



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

Stock Code: 3993

2019

INTERIM REPORT

SUMMARY OF 2019 INTERIM REPORT

- Operating revenue amounted to RMB9.979 billion, a decrease of 29.03% year on year, and an increase of 22.83% as compared with the first quarter of 2019; net profit amounted to RMB773 million, a decrease of 78.52% year on year, and an increase of 102.65% as compared with the first quarter of 2019, among which: net profit attributable to the parent company amounted to RMB808 million, a decrease of 74.12% year on year, and an increase of 51.05% as compared with the first quarter of 2019. Major products' bottomed out market prices and the Company's steadily improved profitability showed the cyclical characteristics of the industry.
- Net cash inflow from operating activities amounted to RMB2.230 billion, and total EBITDA amounted to RMB3.6 billion, the balance of cash and bank exceeded RMB24.2 billion; gearing ratio was 51.87%; Despite the cyclical fluctuations of the market, the Company maintained strong cash flow generation ability and relatively stable asset liability structure.
- The closing of acquisition of equity in IXM expanded the Company's presence in the industry chain as well as improved its position and influence in the global resource field. Such synergy and optimization with existing businesses are expected to bring the Company new growth driver; the acquisition of 24% minority equity interests in TFM was commenced with an aim to ensure control over advantageous resources.
- The Company deeply explored its organic growth potential and proactively promoted measures to enhance the technology and operation of various business segments, oriented by technological innovation and based on the quality mining assets reserve of the Company with the aim of maintaining industrial competitiveness. During the reporting period, the Company's capital expenditure amounted to RMB1.077 billion, representing a year-on-year increase of 18.53%.

MAJOR FINANCIAL INDICATORS FOR THE FIRST HALF OF 2019

(I) Major Accounting Data

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (January – June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Operating revenue	9,978,669,307.74	14,059,795,748.04	-29.03
Net profit attributable to shareholders of the listed company	807,990,808.81	3,122,510,222.14	-74.12
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the listed company	697,558,648.53	3,174,529,764.37	-78.03
Net cash flow from operating activities	2,229,813,554.56	5,411,708,826.56	-58.80

	At the end of the reporting period	At the end of last year (Restated)	Increase/decrease at the end of the reporting period as compared with the end of last year (%)
Net assets attributable to the shareholders of the listed company	39,372,660,510.71	40,948,873,571.40	-3.85
Total assets	99,735,535,456.84	101,393,051,651.39	-1.63

(II) Major Financial Indicators

Major financial indicators	During the reporting period (January – June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Basic earnings per share (<i>RMB/share</i>)	0.037	0.145	-74.48
Diluted earnings per share (<i>RMB/share</i>)	N/A	N/A	N/A
Basic earnings per share excluded non-recurring profits or losses (<i>RMB/share</i>)	0.032	0.147	-78.23
The Weighted Average Rate of Return on net assets (%)	1.95	7.91	Decreased by 5.96 percentage points
The Weighted Average Rate of Return on net assets excluded non-recurring profits or losses (%)	1.69	8.04	Decreased by 6.35 percentage points

COMPANY PROFILE

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

The Company is primarily engaged in the mining, beneficiation and smelting of copper, cobalt, molybdenum, tungsten, niobium and phosphates minerals, as well as metal trading business. It possesses a relatively complete and integrated industry chain. The Company represents one of the leading copper producers and metal traders, one of the top five molybdenum producers, one of the largest tungsten producers and the second largest cobalt and niobium producer in the world. It is also the second largest phosphate fertilizer producer in Brazil.

VISION AND DEVELOPMENT STRATEGY

The vision of the Company is to become a respected international resources company. We stick to the corporate culture of “meritocracy, cost control, continuous improvement and achievement sharing”. The focus of our development strategies will be:

- To strengthen and maintain the existing highly competitive cost advantages;
- To continue to manage and optimize the balance sheet, properly arrange the financing structure and reduce cost of funds; and
- To ensure the stable operation of our overseas businesses and explore and give play to the synergistic effects of businesses by virtue of the comprehensive competitive advantages of the Company in terms of the scale, industry chain, technology, funds, market and management and its diversified financing platform; focusing on adjustment of structure and shift of the way of growth, to actively promote resource mergers and acquisitions and prioritize mergers and acquisitions on investments in quality and mature resource projects located in politically stable areas and with good cash flows, so as to speed up the Company’s development through “combination of industry and financing”.

MARKET REVIEW AND OUTLOOK

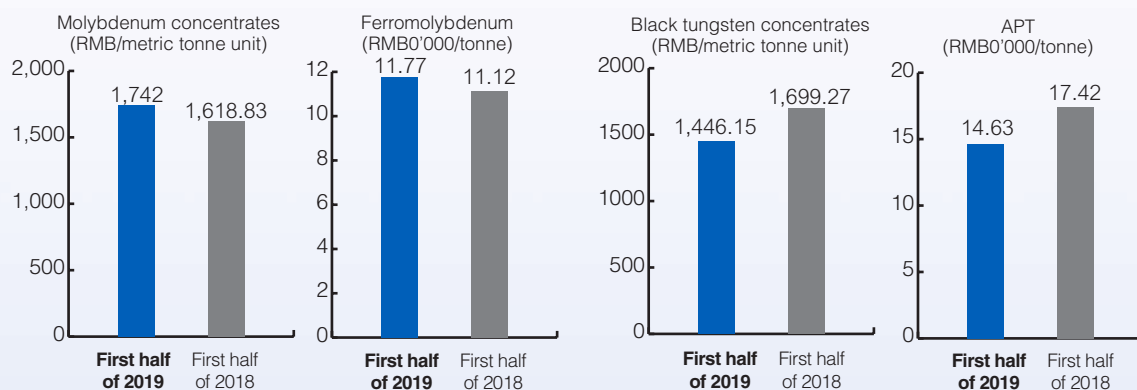
During the reporting period, the Company generated revenue mainly from the sales of copper, cobalt, molybdenum, tungsten, niobium, phosphate and other relevant products. The Company's results are largely subject to the fluctuations in the prices of the above resources. At the same time, the Northparkes copper/gold mine ("NPM") of the Company in Australia also has sales of gold as by-product. Accordingly, the fluctuation of the prices in gold would also have an impact on the results of the Company.

(I) Market Review of Major Products

Domestic market price of the relevant products of the Company				
Products		First half of 2019	First half of 2018	Increase/ decrease on a year-to-year basis (%)
Molybdenum	Molybdenum concentrates (RMB/metric tonne unit)	1,742	1,618.83	7.60
	Ferromolybdenum (RMB0'000/tonne)	11.77	11.12	5.85
Tungsten	Black tungsten concentrates (RMB/metric tonne unit)	1,446.15	1,699.27	-14.90
	APT (RMB0'000/tonne)	14.63	17.42	-16.02

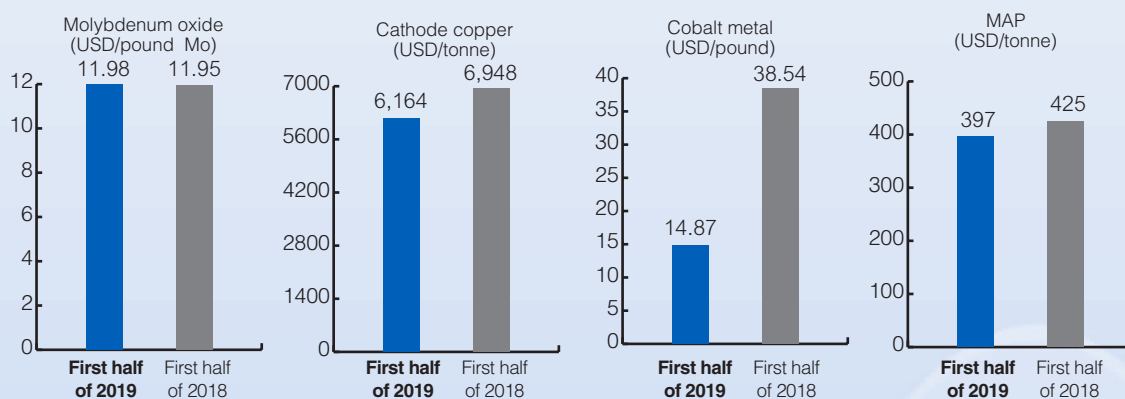
International market price of the relevant products of the Company				
Products		First half of 2019	First half of 2018	Increase/ decrease on a year-to-year basis (%)
Molybdenum	Molybdenum oxide (USD/ pound/Mo)	11.98	11.95	0.25
Copper	Copper cathode (USD/tonne)	6,164	6,948	-11.28
Cobalt	Cobalt metal (USD/pound)	14.87	38.54	-61.42
Phosphate	MAP (USD/tonne)	397	425	-6.59

Domestic market price of the relevant products of the Company



Note: The prices of relevant products in the above table are extracted from relevant domestic websites.

International market price of the relevant products of the Company



Note: The prices of molybdenum oxide are extracted from the relevant international websites. The prices of copper and cobalt represented the average price quoted by the London Metal Exchange ("LME"). The price of phosphate fertilizer represented the average price of Brazil MAP calculated by Argus Media Group.

(1) Copper market

The Company sells both copper concentrates and copper cathodes to the international markets. Despite tightening copper concentrate market, copper prices failed to pick up as the ongoing US-China trade frictions and weakening global economic outlook weighed on market sentiments. In short, LME cash price has finally settled at USD6,164/tonne (USD2.79/pound) in the first half of 2019, or 11.4% lower compared to the same period of last year (though not far from the average level seen in the second half of 2018). The only bullish news in the copper market so far should be the substantially lower spot TC/RCs (USD40/t lower than that of the second half of 2018), which signals a pending deficit in the raw materials market and more importantly a driving force for a structural change in the global copper market. Interestingly, new smelting projects have yet been dissuaded from starting up, which could be one of the reasons why many scheduled maintenances at large existing smelters failed to support spot TC/RCs from continuous falling. The recently closed bi-annual contract between Antofagasta and Jiangxi Copper and Tongling Nonferrous at USD65/t for the first half of 2020 is also a strong sign for the anticipated undersupplies of concentrates going forward.

(2) Cobalt market

The Company is the second largest producer of mined cobalt in the world. Over the first half of 2019, the price of cobalt declined significantly, averaging about USD14.87/pound, down nearly 61% when compared to the same period one year earlier (based on the LME price quotation). Lower prices through the first half of the year were related to a supply imbalance and destocking by metal producers although there was significant restocking of the supply chain and a subsequent price rebound at the end of the first quarter before further downward market softening at the end of the June. The market continues to be dominated by supply dynamics in the intermediate cobalt chemical market as well as overall demand by the up and coming EV and HEV markets. Changes to the Chinese electric vehicle subsidy policy and other general delays in the roll out of the auto industry's EV programs are reducing near term demand through the supply chain including the demand for metal.

(3) Molybdenum market

The major molybdenum product of the Company is ferromolybdenum, which is sold mainly in the domestic market in China. Although the steel sector has been affected by slow pace of economic growth and US-China trade frictions in the first half of 2019 and its corporate profit level was lower than the same period last year, the production volume of stainless steel was substantially increased. Based on the estimates made by Antaiko, the national production volume of stainless steel amounted to 14.22 million tonnes in the first half of 2019, representing an increase of 9% on a year-on-year basis and 5.5% as compared with the second half of 2018. It is expected that the production volume of stainless steel will hopefully exceed 29.00 million tonnes for the whole year with an increase of 10% year-on-year.

During the reporting period, under the background of the basic balance between supply and demand and the long-term inversion of molybdenum concentrate and ferromolybdenum prices, the overall market showed a rise after restraint. In mid-January, the market price of ferromolybdenum reduced to the lowest level during the reporting period, affected by the dramatic increase in the inventories of smelters located in Northeast China, selling of their products at lower price by domestic mining enterprises and the weak purchase of ferromolybdenum by steel enterprises, after which the market price of ferromolybdenum showed signs of stabilization and recovery thanks to the support from mine cost, and rose rapidly based on the increase in the purchase volume of molybdenum as a result of the increased production volume of stainless steel from steel enterprises.

In the first half of 2019, the average price of 45%-50% of molybdenum concentrate was RMB1,742/metric tonne unit, representing a year-on-year increase of 7.6%. The lowest price was RMB1,470/metric tonne unit, and the highest price was RMB1,840/metric tonne unit. The average price of ferromolybdenum was RMB117.7 thousand/tonne in the first half of the year, representing a year-on-year increase of 5.85%. The lowest price was RMB97 thousand/tonne, and the highest price was RMB125 thousand/tonne.

The average MW price of molybdenum oxide in 2019 was USD11.98/pound of molybdenum, representing a year-on-year increase of 0.25%. The lowest price was USD10.5/pound of molybdenum, and the highest price was USD13.0/pound of molybdenum.

(4) Tungsten market

Major tungsten products of the Company are tungsten concentrate and ammonium paratungstate (APT), which are sold mainly in the domestic market in China. Affected by the continuing weakness of terminal needs, judgement of Kunming Pan-Asia Nonferrous Metals Exchange Co., Ltd. (昆明泛亞有色金屬交易所股份有限公司) case and auction of indium ingot, the domestic tungsten market showed a market landscape featured by maintaining weakness in the earlier stage and decreasing by a big margin in the later stage, in the first half of 2019.

During the Reporting Period, the tungsten market maintained weakness with end needs remaining weak. APT enterprises had a lower terminal needs due to insufficient downstream order and a larger amount of inventory. Coupled with the impact of increase in tariff imposed by USA on export, downstream enterprises with large scale reduced their purchases in succession, which decreased the export order of the tungsten industry. The market began to show continuing decline and such decrease kept expanding due to insufficient domestic order, inventory backlog of downstream enterprises and decreased purchase.

In the first half of 2019, the average domestic price of 65% black tungsten concentrates was RMB94 thousand/tonne, representing a year-on-year decrease of 14.90%. The lowest price was RMB75 thousand/tonne, and the highest price was RMB98 thousand/tonne. The average price of APT was RMB146.3 thousand/tonne, representing a year-on-year decrease of 16.02%. The lowest price was RMB113 thousand/tonne, and the highest price was RMB153 thousand/tonne.

(5) Niobium market

The steel industry is the largest consumer of niobium, with ferroniobium accounting for 90% of the total niobium consumption. During the first half of 2019, demand remained steady with exports up 12% (from Brazil) compared to the same period last year, with the majority of exports bound for China and Europe. The most significant increase in ferroniobium trade volumes continues to be recorded in China, with initial imports up more than 50% year to date. Moreover, steel manufacturing remained strong during the first half of the year as world steel production increased nearly 5%, led by China which grew at 10% followed by the US, which increased steel production nearly 7%. However, demand toward the latter part of the second quarter appeared to be slowing, due in part to the fallout from the continuing trade dispute between US and China, which is upending traditional steel trade flows, weighing on manufacturing demand and subsequent steel production and ferroniobium demand. While prices remained fairly steady through much of the semester, some indications of softer prices began to materialize at the end of the second quarter.

