40%	The increase was mainly due to the increase of efficient use of capital and an increase in the payment proportion by bills
Tax payables	143,539,854.70	(63,559,475.84)	(326%)	The decrease was mainly due to the provision for outstanding taxes by NPM for the period
Interest payables	97,990,167.03	55,733,935.24	76%	The increase was mainly due to the provision for the interests incurred before interest payment date for the period.
Dividend payables	27,885,796.67	57,085,715.06	(51%)	The decrease was mainly due to a corresponding decrease in dividends payable as a result of the disposal of a subsidiary by the Group
Other current liabilities	30,751,167.57	20,202,200.99	52%	The increase was mainly due to an increase in the provision for unpaid expenses for the period
Other non-current liabilities	24,606,528.20	37,077,021.10	(34%)	The decrease was mainly due to the fact that financial subsidies received by the Company in the period were recognised as subsidy income in accordance with accounting policies for the period
Exchange differences arising from translation of financial statements denominated in foreign currencies	68,093,539.90	(51,029,120.69)	(233%)	The decrease was mainly due to the exchange differences arising from translation of financial statements denominated in foreign currencies of oversea subsidiaries of the Group

Financial statements item	Amount for the period	Amount for preceding period	Change by %	Cause for the differences
Operating income	<b>3,706,264,957.22</b>	2,689,732,751.26	38%	The increase resulted from the newly added sales business of NPM and the increase in the domestic sales of major products
Selling expenses	<b>52,324,024.40</b>	9,243,181.98	466%	The increase was mainly due to the addition of the transportation expenses of NPM's sales of products
Financial costs	<b>55,375,977.78</b>	9,583,033.51	478%	The increase was mainly due to the loan interest expenses arising from the addition of long term borrowings for the acquisition of NPM for the period
Gains from changes in fair value	<b>4,678,325.00</b>	(1,508,246.56)	(410%)	The decrease was mainly due to an increase in floating profit on the positions of the futures business of lead, gold and silver of the Company
Investment income	<b>374,707,615.99</b>	137,687,128.40	172%	The increase was mainly due to an increase in equity transfer income resulting from the transfer of a subsidiary for the period
Non-operating income	<b>12,259,276.04</b>	7,018,841.43	75%	The increase was mainly due to an increase in the financial capital recognized in the period compared to the same period last year
Non-operating expenses	<b>54,189,957.15</b>	1,816,693.91	2883%	The increase was mainly due to the suspension of production for repair and maintenance of Yongning Gold & Lead and certain fixed assets proposed to be demolished has been retired
Income tax expenses	<b>231,344,517.70</b>	111,313,357.58	108%	The increase was mainly due to an increase in total profit for the period compared to the same period last year and the relatively high income tax rate of NPM.
Profit or loss attributable to minority interests	<b>(11,541,214.13)</b>	(50,316,176.73)	(77%)	The decrease was mainly due to the decrease of the losses borne by minority shareholders of the subsidiaries for the period.

---

## CORPORATE INFORMATION

### DIRECTORS

#### *Executive Directors*

Li Chaochun (*Chairman*)  
Li Faben  
Wang Qinxì  
Gu Meifeng  
Wu Wenjun

#### *Non-executive Directors*

Yuan Honglin  
Zhang Yufeng

#### *Independent Non-executive Directors*

Bai Yanchun  
Cheng Gordon  
Xu Shan  
Xu Xu\*

### SUPERVISORS

Zhang Zhenhao (*Chairman of the supervisory committee*)  
Yin Dongfang  
Deng Jiaoyun

### BOARD COMMITTEES

#### *Remuneration Committee*

Bai Yanchun (*Chairman*)  
Xu Xu\*  
Yuan Honglin

#### *Audit Committee*

Xu Shan (*Chairman*)  
Cheng Gordon  
Zhang Yufeng

#### *Strategic Committee*

Li Chaochun (*Chairman*)  
Li Faben  
Bai Yanchun  
Xu Xu\*

#### *Nomination Committee*

Bai Yanchun (*Chairman*)  
Li Chaochun (*Vice Chairman*)  
Xu Shan  
Cheng Gordon  
Xu Xu\*