(6) Phosphates market in Brazil

Brazil is one of the world's main producers and exporters of agricultural products, including soybeans, corn, sugarcane, coffee, orange, beef and chicken. With high demand for fertilizers, Brazil is the fourth largest fertilizer consumer in the world, with annual demand that significantly exceeds its domestic production. Mono-ammonium phosphate ("**MAP**") and single superphosphate ("**SSP**") are the main high and low-concentrated phosphate fertilizer products in the Brazilian market, respectively.

The benchmark price for the Brazilian market is the MAP CFR Brazil, which dropped 6.6% in the first half of 2019 compared to the first half of 2018 (USD397/tonne vs. USD425/tonne) as the international demand for fertilizers has been soft in the first half of 2019, mainly due to heavy rains impacting plantation of corn and soybeans in United States, lower application rates in China and delays in the Monsoon Crop season in India.

On the other hand, Brazil has a good perspective for fertilizer demand in 2019, as official reports estimate 239 million tons of grain production in the 2018/19 season. International prices for soybeans and corn combined with the devaluated Brazilian Real result in a good scenario for farmers to invest in fertilizers in the summer crop during the second half of 2019.

(II) Market Outlook of Major Products

(1) *Copper market*

The copper market is expected to perform better than expectation in the second half of 2019, supporting prices to go higher in the remainder of this year. We are confident that copper market is tilting towards a deficit and the only question remaining is whether it will be precipitated by the disrupted trade flows of copper scrap caused by China's import restrictions on lower grades of these materials. In addition, the demand for low-medium voltage cables from domestic completed properties and the upgrading project of rural power grid required by State Grid are expected to lend some support to copper demand. Commodities analyst at Wood Mackenzie estimates that total copper consumption will grow by 1.4% in 2019, with global refined consumption set to rise by 1.5% to 23.90 million tonnes. The copper consumption in the five years between 2019 and 2023 is expected to grow at 1.7% CAGR in both refined and total copper consumption driven by stronger growths and ramp-ups of new semis capacities, mainly in particular, southeast Asia. Wood Mackenzie expects a stronger performance to support an annually averaged copper price of USD6,696/tonne (USD3.04/pound) in the second half of 2019.

(2) *Cobalt market*

Based on recent analysis by CRU, the cobalt market is expected to remain sufficient supplied through the remainder of 2019 with expectations that pricing is not likely to reach such high levels achieved during 2018. Additionally, with no risks of bottlenecks in the refining sector anticipated in the next 5 years, CRU expects that cobalt prices will increasingly be dictated by a more simplistic view of total cobalt mined supply versus total cobalt demand. Moreover, the DRC currently has a burgeoning pipeline, with new output expected from a number of new projects including CNMC's Deziwa project, Shalina's Mutoshi project, Huayou's MIKAS smelter and Glencore controlled Katanga Mining, who have recently announced resumption of shipments, suggesting the construction of the ion exchange plant at Katanga is progressing. As such, it's likely the market will remain relatively over supplied for the remainder of 2019 with pricing likely remaining near the current range.

However, according to the latest semi-annual report of 2019 of Glencore, "at Mutanda, we are planning to transition the operation to temporary care and maintenance by year end, reflecting its reduced economic viability in the current market environment, primarily in response to low cobalt prices." It is expected to solve the problem of excess supply in the cobalt market in the next few years, which will benefit the market price of cobalt.

(3) *Molybdenum market*

From the perspective of supply, the domestic supply of molybdenum concentrates remains to be tightening in the second half of the year. The Company will face a lot of factors beyond our control in terms of market supply in the third quarter as Northern China enters into a season featured by high temperature and heavy rainfall in this quarter, the grade and impurity element content of molybdenum concentrates produced by mines are not stable and most of miners conducted their mid-year overhauls in this quarter. Upon entry into the fourth quarter, some of mines in the Inner Mongolia and Heilongjiang Province will gradually cut or suspend its production due to cold weather, which will significantly affect the available supply of domestic market.

From the perspective of demand, crude stainless steel output across the country amounted to 14.354 million tonnes in the first half of 2019, representing an increase of 1.126 million tonnes or 8.51% as compared with the same period of 2018. Monthly demand for ferromolybdenum from major steel enterprises in the country amounted to about 8,700 tonnes in the first half of the year, representing an increase of 4.82% as compared with 8,300 tonnes recorded in the same period of 2018. Taking into account the continuing upgrade of national industrial structure, it is estimated that demand for molybdenum products will remain to increase at 5% in the second half of the year.

In general, it is expected that the price of molybdenum products will hopefully be increased to a higher level due to tightening supply and steady increase in demand in the second half of the year.

(4) Tungsten market

From the perspective of supply, the domestic transaction price of tungsten concentrates has been close to the costs curves of the vast majority of mainstream mines due to a significant decrease in the price of tungsten products in the second quarter of the year, which forced enterprises to sell them at a low price while keeping their production volume lower. Therefore, the supply of tungsten concentrates will be on a gradually decreasing stage in the second half of the year.

From the perspective of demand, there were constant decline in the production and sales volumes of such sectors as automobile and mining machinery and equipment with terminal needs of tungsten in the first half of the year, which exerted a heavy pressure on the production and price of tungsten primary product in the country. At the same time, we noted that there was indication that market demand recovered in July with a steady rise in the PMI index of the manufacturing industry, which made a good start for a stable trend of the price of tungsten primary product in the second half of the year.

In general, it is expected that the market supply of tungsten will be tightening in the second half of the year and demand is expected to gradually recover from the stability of domestic economy. It is estimated that the tungsten market will show a solid market landscape of maintaining a basic balance in the second half of the year. The market price is expected to show a market trend featured by going up after dropping.

(5) Niobium market

Despite more constrained forecasts for steel production growth by the World Steel Association, output has remained strong year-to-date in most major regional markets, although some easing is beginning to appear. In China, which the World Steel Association had only expected to expand modestly this year, crude steel production is up by 10% year to date, followed by the US which has increased production by 6% so far this year while Europe has contracted by 2%. Despite the promising start in China and the US, market conditions appear to be easing heading into the second half of the year as the ongoing and seamlessly never-ending trade dispute is beginning to weigh on consumer and manufacturer's confidence.

(6) Phosphates market

Global phosphates demand is expected to decrease by 2.3% in 2019, according to the International Fertilizer Association (IFA) mainly due to heavy rains in United States impacting grain production and lower consumption in China, as per lower application rates. This scenario is expected to revert in the next year as United States crops return to normal levels. IFA forecasts a 3.1% growth for phosphate demand in 2020. For the long run, fertilizers in general have very robust growth drivers for demand such as population growth, food per capita consumption improvement and limitations in resources for agriculture.

INDUSTRY POLICIES

1. Within the PRC

Indicators for control over the aggregate mining volume of tungsten mines

On 1 February 2019, the Ministry of Natural Resources and the Ministry of Industry and Information Technology jointly issued the "Notice on Indicators for Controlling the Aggregate Mining Volume of Rare Earth Mines and Tungsten Mines for the Year 2019 (First Batch)" (《關於下達2019年度稀土礦鎢礦開採總量控制指標(第一批)的通知》) (hereinafter referred to as the "Notice"). In order to protect and reasonably develop the advantageous mining resources, pursuant to the relevant requirements regarding mining activities of certain protective minerals, the aggregate mining volume of rare earth mines and tungsten mines continued to be under control in 2019. Pursuant to the Notice, the indicator for controlling the aggregate mining volume of the first batch of tungsten concentrates (containing 65% tungsten trioxide) was 49,835 tonnes.

Value-added tax

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

- (1) Where the VAT ordinary taxpayer (hereinafter referred to as taxpayer) engages in a taxable sales activity for the VAT purpose or imports goods, the previous applicable tax rates of 16% and 10% are adjusted to 13% and 9% respectively.
- (2) Where a taxpayer purchases agricultural products, the previous applicable deduction rate of 10% is adjusted to 9%. With respect to those agricultural products purchased by a taxpayer for the production or consigned processing subject to the VAT rate of 13%, the input VAT shall be calculated as per the deduction rate of 10%.
- (3) For the exported goods and labour services to which a tax rate of 16% was originally applicable and the export rebate rate was 16%, the export rebate rate is adjusted to 13%. For the export goods and cross-border taxable activities to which a tax rate of 10% was originally applicable and the export rebate rate was 10%, the export rebate rate is adjusted to 9%.

Others

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

2. Overseas

Copper and cobalt business of Democratic Republic of the Congo

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

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

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

Super profit tax: when there is a particularly high growth in commodity prices, and exceeds 25% of the value in the feasibility report, super profit tax will be levied on excess profit. The tax rate on excess profit is 50%.

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

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

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

The tax policies adjusted by DRC according to the New Mining Code and Mining Regulations will increase the tax cost of the Company and have negative impact on the future profit of the Company. Since the New Mining Code and Mining Regulations were evidently in conflict with the existing valid Amended and Restated Mining Convention signed between the former Tenke Fungurume Mining S.A. (“**TFM**”) and the DRC government (hereinafter referred to as the “**Mining Convention**”) and Agreement of Government of the People's Republic of China and the Government of the Democratic Republic of the Congo on Promotion and Protection of Investment (hereinafter referred to as the “**PRC-DRC Agreement**”), the Company will pay close attention to updates on circumstances for mining industry development in the DRC, seek solutions to protect rights of the Company to the greatest extent under the Mining Convention and the PRC-DRC Agreement through positive communication with the host government and meanwhile try to build a mutually beneficial and win-win harmonious relationship with host government.

Niobium and phosphates in Brazil

In Brazil, the operations (mines and plants) are regulated by the National Mining Agency (“**Agência Nacional de Mineração**” – “**ANM**”) together with labor, environmental and other agencies. All regulations are under the responsibility of the municipal, state and federal governments and the public prosecutor’s office. From the legal perspective, in the labor aspect, the new legislation is flexible and reduces the amount of the cases in the Court. The quantity of lawsuits has also decreased exponentially. On the other hand, after the dam accidents in Mariana/MG and Brumandinho/MG, the government and the agencies have given much more attention to the legislation of the segment. As a result, the House and Senate are with several Bills of law to tighten mining legislation. For example, Normative Resolution nº 4, became more severe the inspection and authorization in the dam process. In addition, the Prosecutor has been active with mining sector and the lawsuits (Public Civil Action) against the segment have increased the pressure exponentially. In addition to the new norms and regulations, with very short deadlines in the Company, all relevant controls are in place and the operations are fully compliant with the relevant limits and regulations.

Copper & gold related products in Australia

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

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

BUSINESS REVIEW

1. Copper and cobalt sector

During the reporting period, TFM Copper/Cobalt Mine achieved a production volume of 88,493 tonnes of copper metal, a production volume of 8,614 tonnes of cobalt metal.

2. Molybdenum and tungsten sector

During the reporting period, the Company realized a production volume of molybdenum metal of 7,302 tonnes, a production volume of tungsten metal of 5,166 tonnes (excluding Luoyang Yulu Mining).

3. Niobium and phosphate sector

During the reporting period, Brazil achieved a production volume of phosphate fertilizer (high concentration fertilizer and low concentration fertilizer) of 526,643 tonnes and niobium metal of 4,245 tonnes.

4. Copper and gold sector

During the reporting period, where calculated based on 80% of equity interests, NPM achieved a production volume of copper metal of 13,970 tonnes, a production volume of 9,834 ounces for gold.

OPERATION REVIEW

1. Reinforcing the speaking right and controlling force of advantageous assets to expand the layout of the industrial chain

During the reporting period, the Company proactively promoted the acquisition of 24% minority equity interests in TFM in the DRC and 100% equity interests of IXM. The acquisition of IXM was completed on 24 July 2019.

IXM has been engaged in the procurement, mix, export, transportation and trade of copper, zinc, lead concentrate, blister copper and refined basic metals. The products are mainly sold to Asia and Europe. The acquisition of IXM will help the Company improve its international competitiveness, and its position and influence in the global resources market. IXM's advanced metal procurement, mix, transportation and trade service system will help the Company expand its business scope, develop new growth engines and follow the supply-demand adjustments in the industry, therefore extending the industry chain and creating synergies for existing businesses.

2. Accelerating the adjustment and optimization of control structure to create benefits with management and reduce cost by technology

Guided by the 16-character corporate culture of "meritocracy, cost control, continuous improvement and achievement sharing", the Company continued to improve the capabilities and control of its global business, promoting a sound development through management integrations and reducing costs and improving efficiency with optimized management and improved technology.

During the reporting period, the Company completed the adjustment to TFM control structure and model and made great efforts to boost the TFM management concept and efficiency enhancement, so as to speed up the implementation progress of a series of debottlenecking projects and cost reduction and efficiency enhancement projects. The Company also accelerated the upgrading of production technologies in relation to the niobium business in Brazil and selectively dispatched excellent managers and technical teams in China to the production site in Brazil to strengthen the technology improvement.

3. Continuously strengthening the industrial competitiveness oriented by technological innovation

During the reporting period, the Company deeply explored its organic growth potential oriented by technological innovation and based on the quality mining assets reserve of the Company. The Company also implemented a series of technology and process research and reformation projects to achieve the long-term improvement of operation efficiency and continuing cost optimization. For instance, smart unmanned dispatching system was set up and put into operation in China; 5G technology was firstly applied in the unmanned mining area; TFM optimized the structure of ore mined to reduce mining losses and dilution, and adopted multiple technological transformation and pilot measures to improve the comprehensive recovery rate. The business in Brazil took advantage of technical means to improve the recovery rate of niobium and promoted the feasibility study of polymetallic recovery; NPM in Australia implemented E26L1N mine development and processing plant expansion plans to increase its throughput and reduce the production cost.

4. Firmly promoting strong awareness of safety and environmental management to achieve “zero” accident target concerning safety and environmental protection

During the reporting period, the Company continued to remain vigilant against safety and environmental protection and strived for constant enhancement and improvement in the field of sustainable development while coordinating operations of production. The Company keeps on reinforcing technological innovations, optimizations and re-establishment of work flows for the purpose of cost reduction. In terms of safety, the Company reamended six major dangerous operation systems and streamlined measures to manage and control major dangerous sources. In terms of environmental protection, the Company strengthened the management of emergencies and standardized online management process to promote the professional treatment of environmental protection.

5. Strengthening the party building work in non-state-owned enterprises and maintaining the political leadership of the party to serve the production and operation of the Company

The Company adhered to the leadership of the party in the party building work in non-state-owned enterprises, established and perfected the institution of the party and maintained the political leadership and dominant position of the party to support and serve the production and operation of the Company, gave full play to the functions of supervision and guarantee and escort its corporation operation.

During the reporting period, the Company firstly commenced a company-wide educational activities with the theme of “bearing in mind the initial objective at the very beginning, being mindful of the mission, explicitly enacting and complying with disciplines and strengthening the foundation and fostering the morality” for improving the cohesion of employees and manifestation of CMOC style. The Company strictly executed participation and supervision system of major sensitive issues and adopted special ways of joint inspection to reduce economic loss.

FINANCIAL HIGHLIGHTS

Consolidated Balance Sheet

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance (reinstated)	Change (%)
Current assets:			
Cash and bank balances	24,208,211,649.67	26,647,644,058.81	-9.15
Held-for-trading financial assets	285,751,634.22	774,326,692.25	-63.10
Derivative financial assets	3,859,950.39	0.00	100.00
Accounts receivable	834,744,729.78	860,999,687.88	-3.05
Financing receivables	1,621,717,424.86	1,623,841,101.38	-0.13
Prepayments	242,596,039.61	151,004,234.22	60.66
Other receivables	1,225,768,337.32	1,040,048,708.23	17.86
Including : Interests receivable	268,971,715.22	226,186,602.19	18.92
Dividends receivable	16,607,396.17	0.00	100.00
Inventories	6,965,562,634.44	6,615,914,805.21	5.28
Other current assets	1,440,301,621.80	1,450,605,120.41	-0.71
Total current assets	36,828,514,022.09	39,164,384,408.39	-5.96
Non-current assets:			
Long-term equity investment	2,565,780,072.68	2,522,865,277.94	1.70
Other investments in equity instruments	448,174,198.06	448,174,198.06	-
Other non-current financial assets	4,387,937,948.30	3,906,621,612.87	12.32
Non-current derivative financial assets	623,068.09	3,179,157.60	-80.40
Fixed assets	23,758,809,101.86	23,620,517,589.11	0.59
Construction in progress	2,073,802,768.11	1,893,822,308.19	9.50
Right-of-use assets	154,500,248.77	176,934,415.36	-12.68
Intangible assets	20,562,126,767.60	20,931,052,279.34	-1.76
Long-term inventory	5,388,443,818.32	5,122,434,298.15	5.19
Goodwill	683,532,320.75	674,886,645.02	1.28
Long-term prepaid expenses	123,137,422.20	129,022,870.55	-4.56
Deferred tax assets	604,794,798.32	525,597,815.59	15.07
Other non-current assets	2,155,358,901.69	2,273,558,775.22	-5.20
Total non-current assets	62,907,021,434.75	62,228,667,243.00	1.09
Total assets	99,735,535,456.84	101,393,051,651.39	-1.63

Item	Closing balance	Opening balance (reinstated)	Change (%)
Current liabilities:			
Short-term borrowings	7,804,065,371.68	4,588,152,515.23	70.09
Held-for-trading financing liabilities	3,280,708,714.08	4,250,711,352.44	-22.82
Derivative financial liabilities	0.00	75,423,332.52	-100.00
Notes payable	136,577,986.77	29,000,000.00	370.96
Accounts payable	1,167,208,468.18	1,119,073,099.06	4.30
Employee benefits payable	400,475,096.28	517,344,459.78	-22.59
Taxes payable	494,543,746.79	1,110,201,369.36	-55.45
Other payables	1,331,890,662.48	1,027,781,797.06	29.59
including : Interests payable	219,129,318.04	230,624,891.14	-4.98
Dividends payable	462,035,419.29	27,885,796.67	1,556.87
Contract liabilities	681,590,409.23	200,667,461.95	239.66
Non-current liabilities due within one year	3,121,731,692.31	2,991,278,685.55	4.36
Other current liabilities	1,133,184,704.61	129,395,442.32	775.76
Total current liabilities	19,551,976,852.41	16,039,029,515.27	21.90
Non-current liabilities:			
Long-term borrowings	17,823,622,562.51	20,196,854,832.74	-11.75
Bonds payable	4,062,410,000.00	2,000,000,000.00	103.12
Non-current derivative financial liabilities	194,755,426.39	23,312,327.42	735.43
Lease liabilities	96,529,792.21	109,224,275.11	-11.62
Long-term employee benefits payable	144,983,725.35	129,064,725.83	12.33
Provision	1,979,872,991.85	1,908,084,106.78	3.76
Deferred income	71,627,166.44	74,092,394.24	-3.33
Deferred tax liabilities	7,736,974,103.79	8,021,118,162.47	-3.54
Other non-current liabilities	71,587,389.55	3,294,336,000.00	-97.83
Total non-current liabilities	32,182,363,158.09	35,756,086,824.59	-9.99
Total liabilities	51,734,340,010.50	51,795,116,339.86	-0.12
Owners' equity (or Shareholders' equity):			
Paid-in capital (Share capital)	4,319,848,116.60	4,319,848,116.60	-
Capital reserve	27,582,794,983.23	27,582,794,983.23	-
Other comprehensive income	-807,910,554.82	-799,327,420.21	-1.07
Special reserve	3,334,116.18	3,038,386.94	9.74
Surplus reserve	1,160,396,190.21	1,160,396,190.21	-
Retained profits	7,114,197,659.31	8,682,123,314.63	-18.06
Total equity attributable to owners of the parent company	39,372,660,510.71	40,948,873,571.40	-3.85
Minority interests	8,628,534,935.63	8,649,061,740.13	-0.24
Total owners' equity (or Shareholders' equity)	48,001,195,446.34	49,597,935,311.53	-3.22
Total liabilities and owners' equity (or Shareholders' equity)	99,735,535,456.84	101,393,051,651.39	-1.63

Consolidated Income Statement

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change (%)
I. Total operating income	9,978,669,307.74	14,059,795,748.04	-29.03
Including: Operating income	9,978,669,307.74	14,059,795,748.04	-29.03
II. Total operating costs	9,416,775,542.06	9,419,271,088.70	-0.03
Including: Operating costs	7,777,155,389.82	7,986,288,539.72	-2.62
Taxes and levies	486,300,320.87	417,265,173.94	16.54
Selling expenses	41,074,405.70	50,396,565.61	-18.50
Administrative expenses	481,775,535.92	457,865,036.57	5.22
Research and development expenses	122,672,256.28	72,065,988.91	70.22
Financial expenses	507,797,633.47	435,389,783.95	16.63
Including: Interest expense	783,595,939.00	696,197,867.42	12.55
Interest income	531,075,204.76	483,197,046.24	9.91
Add: Other income	10,134,067.23	4,369,227.80	131.95
Investment income (losses are indicated by "-")	158,967,147.64	118,218,033.24	34.47
Including: Income from investments in associates and joint ventures	164,709,318.09	51,073,855.99	222.49
Gains from changes in fair value (losses are indicated by "-")	136,952,562.01	-79,297,028.36	272.71
Credit impairment losses (losses are indicated by "-")	-17,437,262.62	2,835,964.00	-714.84
Asset impairment losses (losses are indicated by "-")	-11,899,427.69	-10,781,135.64	-10.37
Income from the disposal of assets (losses are indicated by "-")	-10,676,048.84	-5,063,656.25	-110.82
III. Operating profit (losses are indicated by "-")	827,934,803.41	4,670,806,064.13	-82.27
Add: Non-operating incomes	2,528,402.75	427,331.97	492.04
Less: Non-operating expenses	6,551,402.31	46,859,664.03	-86.02
IV. Total profit (total losses are indicated by "-")	823,911,803.85	4,624,373,732.07	-82.18
Less: Income tax expenses	50,421,199.23	1,023,448,176.33	-95.07
V. Net profit (net losses are indicated by "-")	773,490,604.62	3,600,925,555.74	-78.52
(1) Classified by business continuity			
1. Net profit from continuing operations			
(losses are indicated by "-")	773,490,604.62	3,600,925,555.74	-78.52
(2) Classified by ownership			
1. Net profit attributable to owners of the company (losses are indicated by "-")	807,990,808.81	3,122,510,222.14	-74.12
2. Non-controlling interest (losses are indicated by "-")	-34,500,204.19	478,415,333.60	-107.21
VI. Other comprehensive income, net of tax	5,214,056.23	15,138,183.13	-65.56
Other comprehensive income attributable to owners of the parent company, net of tax	-8,583,134.61	-80,561,836.25	89.35
(I) Other comprehensive income that will be reclassified subsequently into the profit or loss	-8,583,134.61	-80,561,836.25	89.35
1. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedge)	-173,146,944.37	40,974,344.16	-522.58
2. Foreign exchange differences from translation of statements	164,563,809.76	-121,536,180.41	238.80
Other comprehensive income, net of tax attributable to minority shareholders	13,797,190.84	95,700,019.38	-85.58
VII. Total comprehensive income	778,704,660.85	3,616,063,738.87	-78.47
Attributable to owners of the parent Company	799,407,674.20	3,041,948,385.89	-73.72
Attributable to Minority interests	-20,703,013.35	574,115,352.98	-103.61
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan/per Share)	0.037	0.145	-74.48
(II) Diluted earnings per share (Yuan/per Share)	N/A	N/A	N/A

Consolidated Statement of Cash Flow

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change (%)
I. Cash flow from operating activities:			
Cash receipts from sales of goods and rendering of services	11,703,527,306.59	15,218,580,423.66	-23.10
Other cash receipts relating to operating activities	708,907,690.84	768,662,655.77	-7.77
Subtotal of cash inflows from operating activities	12,412,434,997.43	15,987,243,079.43	-22.36
Cash payments for goods purchased and services received	6,024,336,579.39	6,437,613,040.84	-6.42
Cash payments to and on behalf of employees	1,191,997,453.22	1,154,939,386.27	3.21
Payments of various types of taxes	2,781,190,067.67	2,686,958,787.13	3.51
Other cash payments relating to operating activities	185,097,342.59	296,023,038.63	-37.47
Subtotal of cash outflows from operating activities	10,182,621,442.87	10,575,534,252.87	-3.72
Net cash flows from operating activities	2,229,813,554.56	5,411,708,826.56	-58.80
II. Cash flow from investing activities:			
Cash receipts from disposal or withdrawal of Investments	134,520,006.44	993,226,100.00	-86.46
Cash receipts from investment income	94,959,714.86	82,829,920.34	14.64
Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets	0.00	451,552.44	-100.00
Other cash receipts relating to investing activities	49,606,955.40	63,133,760.35	-21.43
Subtotal of cash inflows from investing activities	279,086,676.70	1,139,641,333.13	-75.51
Cash payments to acquire or construction of fixed assets, intangible assets, and other long-term assets	1,077,057,909.12	908,666,295.64	18.53
Cash payments for investments	894,760,803.43	2,882,884,108.85	-68.96
Net cash payments for acquisition of subsidiaries and other business units	3,345,174,091.53	261,925,560.00	1,177.14
Other cash payments relating to investment activities	109,671,977.50	1,021,788,600.49	-89.27
Subtotal of cash outflows from investment activities	5,426,664,781.58	5,075,264,564.98	6.92
Net cash flows from investment activities	-5,147,578,104.88	-3,935,623,231.85	-30.79

Item	The period	Same period last year	Change (%)
III. Cash flows from financing activities:			
Cash receipts from borrowings	10,162,713,690.48	1,718,777,988.73	491.28
Other cash receipts relating to financing activities	1,747,460,913.94	2,321,075,860.91	-24.71
Subtotal of cash inflows from financing activities	11,910,174,604.42	4,039,853,849.64	194.82
Cash repayments of borrowings	6,862,098,377.83	1,962,263,993.76	249.70
Cash payments for distribution of dividends, profits or payment of interest expenses	2,724,392,026.34	2,006,446,578.39	35.78
Other cash payments relating to financing activities	2,350,781,206.82	1,821,851,932.03	29.03
Subtotal of cash outflows from financing activities	11,937,271,610.99	5,790,562,504.18	106.15
Net cash flows from financing activities	-27,097,006.57	-1,750,708,654.54	98.45
IV. Effect of foreign exchange rate changes on cash and cash equivalents	94,289,764.23	35,715,741.87	164.00
V. Net increase in cash and cash equivalents	-2,850,571,792.66	-238,907,317.96	-1,093.17
Add: Opening balance of cash and cash equivalents	23,240,703,274.03	19,781,418,278.86	17.49
VI. Closing balance of cash and cash equivalents	20,390,131,481.37	19,542,510,960.90	4.34

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 June 2019, the net profit of the Group decreased by RMB2,828 million or 78.53% from RMB3,601 million for the six months ended 30 June 2018 to RMB773 million. For the six months ended 30 June 2019, net profit of the Group attributable to owners of the parent company was RMB808 million, representing a decrease of RMB2,315 million or 74.13% from RMB3,123 million for the six months ended 30 June 2018.

Operating Results

For the six months ended 30 June 2019, the operating revenue of the Group decreased by RMB4,081 million or 29.03% from RMB14,060 million for the six months ended 30 June 2018 to RMB9,979 million. For the six months ended 30 June 2019, the gross profit of the Group was RMB2,202 million, representing a decrease of RMB3,872 million or 64% from RMB6,074 million for the same period last year.

The principal businesses, operating revenue, operating cost, gross profit and gross profit margin in the first half of 2019 and the same period last year are set out as below:

Principal businesses by product and by region:

Unit: Yuan Currency: RMB

By Product	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease of operating revenue as compared with the same period last year (%)	Increase/decrease of operating cost as compared with the same period last year (%)	Increase/decrease of gross profit margin as compared with the same period last year (%)
Molybdenum and tungsten related products	2,070,593,651.67	933,980,754.63	54.89	-8.41	1.43	-4.38
Copper and gold-related products	651,959,664.75	522,518,407.09	19.85	-22.54	-1.70	-17.00
Niobium and phosphate related products	2,354,592,506.29	1,819,867,378.56	22.71	2.20	-0.85	2.38
Copper and cobalt-related products	4,474,719,143.63	4,119,460,613.72	7.94	-47.15	-8.57	-38.84
Others	333,720,153.24	306,718,279.57	8.09	228.88	162.71	23.15
Total	9,885,585,119.58	7,702,545,433.57	22.08	-29.26	-2.62	-21.31

By Region	Operating revenue	Operating cost	Gross profit margin (%)	Increase/decrease of operating revenue as compared with the same period last year (%)	Increase/decrease of operating cost as compared with the same period last year (%)	Increase/decrease of gross profit margin as compared with the same period last year (%)
China	2,404,313,804.91	1,240,699,034.20	48.40	1.79	19.58	-7.67
Australia	651,959,664.75	522,518,407.09	19.85	-22.54	-1.70	-17.00
Brazil	2,354,592,506.29	1,819,867,378.56	22.71	2.20	-0.85	2.38
DRC	4,474,719,143.63	4,119,460,613.72	7.94	-47.15	-8.57	-38.84
Total	9,885,585,119.58	7,702,545,433.57	22.08	-29.26	-2.62	-21.31

ANALYSIS OF PRODUCTION AND SALES VOLUME OF PRINCIPAL PRODUCTS

Principal products	Production volume (Tonnes)	Sales volume (Tonnes)	gross profit margin (%)	Increase or decrease of production volume as compared to last year (%)	Increase or decrease of sales volume as compared to last year (%)	Increase or decrease of operating cost as compared to last year (%)	Increase or decrease of gross profit margin as compared to last year (%)
Molybdenum metal	7,302	7,913	54.89	-8	-15	1.43	-4.38
Tungsten metal	5,166	5,031		-9	3		
Niobium metal	4,245	3,408	22.71	-6	-19	-0.85	2.38
Phosphate fertilizer(HA+LA)	526,643	558,256		-3	14		
Copper metal(TFM)	88,493	94,212	7.94	5	4	-8.57	-38.84
Cobalt metal	8,614	6,807		-5	-31		
Copper metal of NPM (Based on 80% of equity interests)	13,970	14,498	19.85	-16	-11	-1.70	-17.00
Gold (ounces)	9,834	10,509		-29	-22		

Investment Income

For the six months ended 30 June 2019, the investment income of the Group amounted to RMB159 million, representing an increase of RMB41 million or 34.47% from RMB118 million for the same period in 2018, which was mainly due to the year-on-year increase in the income from the investment in joint ventures in the current period and the acquisition of shares in joint venture, for which investment income was recognized by re-measuring the fair value of the original shareholding.