### SUPERVISORY COMMITTEE

Zhang Zhenhao (*Chairman*)  
Yin Dongfang  
Deng Jiaoyun

### BOARD SECRETARY

Zhang Xinhui

### 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

\* Mr. XU had resigned from the position of independent non-executive Director but continues to perform his duties as an independent non-executive Director, as well as the member of the nomination committee, remuneration committee and strategic committee of the Company until the formal appointment of his replacement. For details, please refer to the Company's announcement dated 7 February 2014.

---

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

## **LEGAL REPRESENTATIVE**

Li Chaochun

## **AUTHORIZED REPRESENTATIVES**

Li Chaochun  
Ho Siu Pik

## **JOINT COMPANY SECRETARIES**

Zhang Xinhui  
Ho Siu Pik (*FCS, FCIS*)

## **ENQUIRY DEPARTMENT OF THE COMPANY**

Office of the Board of Directors

## **INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY**

(+86) 379 6865 8017

## **SHANGHAI A SHARE REGISTRAR**

China Securities Depository and Clearing Company Limited, Shanghai Branch  
36/F, China Insurance Building,  
No. 166 Lujiazui Road East,  
Pudong New Area,  
Shanghai, the PRC

## **HONG KONG H SHARE REGISTRAR**

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre,  
183 Queen's Road East, Wanchai, Hong Kong

## **PLACES OF LISTING**

Place of listing of A share - Shanghai Stock Exchange  
Place of listing of H share - The Stock Exchange of Hong Kong Limited

## **NAME OF THE STOCK**

China Molybdenum Co., Ltd. (*CMOC*)

## **STOCK CODE**

Stock code of A share: 603993 (*Listed on 9 October 2012*)  
Stock code of H share: 03993 (*Listed on 26 April 2007*)

## **PRINCIPAL BANKERS**

1. Industrial and Commercial Bank of China Limited
2. Agricultural Bank of China Limited
3. China Construction Bank Corporation
4. Bank of China Limited
5. China Minsheng Banking Corp., Ltd.
6. China CITIC Bank Corporation Limited
7. China Development Bank Corporation

---

## **AUDITOR**

Deloitte Touche Tohmatsu Certified Public Accountants LLP  
(Special General Partnership)

## **LEGAL ADVISORS**

As to Hong Kong law:

### ***Morrison & Foerster***

33/F Edinburgh Tower, The Landmark,  
15 Queen's Road Central  
Central  
Hong Kong

As to PRC law:

### ***Llinks Law Offices***

19/F, One Lujiazui  
68 Yin Cheng Road Middle  
Shanghai  
China

## **COMPLIANCE ADVISER**

First Shanghai Capital Limited  
19/F, Wing On House  
71 Des Voeux Road Central  
Hong Kong

## **WEBSITE**

[www.chinamolymoly.com](http://www.chinamolymoly.com)

---

## DEFINITIONS

“CMOC” or the “Company”	China Molybdenum Co., Ltd.*
Cathay Group	Cathay Fortune Corporation, a controlling shareholder of the Company
Cathay Hong Kong	Cathay Fortune Investment Limited, a wholly-owned subsidiary of the Cathay Group
LMG	Luoyang Mining Group Co., Ltd., the second largest shareholder of the Company
Guohong Group	Luoyang Guohong Investment Group Co., Ltd., holding 100% equity interests of LMG, a related party of the Company
Refining Company	Luomu Group Refining Co., Ltd., a wholly-owned subsidiary of the Company
Sales Subsidiary	Luomu Group Sales Co., Ltd., a wholly-owned subsidiary of the Company
Trading Company	Luomu Group Sales and Trading Co., Ltd., a wholly-owned subsidiary of the Company
Precious Metals Company	Luomu Group Precious Metals Co. Ltd. (formerly known as Luomu Group Precious Metals Investment Co. Ltd.), a wholly-owned subsidiary of the Company
Tungsten Company	Luomu Group Tungsten Co., Ltd., a wholly-owned subsidiary of the Company
Metal Material Company	Luomu Group Metal Material Company Limited, a wholly-owned subsidiary of the Company
Dachuan Company	Luoyang Dachuan Molybdenum & Tungsten Technology Co., Ltd., a wholly-owned subsidiary of the Company
Furun Mining	Luanchuan Furun Mining Co., Ltd., a wholly-owned subsidiary of the Company
Kunyu Mining	Luoyang Kunyu Mining Co., Ltd.*, previously was a controlling subsidiary of the Company; its transfer has been completed during the reporting period
Yongning Gold & Lead	Luoyang Yongning Gold & Lead Refining Co., Ltd., a controlling subsidiary of Precious Metals Company
Dadongpo Company	Luanchuan County Dadongpo Tungsten & Molybdenum Co., Ltd., a controlling subsidiary of the Company