Gains from Changes in Fair Values

For the six months ended 30 June 2019, gains from changes in fair values of the Group amounted to RMB137 million, representing an increase of RMB216 million or 272.71% from RMB-79 million for the same period in 2018, which was due to the increase of the fair value of other non-current financial assets for the current period.

Impairment Losses on Credit (losses are indicated by "-")

For the six months ended 30 June 2019, the impairment losses on credit of the Group amounted to RMB-17 million, representing a decrease of RMB20 million or 714.86% from RMB3 million for the same period in 2018, which was mainly due to the increase in expected credit risk loss for accounts receivable for the current period as compared to the same period last year.

Income Tax Expenses

For the six months ended 30 June 2019, the income tax expenses of the Group amounted to RMB50 million, representing a decrease of RMB973 million or 95.07% from RMB1,023 million for the same period of 2018. Such decrease was mainly due to the decrease in income tax expenses of copper and cobalt business for the current period as compared to the same period last year.

Net Profit Attributable to Owners of the Parent Company

Net profit of the Group attributable to owners of the parent company decreased by RMB2,315 million or 74.13% from RMB3,123 million for the six months ended 30 June 2018 to RMB808 million for the six months ended 30 June 2019. Such decrease was mainly due to the decrease in net profit for the six months ended 30 June 2019. The decrease in net profit was primarily attributable to:

- (1) the decrease in the market price of major metal products of the Company, namely copper and cobalt, as compared with the high price in the corresponding period of last year;
- (2) as the final settlement price of cobalt is determined based on the market price after a certain period of the selling, the reduction of the estimated selling price of the previous year based on the actual market price as a result of the significant decline of the price of cobalt in the first quarter of the year.

Financial Position

For the six months ended 30 June 2019, the total assets of the Group amounted to RMB99,736 million, comprising non-current assets of RMB62,907 million and current assets of RMB36,829 million.

Held-for-Trading Financial Assets

Held-for-trading financial assets of the Group decreased by RMB488 million or 63.05% from RMB774 million for the year ended 31 December 2018 to RMB286 million for the six months ended 30 June 2019. Such decrease in held-for-trading financial assets was due to the decrease in the market price of copper and cobalt products and a year-on-year decrease in the trade receivables measured at fair value during the period.

Current Liabilities

For the six months ended 30 June 2019, current liabilities of the Group amounted to RMB19,552 million, representing an increase of RMB3,513 million or 21.90% from RMB16,039 million (restated) for the year ended 31 December 2018, which was mainly attributable to the changes of the following items:

Items	Balance as at the end of the Current period (RMB)	Balance as at the end of the corresponding period of last year (Restated) (RMB)	Change in balance as at the end of the Current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Short-term borrowings	7,804,065,371.68	4,588,152,515.23	70.09	Adjustment of debt structure
Taxes payable	494,543,746.79	1,110,201,369.36	-55.45	Decrease in the total taxes payable during the Reporting Period as a result of the decrease in profit
Contract liabilities	681,590,409.23	200,667,461.95	239.66	Increase in the receipts in advance for contract goods of copper and cobalt business for the current period
Other current liabilities	1,133,184,704.61	129,395,442.32	775.75	Issuance of ultra-short financing bonds

Non-current Liabilities

For the six months ended 30 June 2019, non-current liabilities of the Group amounted to RMB32,182 million, representing a decrease of RMB3,574 million or 10.00% from RMB35,756 million (restated) for the year ended 31 December 2018, which was mainly attributable to the changes of the following items:

Items	Balance as at the end of the Current period (RMB)	Balance as at the end of the corresponding period of last year (RMB)	Change in balance as at the end of the Current period as compared with balance as at the end of the corresponding period of last year (%)	Explanation
Long-term borrowings	17,823,622,562.51	20,196,854,832.74	-11.75	Adjustment of debt structure
Bonds payable	4,062,410,000.00	2,000,000,000.00	103.12	Issuance of USD300 million bonds in Hong Kong
Other non-current liabilities	71,587,389.55	3,294,336,000.00	-97.83	Acquisition of 24% equity interest of Congo (DRC), to pay part of the acquisition price to the original shareholders according to the agreement

Gearing Ratio

The gearing ratio (total liabilities divided by total assets) of the Group increased to 51.87% for the six months ended 30 June 2019 from 51.08% (restated) for the year ended 31 December 2018.

Details of the Company's Overseas Assets

1. In 2016, the Company has acquired and completed the transfer of 56% equity in the TFM Copper and Cobalt Mine of the Democratic Republic of Congo (DRC) from Freeport-McMoran Inc. ("**Freeport**"). With an exclusive agreement entered into in 2017, the Company exercised an exclusive option to buy the 24% interest in TFM indirectly owned by BHR and owned 80% of the total variable revenue of TFM. The Company maintained its control over the copper and cobalt business in the DRC through CMOC DRC Limited, a wholly-owned subsidiary located in Hong Kong indirectly controlled by the Company. As at 30 June 2019, the total assets of copper and cobalt segment amounted to RMB42,656 million, accounting for 42.77% in total assets of the Company as of the end of the reporting period. During the reporting period, the above-mentioned business achieved net profit attributable to shareholders of the parent company amounted to RMB79 million, accounting for 9.77% of the net profit attributable to shareholders of the parent company during the reporting period.
2. In 2016, the Company has completed the 100% acquisition of Anglo American plc's niobium and phosphates business in Brazil. The Company maintained its control over the niobium and phosphates business in Brazil through Luxembourg SPV, a wholly-owned subsidiary located in Luxembourg indirectly controlled by the Company. As at 30 June 2019, the total assets of Luxembourg SPV amounted to RMB14,558 million, accounting for 14.60% of the total assets of the Company as of the end of the reporting period. During the reporting period, the achieved net profit attributable to shareholders of the parent company of the above-mentioned business amounted to RMB135 million, accounting for 16.68% of the net profit attributable to shareholders of the parent company during the reporting period.

Cash Flow

For the six months ended 30 June 2019, the Group had cash and cash equivalents of RMB20,390 million, representing a decrease of RMB2,851 million or 12.27% from RMB23,241 million for the year ended 31 December 2018.

For the six months ended 30 June 2019, the Group had net cash inflow of RMB2,230 million from operating activities; net cash outflow of RMB5,148 million from investing activities; and net cash outflow of RMB27 million from financing activities.

Material Acquisition and Disposal of Subsidiaries, Affiliates and Associates

For the six months ended 30 June 2019, material acquisition and disposal of subsidiaries, affiliates and associates of the Group is detailed in the Note VI to the notes of the financial statements.

Scope of Restricted Assets

As of 30 June 2019, the bank acceptance bond deposits of the Group amounted to RMB3,300 million (opening balance for the year: RMB882 million), the loan guarantee deposits amounted to RMB1,361 million (opening balance for the year: RMB1,903 million), the special security deposits for the mine environment restoration and rehabilitation amounted to RMB42 million (opening balance for the year: RMB40 million), and other deposits amounted to RMB500 thousand (opening balance for the year: RMB500 thousand).

Save for the above, the Group has no other asset collateral or pledge.

Contingent Liabilities

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

Core Competitiveness

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

Currently, the Company possesses a unique and scarce product portfolio including copper, molybdenum, tungsten, cobalt, niobium, phosphate and gold, and has industry-leading advantages for each resource variety. The resource varieties cover the basic, rare and precious metals, and enter into the market of agricultural applications with phosphorus resources. Copper represents an important metal for consumption purpose, enjoying a broad prospect of application. Cobalt, as one of the major materials for new energy batteries currently, is very scarce for strategic purpose because of its low reserve in land resources. The price of niobium has smaller periodical fluctuations than other non-ferrous metals and is therefore relatively stable, so niobium is capable of effectively reducing the risks arising from volatilities in the industry for the Company. Phosphorus is mainly applied in agricultural field. Brazil, where the Company's business is operated, is bestowed with the vastest potential cultivable land in the world and represents the fourth largest consumer of fertilizer worldwide, but Brazil is short in resources of phosphates ores. So the Company has its own geographical advantages and its phosphates business develops steadily.

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

(2) *The Company has a vast reserve of distinctive resources which are of good quality*

The Company is the second largest cobalt producer and the leading copper producer in the world. The TFM Copper and Cobalt Mine operated by the Company in the Congo (DRC) represents one of the largest reserve and highest grade copper-cobalt mines in the world, with a mining area that covers about 1,600 sq km. As at 31 December 2018, the mining area contains 824.6 million of proven ore resources, with an average copper grade of 2.95%; an average cobalt grade of 0.29%. The Company operated a NPM copper and gold mine in Australia, which is the fourth largest operating copper/gold mine in Australia. As at 31 December 2018, proven ore resources reached 605.0 million tonnes, with an average copper grade of 0.55%; and an average gold grade of 0.19 (g/t). The Company is the second largest niobium producer in the world and the second phosphate fertilizer producer in Brazil. The Company's niobium/phosphate mining area in Brazil has rich reserves and bright prospect for exploration, with rich and high quality niobium resources and the highest grade P_2O_5 resources in Brazil. As at 31 December 2018, there were 458.7 million tonnes of proven phosphate ore resources, with an average grade of 11.22%; and 602.9 million tonnes of niobium ore resources with an average grade of 0.43%. The Company is one of the largest tungsten producer and one of the top-five molybdenum producers in the world. The Company's domestic resources in China include: the Luanchuan Sandaozhuang molybdenum/tungsten mine currently in operation, which is a native molybdenum/tungsten mine large in scale, being a part of Luanchuan molybdenum mining field, the largest native molybdenum mining field in the world, and the largest scheelite operation tungsten mine of single unit. Reserve resources include: the Luanchuan Shangfanggou molybdenum mine in close proximity to the Sandaozhuang molybdenum mine, which is owned by Luoyang Fuchuan Mining Co., Ltd., a joint venture of the Company, and the mining rights of the molybdenum mine located in East Gobi, Hami, Xinjiang, which is possessed by a subsidiary of the Company. As at 31 December 2018, domestic molybdenum ore resources owned by the Company were aggregated to an amount of 1,372.33 million tonnes, with an average grade of 0.118%; and the average grade of the by-products of Sandaozhuang Molybdenum and Tungsten Mine in Luanchuan was 0.092%, accompanied by considerable copper, rhenium and fluorspar resources. Meanwhile, Shangfanggou molybdenum mine associated with substantial amount of iron ore resources.

All projects owned by the Company have particularly favourable prospect of resource exploration.

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

Most mines owned by the Company are the mines with a portfolio of recoverable resources and the Company therefore proactively pushes forward the comprehensive recovery and utilization of resources. Within the PRC, the Sandaozhuang molybdenum/tungsten mine, a mine currently exploited and operated by the Company, recovers the by-product scheelite out of the molybdenum tailings, making the Company one of the nation's largest tungsten producers. The successful industrialized recovery of by-products copper and rhenium has created a new profit growth point for the Company. The comprehensive recovery of by-products fluorite upon small scale industrialized production is being steadily promoted. Abroad, the TFM copper and cobalt mine operated in the Congo (DRC) recovers cobalt from copper tailings, with the high-efficient hydrometallurgy recycling and utilization technology of copper and cobalt resources, with the second-largest output of cobalt in the world. Besides, partial niobium output of the niobium business (with the second-largest niobium output in the world) operated by the Company in Brazil is from the comprehensive recovery of the tailings of processed phosphorus ore, with high-efficient recovery and comprehensive utilization technology of advanced low-grade niobium resources, phosphate resource processing and utilization and high value-added product development and production technology advantages. There are still a variety of recyclable metals in mines located in Brazil which are yet to be researched and utilized by the Company. In the future, experience in production techniques and technology research and development can be shared by comprehensive recovery operation at home and abroad, so as to broaden the prospects of development. All of the mines (except for NPM) exploited and operated by the Company have adopted the effective open-pit mining. The Company strengthened the efficiency of ore mining and transport through automation procedures to achieve lower mining costs. The Company made use of by-products with value from comprehensively recycling associated and beneficial resources, strengthening the profitability of the mines operated and expanding the competitive edge in costs. Besides, the cash costs of all business sectors achieved by the Company stand at an internationally leading position in the industry, and enjoy relatively strong competitive edge in the industry.

(4) Continue to build a healthy balance sheet and value shareholder returns

Current operations of the Company are all mature projects in production with stable and strong profitability, and each business segment has strong cash generation capability. The Company adopts sound financial policies and is committed to continuing to build a healthy balance sheet. As at the end of the reporting period, gearing ratio of the Company was 51.87%, and net interest-bearing debt ratio was 12.30%, with the structure of assets and liabilities remaining healthy.

The Company actively rewarded its shareholders and the average cash dividend over the last five years accounted for approximately 54% of the distributable profit achieved for the year, showing a stable dividend distribution policy and a considerable dividend yield.

(5) The Company has advanced technical capabilities in the industry and industry-leading innovative technologies

The Company has a strong technological research and development team. The Company successfully implemented industrialization of its various scientific research results, leading industrial technology improvement and promoting the competitiveness of the Company. The Company continuously invested in technological research, successfully passed the re-examination of high-tech enterprises of China in 2017 for the second time. In January 2018, "Intelligent Production Equipment and Key Technologies of Sandaozhuang Open-pit Mine" of the Company won the First Prize for Science and Technology Advancement granted by the Non-ferrous Metals Society of China and China Nonferrous Metals Industry Association, which is ranked as one of the major annual events of China's mining technological equipment in 2017 (2017 年度中國礦業技術裝備大事). "The integrated digital mining production management system in open pit mine" and "Technology and industrialization of recycling of low graded scheelite from molybdenum flotation tailings" obtained the award nomination in the "4th China Grand Award for Industry". In April 2018, the Brazil Mine of the Company won the 2017 Mining Company Award (2017年度礦業公司獎*) from the Brazilian Mining (《巴西礦業》). In May 2018, the Company was ranked 43rd among Forbes' 100 most innovative companies in the world in 2018. In December 2018, the project "Flotation Interface Assembly Technology and Application of Strategic Mineral Resources of Tungsten, Fluorine and Phosphorus and Calcium Minerals" (《鎢氟磷含鈣戰略礦物資源浮選界面組裝技術及應用》), collaborated by the Company, and Central South University and other units, was awarded the National Science Progress Award (Second Class). In January 2019, "Key technologies for comprehensive utilization and integrated collaborative mining of low grade ore and low grade associated resources of open pit mines" (露天礦貧礦與低品位伴生資源綜合利用及一體化協同開採技術) of the Company was awarded the Second Prize of Henan Province Science and Technology Progress Award. In February 2019, "High-efficiency green extraction technology and application of alkaline extraction of complex, symbiotic and associated tungsten resources" (複雜共伴生鎢資源酸性萃取高效綠色提取技術及應用) of the Company was awarded the First Prize of Hunan Province Science and Technology Progress Award.

(6) The Company has an excellent and stable shareholder structure as well as a forward-looking industrial research team

The Company, as a pioneer and role model for the state-owned enterprises reform in China, had completed the mixed ownership reform of state-owned enterprises in 2014. Currently, a stable shareholder structure has been formed, which includes private holding, state holding and the investment allocation from large scale investment institutions, strategic and industrial investors. Shareholders of all parties collectively foster the development of the Company and exercise shareholders' rights in accordance with the combination of industry development and Company's strategies. Proactive shareholder policies and stable equity structure are more beneficial to the Company in achieving a favorable development so as to steadily carry out the achievement of the strategic goals. The Company has a relatively complete industry chain layout and a distinguished and forward-looking industrial research team. While committed to resources development in the upper stream, the Company was deeply involved in the resource trade sector, utilized the market information advantage of China in resources consuming (as being the largest market in the world), deeply integrated into the cutting-edge of resources consuming end and precisely analyzed the development opportunity of the industry in order to foster the implementation of the international strategies of the Company based on industrial analysis.

(7) *Actively implements talent strategy and improves management standards of the Company*

The Company focuses on development strategies and globalized business management and control needs, while proactively introduces professional and international management talents, the Company also proactively implements talent training strategies and expands the recruitment and training channels for international talents based on the talent base of the China headquarters. The Company strengthens talent flow and technical exchanges in between each business segment, sets up preliminary talent teams in various professions and fields, improves business management and control capabilities as well as development levels, at the same time lay the talent foundation for the implementation of the Company's long-term development strategies.

Possible Risks

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

The revenue of the Company primarily generates from the sales of non-ferrous metals and phosphate products, including copper cathodes, copper concentrates, cobalt hydroxide, ferromolybdenum, tungsten concentrates, ferroniobium, phosphate fertilizer and other related products. Its operating results are largely subject to fluctuations in the market prices. The NPM copper and gold mine of the Company also offers sales of gold as a by-product. Accordingly, the price fluctuations in gold will also have an impact on the Company. Since the fluctuations in the costs of mining and smelting process are relatively insignificant, the Company's profit and profit margin during the reporting period are closely related to the price trend of the commodities. Therefore, significant fluctuation in the prices of resource products and gold may cause instability of the operating results of the Company. Particularly, if the prices of resource products record a sharp decrease, the operating results of the Company will fluctuate significantly.

Given the relatively significant fluctuations in the prices of copper products and the existence of products in transit, rolling settlement and other factors, the 2016 Annual General Meeting of the Company authorized the Board of Directors to take actions in a timely manner from 2017 to 2019 on the hedging of copper and gold products in line with market conditions, production plans and pursuant to the required procedures of the "Hedging Management System" of the Company, capped at the total annual production volume planned on the basis of equity interests. The Company will deepen market research and adopt appropriate hedging plans to guard against risks related to price fluctuations.

2. *Exposure to Risks Related to Reliance on Mineral Resources*

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

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

3. *Exposure to Risks Related to Production Safety or Natural Disasters*

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

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

4. *Exposure to Risks Related to Interest Rates*

The interest rate risk comes from changes in interest rates of long-term foreign currency financing.

The Company has adopted interest rate swaps to hedge against interest rate on certain USD-denominated loans, with the view to coping with the fluctuation risk of the interest rate.

5. *Exposure to Risks Related to Exchange Rate*

The exchange rate risk exposure of the Company is primarily arising from assets and liabilities held in foreign currencies other than the function currency, and is mainly associated with USD, HK\$, EUR, CAD, RMB, BRL, GBP, CDF and AUD. All principal business operations of domestic subsidiaries are denominated and settled in RMB; the principal business operations of subsidiaries in Australia are mainly denominated and settled in AUD or USD; the niobium and phosphates businesses in Brazil are mainly denominated and settled in USD and BRL; and the copper and cobalt business in the DRC is mainly denominated and settled in USD and CDF. The Company managed its exchange rate risk at the principle of matching the currencies of assets/revenue and liabilities, so the exchange risk arising from financing is insignificant.

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

6. *Exposure to Risks Related to Policy*

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

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

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

7. *Exposure to Risks Related to Politics*

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

8. *Exposure to Risks Related to Operations of Overseas Assets*

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

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

ANALYSIS ON MAJOR SUBSIDIARIES

Basic information of major subsidiaries

Company name	Principal products	Registered capital	Total assets (RMB)	Net assets (RMB)	Operating revenue (RMB)	Net profit attributable to the parent company (RMB)
CMOC Mining Pty Limited	Copper and gold related products	USD346,000,000	5,690,184,283.94	2,870,842,352.81	657,175,437.18	49,527,848.24
CMOC International DRC Holdings Limited	Copper and cobalt related products	USD10,000	42,655,880,709.80	32,564,643,948.08	4,474,719,143.63	78,980,084.32
Luxembourg SPV	Niobium and phosphates related products	USD20,000	14,557,847,214.50	4,386,315,381.35	2,389,554,353.42	134,748,450.30

MATERIAL EVENTS

(1) Acquisition of 24% minority equity interests in TFM in the DRC

Pursuant to the share transfer agreement entered into between CMOC BHR Limited, a wholly-owned subsidiary of the Company and BHR and BHR's shareholders on 19 June 2019, the Company intended to purchase from the transferor 100% shares held by it in BHR through CMOC BHR Limited, so as to gain 24% interest indirectly held by BHR through BHR DRC in TFM. The consideration of the transaction was USD470,000,000. At the same time, BHR had bank loans with a principal amount of USD690,000,000, which was previously applied in the acquisition of 24% interests in TFM, as well as assets including bank deposit.

The project is subject to be completed.

(2) Acquisition of 100% equity interests of IXM

Pursuant to the Prospectus of Major Asset Restructuring, the Company and New Silk Road Commodities Limited (hereinafter referred to as "NSR"), a wholly-owned subsidiary of Natural Resources Investment Fund, entered into a share purchase agreement through CMOC Limited, a wholly-owned subsidiary in Hong Kong. Pursuant to such agreement, the Company purchased from NSR the 100% equity interests held by it in New Silk Road Commodities SA (hereinafter referred to as "NSRC"), which in turn indirectly holds the 100% equity interests of IXM B.V. through NSRC, with a consideration of USD495,000,000 plus the net profit of the target group in a certain period.

As at the date of this report, the above transaction has been completed after receiving relevant internal and external approvals and filing. IXM will be included in the consolidation scope of the Company after the date of completion.

The acquisition of IXM will help the Company improve its international competitiveness, and its position and influence in the global resources market. IXM's advanced metal procurement, mix, transportation and trade service system will help the Company expand its business scope, develop new growth engines and follow the supply-demand adjustments in the industry, therefore extending the industry chain and creating synergies for existing businesses.

For details of the investment projects above, please refer to the relevant announcements published by the Company.

(3) USD-denominated bonds

On 1 February 2019, the Group issued the guaranteed bonds with par value of USD300,000,000.00 on the Stock Exchange of Hong Kong Limited with basic information set out in the following table:

Unit: Yuan Currency: USD

Name of bonds	Abbreviation	Code	Issue date	Mature date	Balance of bonds	Interest rate	Payment method for principal and interest	Trading venues
USD – denominated bonds	CMOC CAP B2202	5722	2019/2/1	2022/2/1	300,000,000.00	5.48%	Full interest payment for half year	The Stock Exchange of Hong Kong Limited

The Group made the first interest payment on 1 August 2019. For other information, please refer to Note V.34 to the notes of the financial statements.

EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

(1) Exploration

TFM Copper and Cobalt Mine in the DRC

The main exploration activity was around Dipeta Syncline and Fungurume 88 deposits to develop the sulfide resource for underground mining. Some limited greenfield exploration was also conducted in the Kamakonde an Pumpi areas. Total drilling for the first half of 2019 was 28,627m of core drilling (Including 11,257m in the Dipeta Syncline area, 4289m in the Fungurume 88 high grade Cobalt deposit and 2,740m in the Mofya limestone to support the Quicklime plant reserves addition). The Kwatebala shaft sinking continued to -155m level. The objective is to collect 250 tonnes of sulfide ore before the end of the first quarter of 2020.

Brazil Niobium and Phosphates Mine

Regarding brownfield activities in the first half of 2019 was performed exploration drilling in the Boa Vista, Chapadão Mines and Coqueiros Project. In the Boa Vista Mine the 2019 drilling campaign started on January and finished on April with 14 diamond drill holes, totaling 3,486 meters using 2 drill rigs. The 2019 drilling campaign in the Coqueiros Project started on May and finished in early June, were performed 29 diamond drill holes totaling 2,371 meters using 2 drill rigs. The 2019 drilling campaign in the Chapadão Mine started on late June and is on going with 3 drill holes, totaling 388 meters drilled using 2 drill rigs.

Regarding greenfield activities performed reports to ANM (National Mining Agency), geophysics interpretations and visit of new opportunities/projects. In terms of Mineral Rights was delivered 4 Partial Report for ANM to ask for 3 more years of mineral research. Based on geophysical anomalies 16 new greenfield areas were acquired from ANM in the Britânia region for permission of mineral research in the next 3 years by CMOC. The geophysical interpretation from 2018 surveys in the Britania target is on going with focus on defining the best targets for drilling in the second half. In others research areas (Monjolos and Irai de Minas) were performed geological and structural mapping, and sampling to check the geological potential.

About new opportunities and projects, two new areas were visited to check potential for: graphite and gold/copper.

Mines in the PRC

No exploration activities were conducted in Sandaozhuang molybdenum/tungsten mine, Shangfanggou molybdenum/iron mine and Xinjiang molybdenum mine during the reporting period.

NPM Copper and Gold Mine in Australia

Surface drilling programs were conducted on Mine Leases ML1247, ML1367 and Exploration Leases EL5801, EL5323, EL8377 during the first half of 2019. A total of 5,288m of drilling was completed in the first half of 2019 with 3,334m of surface diamond core, 484m of reverse circulation and 1,470m of air core drilling. Early stage regional exploration was conducted at North Gunning, Lone Pine and evaluation drilling at E44, GRP and E31.

(2) Development

TFM in the DRC

Clear and grub activity, 28 hectares took place in Pumpi, Kwatebala 6, and Katuto pits. Dumping activities has begun for Katuto roadway as waste is available in the Tenke pits. Dewatering activity focused mainly in Tenke 3, Tenke 35 and Tenke 37 pits. K2 tailings pond is ongoing with earthworks.

Brazil Niobium and Phosphates Mine

In terms of grade control activities to support mining plan, in the Boa Vista Mine were performed 432 drill holes with Reverse Circulation (RC), totaling 14,098 meters drilled, using two 2 rigs. In the Chapadão Mine were performed 49 drill holes with Reverse Circulation (RC), totaling 1,864 meters drilled, using 1 drill rig.

Mines in the PRC

During the reporting period, the Company did not have any development activities in Sandaozhuang Mine, Shangfanggou Mine and Xinjiang Mine.

NPM Copper and Gold Mine in Australia

Development of E26 Lift 1 North block cave commenced in January and has ramped up with 1,527metres completed in the first quarter of 2019.

Development of the Vent Incline commenced at the end of the first quarter with 14.8m completed.

Bulk earth works on the Rosedale Stage 2 Tailings Storage Facility were 95% complete by the end of the half, ahead of schedule.

(3) Mining

First Half of 2019

Domestic mining activities

Production volume of Sandaozhuang Molybdenum and Tungsten Mine (*kilotonnes*) 10,138.3

Overseas mining activities

Production volume of NPM Copper and Gold Mine (*kilotonnes*) 3,121

Production volume of Brazil Niobium Mine (*kilotonnes*) 1,724

Production volume of Brazil Phosphates Mine (*kilotonnes*) 2,746

Production volume of TFM Copper and Cobalt Mine (*kilotonnes*) 4,479

Notes: 1. The data above was calculated on basis of the statistics prepared by the Company and had been confirmed by internal experts;

2. During the reporting period, no mining activities were conducted in Xinjiang Mine and Shangfanggou Mine.

(4) Exploration, Development And Mining Expenses

In the PRC:

The mining expenses of Sandaozhuang Mine amounted to RMB252 million;

Overseas:

Unit: USD million

Item	Exploration	Development	Mining
Brazil Niobium Mine	0.53	0.82	11.87
Brazil Phosphates Mine	0.46	0.20	5.54
Tenke Copper and Cobalt Mine	9.9	11.1	132.3
NPM Copper and Gold Mine	1.25	8.77	16.91
Total	12.14	20.89	166.62

Directors and Supervisors

As at 27 August 2019, the Board of the Company consisted of the following 8 directors ("**Directors**") of the Company, and the Supervisory Committee consisted of the following 3 supervisors ("**Supervisors**") of the Company. Pursuant to the Company's articles of association, all Directors and Supervisors have a term of three years and are subject to re-election.

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

Note: On 26 December 2018, the Company convened the first extraordinary meeting of the fifth session of the Board to consider and approve the resolution of nominating the candidates of non-executive Directors of the fifth session of the Board of the Company and agreed to nominate Mr. Guo Yimin as the candidate of non-executive Director of the fifth session of the Board. On 28 March 2019, the Company convened the 2019 first extraordinary general meeting and agreed to elect Mr. Guo Yimin as the non-executive Director of the Company.

Employees

As of 30 June 2019, the Group had approximately 11,000 full-time employees, classified by functions and departments as follows:

Departments	Employees	Proportion
Management and administration	1,548	14.07%
Quality control, research and development	1,571	14.28%
Production	6,828	62.07%
Finance, sales and others	1,053	9.57%
Total	11,000	100%

The remuneration policy for the employees of the Company principally consists of a salary point and a performance remuneration system, based on employees' positions and responsibilities and their quantified assessment results. The remuneration is assessed in connection with the performance of the Company and the individual performance, which provides a consistent, fair and impartial remuneration system for all the employees. The domestic subsidiaries of the Group have participated in the social insurance contribution plans introduced by the provincial local governments in the PRC. In compliance 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 maternity insurance, work-related injury insurance and housing reserve fund. Pursuant to the current applicable PRC local regulations, the percentages of certain insurance policies are as follows: the pension insurance, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and the contribution to housing reserve fund of our PRC employees represent 16%, 7%, 0.7%, 0.5%, 0.2% to 0.95% and 5% to 12% of his or her total basic monthly salary respectively. Pursuant to the applicable PRC laws, the Company is currently participating in a series of pension plans organized by the government authorities. Such pension plans are defined contribution plans, under which the Company may not utilise the contributions that have been forfeited to reduce the current level of the contributions. The overseas employees are enrolled in the requisite pension and/or healthcare plans under the requirements of the laws in the countries where they reside.