---

Sanqiang Molybdenum & Tungsten	Luanchuan County Sanqiang Molybdenum & Tungsten Co., Ltd., a controlling subsidiary of the Company
Jiuyang Mining	Luanchuan County Jiuyang Mining Co., Ltd., a controlling subsidiary of the Company
Qixing Mining	Luanchuan Qixing Mining Company Limited, a controlling subsidiary of the Company
Xinjiang Luomu	Xinjiang Luomu Mining Co., Ltd., a controlling subsidiary of the Company
Huqi Mining	Luanchuan Huqi Mining Company Limited*, a wholly-owned subsidiary of the Company
Fu Kai Trading	Luanchuan Fu Kai Trading Co., Ltd., a wholly-owned subsidiary of the Company
NSSF	National Council for Social Security Fund of the PRC
Xuzhou Huanyu	Xuzhou Huanyu Molybdenum Co., Ltd., a joint venture of the Company
Fuchuan Mining	Luoyang Fuchuan Mining Co., Ltd., a controlling subsidiary of Xuzhou Huanyu
Molybdenum Hong Kong	China Molybdenum (Hong Kong) Company Limited, a wholly-owned subsidiary of the Company registered in Hong Kong
CMOC Limited	CMOC Limited (洛陽鉬業控股有限公司), a wholly-owned subsidiary of the Company registered in Hong Kong
CMP	CMOC MINING PTY LIMITED, a wholly-owned subsidiary of the Company registered in Australia
NPM	copper-gold mine in Northparkes, situated at north west of the town of Parkes in New South Wales, Australia, 80% equity of which was held by CMP as the manager
Mudu Hotel	Luoyang Mudu International Hotel Co., Ltd., a wholly-owned subsidiary of the Company
Luoyang High Tech	Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd., a joint venture of the Company
Yulu Mining	Luoyang Yulu Mining Co., Ltd., a non wholly-owned subsidiary of the Company
Yuhua Molybdenum	Shanghai Yuhua Molybdenum Co., Ltd., which was approved to deregister on 7 January 2014.

---

Shimoke (施莫克)	CMOC Trading (Shanghai) Co., Ltd. (施莫克(上海)國際貿易有限公司), a wholly-owned subsidiary of the Company
CSRC	the China Securities Regulatory Commission
SSE	the Shanghai Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Company Law	Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
H Share(s)	Ordinary shares that are issued to foreign investors with the approval of the CSRC and listed on the Hong Kong Stock Exchange, and denominated in RMB, and subscribed and transacted in Hong Kong dollar
A Share(s)	Ordinary shares that are issued to domestic investors and qualified foreign investors with the approval of the CSRC and listed in the domestic stock exchanges, and denominated, subscribed and transacted in Renminbi
RMB	unless otherwise specified, Renminbi, the lawful currency of the PRC
"Open-pit" or "Open-pit Mining"	a method of surface mining, by which useful minerals could be exploited from the open pit
Pound	Imperial unit of weight; 1 pound approximately equals to 453.592g.





洛陽樂川鉬業集團股份有限公司  
China Molybdenum Co., Ltd.