Share Capital

	As at 30 June 2019	
	Number of shares	Amount RMB
A Shares at a nominal value of RMB0.20 per share	17,665,772,583	3,533,154,516.60
H Shares at a nominal value of RMB0.20 per share	3,933,468,000	786,693,600.00
Total	21,599,240,583	4,319,848,116.60

Substantial Shareholders' interests in Shares and Underlying Shares and Short Positions

To the best knowledge of all Directors and Supervisors, as at 30 June 2019, 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
Luoyang Mining Group Co.,Ltd. ("LMG")	5,329,780,425	Beneficial owner	A Share	30.17%
Luoyang Guohong Investment Group Co., Ltd.	5,329,780,425	Interest in controlled corporation	A Share	30.17%
Cathay Fortune Corporation ("CFC")	5,030,220,000 303,000,000(L)	Beneficial owner Interest in controlled corporation	A Share H Share	28.47% 7.70%
Cathay Fortune Investment Limited ("Cathay Hong Kong") ⁽¹⁾	303,000,000(L)	Beneficial owner	H Share	7.70%
Yu Yong ⁽²⁾	5,030,220,000 303,000,000(L)	Interest in controlled corporation Interest in controlled corporation	A Share H Share	28.47% 7.70%
BlackRock, Inc. ⁽³⁾	317,768,016(L) 20,076,000 (S)	Interest in controlled corporation	H Share	8.08%(L) 0.51%(S)
Citigroup Inc. ⁽⁴⁾	312,707,940(L) 4,055,134(S) 306,163,861(P)	Interest in controlled corporation	H Share	7.94%(L) 0.10%(S) 7.78%(P)
Bank of America Corporation ⁽⁵⁾	241,985,030(L) 234,185,506(S)	Interest in controlled corporation	H Share	6.15%(L) 5.95%(S)
GIC Private Limited	238,593,000(L)	Investment Manager	H Share	6.07%(L)

Notes: (L) – Long position

(S) – Short position

(P) – Lending pool

- (1) Cathay Hong Kong is a wholly-owned subsidiary of CFC in Hong Kong.
- (2) Mr. Yu Yong holds 99% interest in CFC, and was deemed to be interested in the 5,030,220,000 A shares of the Company directly through CFC. In addition, Mr. Yu Yong was deemed to be interested in the long position of 303,000,000 H shares of the Company. CFC, Cathay Fortune International Company Limited and Cathay Fortune Investment Limited directly or indirectly hold the Company's shares as controlled corporations.
- (3) BlackRock, Inc. was deemed to hold a total of 317,768,016 H Shares (long position) and 20,076,000 H Shares (short position) of the Company, by virtue of its control over numerous corporations. Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., Black Rock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, Black Rock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.à.r.l., BlackRock Trident Holding Company Limited, BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd., BlackRock Holdco 3, LLC, BlackRock Canada Holdings LP, BlackRock Canada Holdings ULC, BlackRock Asset Management Canada Limited, BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited, BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Group Limited-Luxembourg Branch, BlackRock Luxembourg Holdco S.à.r.l., BlackRock Investment Management Ireland Holdings Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Fund Managers Limited, BlackRock UK Holdco Limited and BlackRock Asset Management (Schweiz) AG, being the controlled corporations, directly or indirectly hold the shares of the Company.
- (4) Citigroup Inc. was deemed to hold a total of 312,707,940 H Shares (long position), 4,055,134 H Shares (short position) and 306,163,861 H Shares (lending pool) of the Company, by virtue of its control over numerous corporations. Citicorp LLC, Citibank, N.A., Citigroup Global Markets Holdings Inc., Citigroup Financial Products Inc., Citigroup Global Markets Hong Kong Limited, Citigroup Global Markets Holdings Bahamas Limited and Citigroup Global Markets Limited, being the controlled corporations, directly or indirectly hold the shares of the Company.
- (5) Bank of America Corporation was deemed to hold a total of 241,985,030 H Shares (long position) and 234,185,506 H Shares (short position) of the Company, by virtue of its control over numerous corporations. NB Holdings Corporation, BofA Securities, Inc., BofAML Jersey Holdings Limited, BofAML EMEA Holdings 2 Limited, ML UK Capital Holdings and Merrill Lynch International, being the controlled corporations, directly or indirectly hold the shares of the Company.

Save for disclosed above, as at 30 June 2019, 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 Securities

As at 30 June 2019, details of the shareholdings of A Shares by current Directors, Supervisors and management of the Company are as follows:

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

Save for disclosed above, so far as was known to the Directors, as at 30 June 2019, none of the Directors, chief executives, senior management and Supervisors or their respective associates had interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (defined in Part XV of the SFO), which required the Company and Stock Exchange to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**").

Dividends

At the sixth meeting of the fifth session of the Board held on 27 August 2019, the Board resolved not to declare any interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: nil).

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 2019.

Corporate Governance

The Group has strived to uphold high standard of corporate governance to safeguard the interests of shareholders, and to enhance corporate value and accountability for the Group. During the six months ended 30 June 2019, 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 Hong Kong 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 his/her duly appointed delegate) to attend. All members of the Remuneration Committee were unable to attend the annual general meeting of the Company held on 14 June 2019 due to other business commitments. Member representatives of the Audit and Risk Committee, the vice chairman of the Nomination and Governance Committee, chairmen of the Strategic and Sustainability Committee and the Supervisory Committee, Board secretary and the chief financial officer have attended the general meeting. The Company believed that their attendance was sufficient for (i) answering the questions raised by the shareholders who attended the annual general meeting and (ii) communicating effectively with shareholders who attended the annual general meeting. The Company will optimize the planning and procedures of annual general meetings, give adequate time to all Directors to accommodate their work arrangement and provide necessary support for their presence and participation at general meetings such that all Directors will be able to attend future annual general meetings of the Company.

Board of Directors

The Board of the Company consists of 8 Directors, including 2 executive Directors, 3 non-executive Directors and 3 independent non-executive Directors. For the six months ended 30 June 2019, the fifth session of the Board convened a total of seven meetings (with an attendance rate of 100%).

Supervisory Committee

The Supervisory Committee of the Company comprises 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 shareholders, the Company and its employees. The fifth session of Supervisory Committee convened a total of four meetings for the six months ended 30 June 2019 (with an attendance rate of 100%).

Securities Transactions Conducted by Directors, Supervisors and Employees

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules as its own code of conduct for trading in securities by the Directors. After specific enquiry made on all Directors and Supervisors of the Company, all Directors and Supervisors have confirmed that they have been complied with the required standards set out in the Model Code throughout the six months ended 30 June 2019. The Company has also formulated written guidelines (the “**Employees Written Guidelines**”) on terms no less exacting than the Model Code for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance against the Employees Written Guidelines by the employees has been noted by the Company after making reasonable enquiry.

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

Changes of Director/Director information

- From 28 March 2019, Mr. Guo Yimin was appointed as a non-executive Director, and was appointed as the vice chairman of the fifth session of the Board on 29 April 2019
- From 2 June 2019, Ms. Yan Ye retired as an independent Director of Zhejiang Chint Electrics Co., Ltd. (浙江正泰電器股份有限公司), a company listed on the SSE (SH:601877)

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

Audit and Risk Committee

The Audit Committee was renamed as the Audit and Risk Committee from 4 August 2018 as to more adequately reflect its functions and responsibilities, and constantly oversee the risk management function of the Company.

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 and Risk Committee provides an important connection 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 and Risk Committee will review the effectiveness of the external audit as well as the internal control, evaluate risks and provide advice and guidance to the Board. The current Audit and Risk Committee comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Li Shuhua (chairman of the committee), Ms. Yan Ye and Mr. Yuan Honglin. The Audit and Risk Committee has reviewed the financial statements of the Company for the six months ended 30 June 2019 and considered that the statements complied with relevant accounting standards and that the Company has made appropriate and relevant disclosures.

I. FINANCIAL HIGHLIGHTS

Consolidated Balance Sheet

30 June 2019

Presented by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

Item	Notes	30 June 2019	31 December 2018
Current assets:			
Cash and bank balances	V.1	24,208,211,649.67	26,647,644,058.81
Held-for-trading financial assets	V.2	285,751,634.22	774,326,692.25
Derivative financial assets	V.3	3,859,950.39	0.00
Accounts receivable	V.4	834,744,729.78	860,999,687.88
Financing receivables	V.5	1,621,717,424.86	1,623,841,101.38
Prepayments	V.6	242,596,039.61	151,004,234.22
Other receivables	V.7	1,225,768,337.32	1,040,048,708.23
Including: Interests receivable		268,971,715.22	226,186,602.19
Dividends receivable		16,607,396.17	0.00
Inventories	V.8	6,965,562,634.44	6,615,914,805.21
Other current assets	V.9	1,440,301,621.80	1,450,605,120.41
Total current assets		36,828,514,022.09	39,164,384,408.39
Non-current assets:			
Long-term equity investments	V.10	2,565,780,072.68	2,522,865,277.94
Other equity instrument investments	V.11	448,174,198.06	448,174,198.06
Other non-current financial assets	V.12	4,387,937,948.30	3,906,621,612.87
Non-current derivative financial assets	V.13	623,068.09	3,179,157.60
Fixed assets	V.14	23,758,809,101.86	23,620,517,589.11
Construction in progress	V.15	2,073,802,768.11	1,893,822,308.19
Right-of-use assets	V.16	154,500,248.77	N/A
Intangible assets	V.17	20,562,126,767.60	20,931,052,279.34
Long-term inventories	V.8	5,388,443,818.32	5,122,434,298.15
Goodwill	V.18	683,532,320.75	674,886,645.02
Long-term prepaid expenses	V.19	123,137,422.20	129,022,870.55
Deferred tax assets	V.20	604,794,798.32	525,597,815.59
Other non-current assets	V.21	2,155,358,901.69	2,273,558,775.22
Total non-current assets		62,907,021,434.75	62,051,732,827.64
Total assets		99,735,535,456.84	101,216,117,236.03

Item	Notes	30 June 2019	31 December 2018
Current liabilities:			
Short-term borrowings	V.22	7,804,065,371.68	4,588,152,515.23
Held-for-trading financial liabilities	V.23	3,280,708,714.08	4,250,711,352.44
Derivative financial liabilities	V.24	0.00	75,423,332.52
Notes payable	V.25	136,577,986.77	29,000,000.00
Accounts payable	V.26	1,167,208,468.18	1,119,073,099.06
Employee benefits payable	V.27	400,475,096.28	517,344,459.78
Taxes payable	V.28	494,543,746.79	1,110,201,369.36
Other Payables	V.29	1,331,890,662.48	1,027,781,797.06
Including: Interests payable		219,129,318.04	230,624,891.14
Dividends payable		462,035,419.29	27,885,796.67
Contract liabilities	V.30	681,590,409.23	200,667,461.95
Non-current liabilities due within one year	V.31	3,121,731,692.31	2,922,422,080.00
Other current liabilities	V.32	1,133,184,704.61	130,541,907.62
Total current liabilities		19,551,976,852.41	15,971,319,375.02
Non-current liabilities:			
Long-term borrowings	V.33	17,823,622,562.51	20,196,854,832.74
Bonds payable	V.34	4,062,410,000.00	2,000,000,000.00
Non-current derivative financial liabilities	V.13	194,755,426.39	23,312,327.42
Lease liabilities	V.35	96,529,792.21	N/A
Long-term employee benefits payable	V.36	144,983,725.35	129,064,725.83
Provisions	V.37	1,979,872,991.85	1,908,084,106.78
Deferred income	V.38	71,627,166.44	74,092,394.24
Deferred tax liabilities	V.20	7,736,974,103.79	8,021,118,162.47
Other non-current liabilities	V.39	71,587,389.55	3,294,336,000.00
Total non-current liabilities		32,182,363,158.09	35,646,862,549.48
Total liabilities		51,734,340,010.50	51,618,181,924.50
Owners' equity (or Shareholders' equity) :			
Paid-in capital (or Share capital)	V.40	4,319,848,116.60	4,319,848,116.60
Capital reserve	V.41	27,582,794,983.23	27,582,794,983.23
Other comprehensive income	V.42	-807,910,554.82	-799,327,420.21
Special reserve	V.43	3,334,116.18	3,038,386.94
Surplus reserve	V.44	1,160,396,190.21	1,160,396,190.21
Retained profits	V.45	7,114,197,659.31	8,682,123,314.63
Total equity attributable to owners of parent company (or Shareholders' equity)		39,372,660,510.71	40,948,873,571.40
Minority interests		8,628,534,935.63	8,649,061,740.13
Total owners' equity (or Shareholders' equity)		48,001,195,446.34	49,597,935,311.53
Total liabilities and owners' equity (or Shareholders' equity)		99,735,535,456.84	101,216,117,236.03

Balance Sheet of Parent Company

30 June 2019

Presented by: China Molybdenum Co., Ltd.

Unit: Yuan Currency: RMB

Item	Notes	30 June 2019	31 December 2018
Current assets:			
Cash and bank balances	XIV.1	9,276,652,709.43	14,766,503,386.80
Accounts receivable		791,478,504.20	178,457,336.22
Financing receivables		1,233,778,117.00	1,610,443,851.38
Prepayments		34,480,263.63	50,305,999.43
Other receivables	XIV.2	4,154,529,421.94	4,783,176,527.20
Including: Interests receivable		389,279,153.79	378,516,688.14
Dividends receivable		44,006,084.08	44,006,084.08
Inventories		132,208,867.33	142,318,149.08
Other current assets		81,152,883.60	77,471,224.51
Total current assets		15,704,280,767.13	21,608,676,474.62
Non-current assets:			
Long-term equity investments	XIV.3	29,223,240,033.79	23,164,431,184.76
Other equity instrument investments		194,111,260.26	194,111,260.26
Other non-current financial assets		1,073,685,524.86	951,571,101.88
Non-current derivative financial assets		0.00	3,179,157.60
Fixed assets		1,382,798,437.34	1,338,742,434.52
Construction in progress		168,370,452.46	171,760,810.63
Intangible assets		333,383,419.54	355,554,503.18
Long-term prepaid expenses		135,566,847.37	145,047,198.03
Deferred tax assets		51,187,556.28	30,011,327.13
Other non-current assets		138,836,266.71	218,836,266.71
Total non-current assets		32,701,179,798.61	26,573,245,244.70
Total assets		48,405,460,565.74	48,181,921,719.32

Item	Notes	30 June 2019	31 December 2018
Current liabilities:			
Short-term borrowings		1,937,046,000.00	2,006,257,000.00
Held-for-trading financial liabilities		2,729,749,631.98	3,700,673,914.84
Derivative financial liabilities		0.00	70,753,781.72
Notes payable		20,817,322.61	20,000,000.00
Accounts payable		175,472,759.94	134,109,971.43
Contract liabilities		71,918,680.94	390,137,050.79
Employee benefits payable		46,863,112.16	108,566,407.54
Taxes payable		52,124,625.11	117,362,547.14
Other payables		5,273,420,904.41	2,179,902,221.07
Including: Interests payable		41,438,026.92	72,907,618.95
Non-current liabilities due within one year		0.00	696,000,000.00
Other current liabilities		1,154,461,889.96	174,999,888.99
Total current liabilities		11,461,874,927.11	9,598,762,783.52
Non-current liabilities:			
Bonds payable		2,000,000,000.00	2,000,000,000.00
Non-current derivative financial liabilities		194,755,426.39	23,312,327.42
Provisions		47,570,371.67	47,570,371.67
Deferred income		18,982,704.94	19,175,497.84
Other non-current liabilities		231,406,625.65	307,006,153.71
Total non-current liabilities		2,492,715,128.65	2,397,064,350.64
Total liabilities		13,954,590,055.76	11,995,827,134.16
Owners' equity (or Shareholders' equity) :			
Paid-in capital (or Share capital)		4,319,848,116.60	4,319,848,116.60
Capital reserve		27,636,530,888.88	27,636,530,888.88
Other comprehensive income		-5,005,428.78	-5,005,428.78
Special reserve		2,706,910.82	2,594,582.62
Surplus reserve		1,160,396,190.21	1,160,396,190.21
Retained profits		1,336,393,832.25	3,071,730,235.63
Total owners' equity (or Shareholders' equity)		34,450,870,509.98	36,186,094,585.16
Total liabilities and owners' equity (or Shareholders' equity)		48,405,460,565.74	48,181,921,719.32

Consolidated Income Statement

January–June 2019

Unit: Yuan Currency: RMB

Item	Notes	The period	Same period last year
I. Total operating revenue		9,978,669,307.74	14,059,795,748.04
Including: Operating revenue	V.46	9,978,669,307.74	14,059,795,748.04
II. Total operating costs		9,416,775,542.06	9,419,271,088.70
Including: Operating costs	V.46	7,777,155,389.82	7,986,288,539.72
Taxes and levies	V.47	486,300,320.87	417,265,173.94
Selling expenses	V.48	41,074,405.70	50,396,565.61
Administrative expenses	V.49	481,775,535.92	457,865,036.57
Research and development expenditure	V.50	122,672,256.28	72,065,988.91
Financial expenses	V.51	507,797,633.47	435,389,783.95
Including: Interest expense		783,595,939.00	696,197,867.42
Interest income		531,075,204.76	483,197,046.24
Add: Other income	V.52	10,134,067.23	4,369,227.80
Investment incomes (losses are indicated by "-")	V.53	158,967,147.64	118,218,033.24
Including: Investment income in associates and joint ventures		164,709,318.09	51,073,855.99
Gains on changes of fair value (losses are indicated by "-")	V.54	136,952,562.01	-79,297,028.36
Impairment losses on credit (losses are indicated by "-")	V.55	-17,437,262.62	2,835,964.00
Impairment loss of assets (losses are indicated by "-")	V.56	-11,899,427.69	-10,781,135.64
Income from disposal of assets (losses are indicated by "-")	V.57	-10,676,048.84	-5,063,656.25
III. Operating profit (losses are indicated by "-")		827,934,803.41	4,670,806,064.13
Add: Non-operating incomes	V.58	2,528,402.75	427,331.97
Less: Non-operating expenses	V.59	6,551,402.31	46,859,664.03
IV. Total profit before tax (total losses are indicated by "-")		823,911,803.85	4,624,373,732.07
Less: Income tax expenses	V.60	50,421,199.23	1,023,448,176.33
V. Net profit (net losses are indicated by "-")		773,490,604.62	3,600,925,555.74
(1) Classified by business continuity			
1. Net profit from continuing operations (losses are indicated by "-")		773,490,604.62	3,600,925,555.74
2. Net profit from discontinued operations (losses are indicated by "-")		/	/
(2) Classified by ownership			
1. Net profit attributable to shareholders of the parent company (losses are indicated by "-")		807,990,808.81	3,122,510,222.14
2. Profits and losses attributable to minority Shareholders (losses are indicated by "-")		-34,500,204.19	478,415,333.60

Item	Notes	The period	Same period last year
VI. Other comprehensive income, net of tax	V.61	5,214,056.23	15,138,183.13
Other comprehensive income attributable to owners of the parent company, net of tax		-8,583,134.61	-80,561,836.25
(I) Other comprehensive income that will be reclassified into the profit or loss		-8,583,134.61	-80,561,836.25
1. Cash flow hedge reserve (effective portion of gains or losses from cash flow hedge)		-173,146,944.37	40,974,344.16
2. Exchange difference on translation of financial statements in foreign currency		164,563,809.76	-121,536,180.41
Other comprehensive income (net of tax) attributable to the minority interests		13,797,190.84	95,700,019.38
VII. Total comprehensive income		778,704,660.85	3,616,063,738.87
Attributable to owners of the parent company		799,407,674.20	3,041,948,385.89
Attributable to minority shareholders		-20,703,013.35	574,115,352.98
VIII. Earnings per share :			
(I) Basic (<i>yuan per share</i>)	XV.2	0.037	0.145
(II) Diluted (<i>yuan per share</i>)	XV.2	N/A	N/A

Income Statement of Parent Company

January–June 2019

Unit: Yuan Currency: RMB

Item	Notes	The period	Same period last year
I. Operating revenue	XIV.4	1,678,217,229.79	1,824,075,457.73
Less: Operating costs	XIV.4	646,632,543.42	604,813,927.80
Taxes and levies		139,894,435.32	164,310,670.09
Selling expenses		6,544.26	7,371.68
Administrative expenses		128,538,862.46	90,880,220.05
Research and development expenses		70,411,124.61	66,620,526.60
Financial expenses		-193,323,398.20	-267,065,256.82
Including: Interest expense		27,951,107.00	50,338,292.77
Interest income		335,733,754.12	392,499,464.08
Add: Other income		3,192,792.90	866,792.90
Investment incomes (losses are indicated by "-")	XIV.5	-55,452,788.64	57,149,011.03
Including: Investment income in associates and joint ventures		18,982,849.03	33,818,935.95
Gains on changes of fair value (losses are indicated by "-")		-122,062,891.68	833,686.50
Impairment losses on credit (losses are indicated by "-")		3,154,123.20	2,770,373.44
Income from disposal of assets (losses are indicated by "-")		0.00	-10,262.49
II. Operating profit (losses are indicated by "-")		714,888,353.70	1,226,117,599.71
Add: Non-operating incomes		-349,123.54	23,814.00
Less: Non-operating expenses		3,986,261.82	38,337,628.66
III. Total profit (total losses are indicated by "-")		710,552,968.34	1,187,803,785.05
Less: Income tax expenses		69,972,907.59	162,492,549.58
IV. Net profit (net losses are indicated by "-")		640,580,060.75	1,025,311,235.47
1. Net profit from continuing operations (net losses are indicated by "-")		640,580,060.75	1,025,311,235.47
2. Net profit from discontinued operations (net losses are indicated by "-")		/	/
V. Other comprehensive income, net of tax		/	/
VI. Total comprehensive income		640,580,060.75	1,025,311,235.47

Consolidated Cash Flow Statement

January–June 2019

Unit: Yuan Currency: RMB

Item	Notes	The period	Same period last year
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		11,703,527,306.59	15,218,580,423.66
Cash received relating to other operating activities	V.62	708,907,690.84	768,662,655.77
Sub-total of cash inflows from operating activities		12,412,434,997.43	15,987,243,079.43
Cash paid for goods and services		6,024,336,579.39	6,437,613,040.84
Cash paid to and on behalf of employees		1,191,997,453.22	1,154,939,386.27
Payments for various types of taxes		2,781,190,067.67	2,686,958,787.13
Cash paid relating to other operating activities	V.62	185,097,342.59	296,023,038.63
Sub-total of cash outflows from operating activities		10,182,621,442.87	10,575,534,252.87
Net cash flow from operating activities		2,229,813,554.56	5,411,708,826.56
II. Cash flows from investing activities:			
Cash received from recovery of investments		134,520,006.44	993,226,100.00
Cash received from investment income		94,959,714.86	82,829,920.34
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		0.00	451,552.44
Cash received relating to other investing activities	V.62	49,606,955.40	63,133,760.35
Sub-total of cash inflows from investing activities		279,086,676.70	1,139,641,333.13
Cash paid to acquire or construct fixed assets, intangible assets and other long-term assets		1,077,057,909.12	908,666,295.64
Cash paid to acquire investments		894,760,803.43	2,882,884,108.85
Net cash paid by subsidiaries and other business units		3,345,174,091.53	261,925,560.00
Cash paid relating to other investing activities	V.62	109,671,977.50	1,021,788,600.49
Sub-total of cash outflows from investing activities		5,426,664,781.58	5,075,264,564.98
Net cash flow from investing activities		-5,147,578,104.88	-3,935,623,231.85

Item	<i>Notes</i>	The period	Same period last year
III. Cash flows from financing activities:			
Cash receipts from borrowings		10,162,713,690.48	1,718,777,988.73
Cash received relating to other financing activities	V.62	1,747,460,913.94	2,321,075,860.91
Sub-total of cash inflows from financing activities		11,910,174,604.42	4,039,853,849.64
Repayments of borrowings		6,862,098,377.83	1,962,263,993.76
Cash paid for distribution of dividends or profits and settlement of interests		2,724,392,026.34	2,006,446,578.39
Cash paid relating to other financing activities	V.62	2,350,781,206.82	1,821,851,932.03
Sub-total of cash outflows from financing activities		11,937,271,610.99	5,790,562,504.18
Net cash flow from financing activities		-27,097,006.57	-1,750,708,654.54
IV. Effect of foreign exchange rate changes on cash and cash equivalents		94,289,764.23	35,715,741.87
V. Net increase in cash and cash equivalents		-2,850,571,792.66	-238,907,317.96
Add: Opening balance of cash and cash equivalents	V.63	23,240,703,274.03	19,781,418,278.86
VI. Closing balance of cash and cash equivalents	V.63	20,390,131,481.37	19,542,510,960.90

Cash Flow Statement of Parent Company

January–June 2019

Unit: Yuan Currency: RMB

Item	Notes	The period	Same period last year
I. Cash flow from operating activities:			
Cash receipts from sales of goods or the rendering of services		3,837,390,109.35	2,873,789,901.50
Other cash receipts related to operating activities		429,013,794.71	4,586,089,183.28
Subtotal of cash inflows from operating activities		4,266,403,904.06	7,459,879,084.78
Cash payments for goods purchased and services received		688,769,419.48	815,636,147.61
Cash payments to and on behalf of employees		247,248,498.89	177,867,870.28
Payments of various types of taxes		487,647,269.19	569,862,068.63
Other cash payments relating to operating activities		1,777,687,302.86	5,327,068,849.41
Subtotal of cash outflows from operating activities		3,201,352,490.42	6,890,434,935.93
Net cash flows from operating activities		1,065,051,413.64	569,444,148.85
II. Cash flow in investing activities:			
Cash receipts from withdrawal of Investments		1,171,522,593.71	1,148,040,000.00
Cash receipts from investment income		79,228,138.16	71,833,818.98
Other cash receipts relating to investing activities		30,662,150.62	916,260,821.92
Subtotal of cash inflows from investing activities		1,281,412,882.49	2,136,134,640.90
Cash payments from the acquire or construct fixed assets, intangible assets, and other long-term assets		67,461,946.48	47,038,533.51
Cash payments from acquire investments		6,183,282,976.35	1,092,854,100.00
Other cash payments relating to investing activities		1,142,851,228.28	2,789,880,000.00
Subtotal of cash outflows from investing activities		7,393,596,151.11	3,929,772,633.51
Net cash flows from investing activities		-6,112,183,268.62	-1,793,637,992.61

Item	<i>Notes</i>	The period	Same period last year
III. Cash flows from financing activities:			
Cash receipts from borrowings		5,840,444,444.44	1,642,415,303.84
Other cash receipts relating to financing activities		2,670,656,168.47	2,192,857,334.02
Subtotal of cash inflows from financing activities		8,511,100,612.91	3,835,272,637.86
Cash repayment of borrowings		3,092,374,400.00	758,079,520.00
Cash payments for distribution of dividends or profits or payment of interest expenses		2,112,089,343.75	1,542,586,532.98
Other cash payments relating to financing activities		3,657,929,527.91	1,556,328,179.05
Subtotal of cash outflows from financing activities		8,862,393,271.66	3,856,994,232.03
Net cash flow from financing activities		-351,292,658.75	-21,721,594.17
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-11,083,185.83	1,041,854.85
V. Net increase in cash and cash equivalents		-5,409,507,699.56	-1,244,873,583.08
Add: Opening balance of cash and cash equivalents		12,329,538,991.95	11,364,847,728.10
VI. Closing balance of cash and cash equivalents		6,920,031,292.39	10,119,974,145.02

Consolidated Statement of Changes in Owners' Equity

January–June 2019

Unit: Yuan Currency: RMB

Item	The period								Total owners' equity
	Attributable to owners of the parent company							Minority interests	
	Paid-in capital (or Share capital)	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained profits	Subtotal		
I. Balance at the end of last year	4,319,848,116.60	27,582,794,983.23	-799,327,420.21	3,038,386.94	1,160,396,190.21	8,682,123,314.63	40,948,873,571.40	8,649,061,740.13	49,597,935,311.53
II. Opening balance for the year	4,319,848,116.60	27,582,794,983.23	-799,327,420.21	3,038,386.94	1,160,396,190.21	8,682,123,314.63	40,948,873,571.40	8,649,061,740.13	49,597,935,311.53
III. Changes for the period (decrease is indicated by “-”)									
(I) Total comprehensive income			-8,583,134.61	295,729.24		-1,567,925,655.32	-1,576,213,060.69	-20,526,804.50	-1,596,739,865.19
(II) Profit distribution			-8,583,134.61			807,990,808.81	799,407,674.20	-20,703,013.35	778,704,660.85
1. Distribution to owners (or shareholders)						-2,375,916,464.13	-2,375,916,464.13		-2,375,916,464.13
(III) Special reserve				295,729.24			295,729.24	176,208.85	471,938.09
1. Provision in the period				84,545,567.50			84,545,567.50	538,424.74	85,083,992.24
2. Amount utilized in the period				84,249,838.26			84,249,838.26	362,215.89	84,612,054.15
IV. Balance at the end of the period	4,319,848,116.60	27,582,794,983.23	-807,910,554.82	3,334,116.18	1,160,396,190.21	7,114,197,659.31	39,372,660,510.71	8,628,534,935.63	48,001,195,446.34

Item	Same period last year								Total owners' equity
	Attributable to owners of the parent company							Minority interests	
	Paid-in capital (Share capital)	Capital reserve	Other Comprehensive income	Special reserve	Surplus reserve	Retained profits	Subtotal		
I. Balance at the end of last year	4,319,848,116.60	27,582,794,983.23	-238,817,602.94	7,725,910.79	968,190,696.10	5,517,441,023.24	38,157,183,127.02	7,751,951,150.56	45,909,134,277.58
Add: changes in accounting policies			-368,666,821.27			368,666,821.27			
II. Opening balance for the year	4,319,848,116.60	27,582,794,983.23	-607,484,424.21	7,725,910.79	968,190,696.10	5,886,107,844.51	38,157,183,127.02	7,751,951,150.56	45,909,134,277.58
III. Changes for the period (decrease is indicated by “-”)									
(I) Total comprehensive income			-80,561,836.25	-2,238,337.58		1,480,967,937.83	1,398,167,764.00	574,944,915.56	1,973,112,679.56
(II) Profit distribution			-80,561,836.25			3,122,510,222.14	3,041,948,385.89	574,115,352.98	3,616,063,738.87
1. Distribution to owners (or shareholders)						-1,641,542,284.31	-1,641,542,284.31		-1,641,542,284.31
(III) Special reserve				-2,238,337.58			-2,238,337.58	829,562.58	-1,408,775.00
1. Provision in the period				71,280,032.10			71,280,032.10	1,277,065.20	72,557,097.30
2. Amount utilized in the period				73,518,369.68			73,518,369.68	447,502.62	73,965,872.30
IV. Balance at the end of the period	4,319,848,116.60	27,582,794,983.23	-688,046,260.46	5,487,573.21	968,190,696.10	7,367,075,782.34	39,555,350,891.02	8,326,896,066.12	47,882,246,957.14

Statement of Changes in Owners' Equity of Parent Company

January–June 2019

Unit: Yuan Currency: RMB

Item	Paid-in capital (or Share capital)	Capital reserve	Other Comprehensive income	The period			Total owners' equity
				Special reserve	Surplus Reserve	Retained profits	
I. Balance at the end of last year	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,594,582.62	1,160,396,190.21	3,071,730,235.63	36,186,094,585.16
II. Balance at the beginning of the year	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,594,582.62	1,160,396,190.21	3,071,730,235.63	36,186,094,585.16
III. Increase/decreased in the period (decrease is represented by "-")				112,328.20		-1,735,336,403.38	-1,735,224,075.18
(I) Total comprehensive income						640,580,060.75	640,580,060.75
(II) Profit contribution						-2,375,916,464.13	-2,375,916,464.13
1. Distribution to owners (or shareholders)						-2,375,916,464.13	-2,375,916,464.13
(III) Specific reserve				112,328.20			112,328.20
1. Appropriation in the period				75,451,357.90			75,451,357.90
2. Usage in the period				75,339,029.70			75,339,029.70
IV. Balance at the end of the period	4,319,848,116.60	27,636,530,888.88	-5,005,428.78	2,706,910.82	1,160,396,190.21	1,336,393,832.25	34,450,870,509.98

Item	Paid-in capital (or Share capital)	Capital reserve	Other Comprehensive income	Same period last year			Total owners' equity
				Special reserve	Surplus Reserve	Retained profits	
I. Balance at the end of last year	4,319,848,116.60	27,636,530,888.88		7,008,359.58	968,190,696.10	2,984,001,132.42	35,915,579,193.58
II. Balance at the beginning of the year	4,319,848,116.60	27,636,530,888.88		7,008,359.58	968,190,696.10	2,984,001,132.42	35,915,579,193.58
III. Increase/decreased in the period (decrease is represented by "-")				-3,101,759.86		-616,231,048.84	-619,332,808.70
(I) Total comprehensive income						1,025,311,235.47	1,025,311,235.47
(II) Profit contribution						-1,641,542,284.31	-1,641,542,284.31
1. Distribution to owners (or shareholders)						-1,641,542,284.31	-1,641,542,284.31
(III) Special reserve				-3,101,759.86			-3,101,759.86
1. Appropriation in the period				60,672,533.43			60,672,533.43
2. Usage in the period				63,774,293.29			63,774,293.29
IV. Balance at the end of the period	4,319,848,116.60	27,636,530,888.88		3,906,599.72	968,190,696.10	2,367,770,083.58	35,296,246,384.88

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Company's financial statements have been prepared on a going concern basis.

2. Going Concern

The Group has performed the evaluation on its ability to continue as a going concern for the next twelve months from 30 June 2019, and no matters or conditions that may cast significant doubts on its ability to continue as a going concern are found. Therefore, the financial statements have been prepared on a going concern basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Except as described below, the significant accounting policies and accounting estimates used in the financial statements for the six months ended 30 June 2019 prepared by the Group are consistent with those described in the audited financial report of 2018.

1. Leases

Lease is the contract for a leaser to transfer the use rights of assets to a lessee in exchange for a consideration within a certain period.

At the commencement of the contract, the Company assesses that whether the contract is a lease contract or a contract contains a lease. If one party of the contract conveys a right to control within a certain period the use of one or several identified assets in exchange for a consideration, such contract is a lease contract or a contract contains a lease. The Company will no longer reassess the contract unless the terms and conditions of it have been changed.

The Company assesses that whether the clients in the contract have the right to obtain almost all the economic benefits arising from the usage of identified assets within the application period, and have the right to direct the use of identified assets in such application period to confirm that whether the contract has conveyed the right to control within a certain period the use of identified assets. If the supplier can substantively replace the assets during the entire application period, such assets are not recognised as identified assets though the contract has designated the assets.

1.1 Accounting treatment for lessee

1.1.1 Recognition and initial measurement of right-of-use assets

Right-of-use assets refer to the right for a lessee to use leased assets over the term of the relevant lease.

The initial direct expenses are the incremental costs incurred to achieve a lease. Incremental costs refer to the costs that will not occur if the Company does not obtain such lease.

Lease payment is the amount paid by a lessee to a lessor which is relevant to the right to use the leased assets over the term of the relevant lease.

Lease incentives are the discounts provided by a lessor to a lessee for the purpose of achieving a lease, including lease related payment paid by lessor to lessee and the cost that a lessor pays or bears for the lessee, etc.

At the commencement of the lease term, the lessee shall recognise right-of-use assets and lease liabilities against the lease.

The lease term is the period during which the lessee has the right to use the leased assets and is irrevocable. If the lessee has the right to renew the lease, i.e. the right to choose to renew the lease, and reasonably determines that the option will be exercised, the lease term shall also include the period covered by the option to renew the lease.

The right-of-use assets shall be initially measured at cost. The cost includes:

- (1) the initially measured amount of lease liabilities;
- (2) the lease payment paid at or prior to the commencement of the lease term excluding the lease incentives related amount enjoyed where lease incentives exist;
- (3) the initial direct expenses by lessee;
- (4) the cost expected to occur by lessee to dismantle and remove the leased assets, restore the site where leased assets located or restore the leased assets to the status agreed in lease terms.

Lease liabilities shall be initially measured at the present value of lease payment which is unpaid at the commencement of the lease term.

When calculating the present value of lease payment, the Company adopts the implicit interest rate in lease as discount rate; if the implicit interest rate in lease is unable to be determined, the Company adopts the incremental borrowing rate as discount rate.

The implicit interest rate in lease refers to the rate which makes the sum of the present value of the lease receipt of the Company and the present value of unguaranteed residual value equal to the sum of the fair value of the leased assets and the initial direct cost of the lessor.

The incremental borrowing rate of the Company refers to the rate that the lessee must pay in the similar economic environment in order to obtain the assets whose value is close to that of right-of-use assets, and under similar pledge conditions in similar periods to borrow funds.

1.1.2 Subsequent measurement of right-of-use assets

The Company calculates the interest expenses of lease liabilities for each period over the lease term based on the fixed periodic rate, and recognises them in profit or loss.

Subsequent to the commencement of the lease term, if the payables that are estimated according to the guaranteed residual value changes, or if the future lease payment changes due to the changes in index or ratio applied to determine lease payment, the Company re-measures the lease liabilities in accordance with the present value of the lease payment after changes.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) *New Leasing Standards*

The Group has adopted Accounting Standards for Business Enterprises No. 21 –Leasing amended by the Ministry of Finance in 2018 since 1 January 2019.

New leasing standards requires enterprises that apply this standard for the first time could adjust the balance of retained earnings and the amounts under other related items in the financial statements at the beginning of the year (i.e. 1 January 2019) in accordance with the cumulative effect arising from the first application of this standard, where the data related to comparable period shall not be adjusted. In terms of operating lease before the date of initial application, the lessee shall measure leased liabilities at the present value discounted using the lessee's incremental borrowing rate at the date of initial application based on the remaining lease payment, and choose to measure right-of-use assets based on each lease according to one of the following: (1) the carrying amount on the assumption that this standard was adopted since the date of commencement of the leasing period (using the lessee's incremental borrowing rate at the date of initial application as discount rate); (2) the amount equal to leased liabilities, subject to adjustment (if necessary) based on prepaid rent. At the date of initial application, the lessee shall conducted impairment test and corresponding accounting treatment for right-of-use assets pursuant to the provisions of the Accounting Standards for Business Enterprises No. 8 – Impairment of Asset.

Relevant items in the financial statements at the beginning of the year upon first implementation of the New Leasing Standards

Consolidated balance sheets

Unit: Yuan Currency: RMB

Item	31 December 2018	1 January 2019	Adjustment
Non-current assets:			
Right-of-use assets	N/A	176,934,415.36	176,934,415.36
Total non-current assets	62,051,732,827.64	62,228,667,243.00	176,934,415.36
Total assets	101,216,117,236.03	101,393,051,651.39	176,934,415.36

Item	31 December 2018	1 January 2019	Adjustment
Current liabilities:			
Non-current liabilities due within one year	2,922,422,080.00	2,991,278,685.55	68,856,605.55
Other current liabilities	130,541,907.62	129,395,442.32	-1,146,465.30
Total current liabilities	15,971,319,375.02	16,039,029,515.27	67,710,140.25
Non-current liabilities:			
Lease Liability	N/A	109,224,275.11	109,224,275.11
Total non-current liabilities	35,646,862,549.48	35,756,086,824.59	109,224,275.11
Total liabilities	51,618,181,924.50	51,795,116,339.86	176,934,415.36

(2) Presentation of financial statements

The Group started adopting the Notice of the Revised Format of 2019 Financial Statements for General Business Enterprise (Cai Kuai (2019) No. 6) released by the MOF on 30 April 2019 since the preparation of the consolidated financial statements for half the year of 2019. Cai Kuai (2019) No. 6 revised the presenting accounts in the balance sheet and income statement, added line items of "Financing Receivable", "Right-of-use Assets", "Lease Liability", revised the presenting contents of the line items of "Notes Receivable", "Accounts Receivable", "Notes Payable", "Accounts Payable", "Deferred Income", added line items of "Derecognition income of financial asset measured at the amortized cost" under "Investment Income", and adjusted the presenting location of "Credit Impairment Losses" and "Asset Impairment Losses" in the income statement. The Company has accounted for the above changes in presenting accounts retrospectively, and adjusted comparable data for prior year.

IV. TAXATION

1. Major categories of taxes and tax rates

Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
VAT	The Company is an ordinary Value-Added Tax payer. Value-added Tax ("VAT") on sales is paid after deducting input VAT on purchases.	Note 1
City maintenance and construction tax	Actual turnover tax	7% for taxpayers in urban districts of cities, 5% for taxpayers in towns, and 1% for taxpayers in other areas.

Category of tax	Basis of tax computation	Tax rate
Enterprise income tax	The income tax provision is calculated based on the accounting results for the year upon certain adjustments in accordance with the relevant tax laws	Refer to the table below for details.
Chinese resource tax	Raw ore production or sales volume of concentrate	6.5%, 11% collection on ad valorem basis (Note 2)
Chinese educational surtax and surcharge	Actual turnover tax	3%
Chinese regional educational surtax and surcharge	Actual turnover tax	2%
Australia goods and services tax ("GST")	Amount of the income from rendering of goods and services in Australia less the deductible purchase cost. It is not required to pay goods and services tax for export goods and the refund policy of goods and services tax is also applicable.	10% of the sales price of goods or services
Australia mining royalty	Royalty of mineral resources can be levied by volume or by price. If levied by volume, the royalty will be levied per the unit of exploited minerals. If levied by price, it will be levied per 4% of the total value or the sales price of exploited minerals.	4% ex-mine value

Category of tax	Basis of tax computation	Tax rate
Brazil social contribution tax and goods circulation tax	Brazil local social contribution tax (PIS & CONFINS) and the goods circulation tax (ICMS) are applicable to Niobras and Copebras, of which the tax basis is the balance of income from rendering of goods and services in Brazil less the deductible costs. It is not required to pay social contribution tax and goods circulation tax for export goods.	The social contribution tax is 9.25% of the sales price of goods or services. The goods circulation tax is 4%–18% of the sales price of goods or services. The tax rates imposed by the local states of Brazil are different.
Congo (DRC) VAT	VAT of the Democratic Republic of the Congo (DRC) is applicable to TFM	The output VAT is calculated at 16% of the sales amount calculated in accordance with the relevant tax.
Royalties of mining rights in Congo (DRC)	Sales of related products	Note 3
Super profit tax in Congo (DRC)	Super profit of related products	Note 4

Note 1: In accordance with the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs), the tax rates of 16% and 10% applicable to any taxpayer's VAT taxable sale or import of goods shall be adjusted to 13% and 9% respectively since 1 April 2019.

Note 2: Pursuant to the Notice on Implementation of the Reform of Resource Tax of Rare Earth, Tungsten and Molybdenum Featured by Price-based Tax Calculation and Collection (Cai Shui [2015] No. 52) issued by the Ministry of Finance and State Administration of Taxation, the implementation of calculation and collection of Molybdenum resources tax shall be changed from volume-based tax to price-based tax on and after 1 May 2015. The applicable rate of Tungsten resources tax is 6.5%. The applicable rate of Molybdenum resources tax is 11%.

Note 3: In accordance with the new mining code issued by Congo (DRC) in 2018, since 1 July 2018, the tax rate applicable to royalties of mining rights in respect of products relating to copper and cobalt is increased from 2% of the net asset (namely sales minus deductible cost) to 3.5% of the gross sales revenue. For strategic resources, the tax rate will be increased to 10% of the gross sales revenue. At 1 December 2018, the cobalt is recognized as strategic resources and is subject to the tax rate of 10%.

Note 4: In accordance with the new mining code issued by Congo (DRC) in 2018, should the average effective selling price of a single product within one accounting year increased by over 25% more than its average selling price in such year as predicated in its project economic feasibility study report, super profit taxes will be imposed on such product based on the tax base that is the difference between the EBITDA of the product and that predicted in the feasibility report in such accounting year with applicable tax rate at 50%.

Disclosures of tax paying entities with different enterprise income tax rates

Name of tax entities	Income tax rate (%)
The Company and its domestic subsidiaries	25
China Molybdenum (Hong Kong) Company Limited (Registered in Hong Kong)	16.5
CMOC Limited (Registered in Hong Kong)	16.5
CMOC Mining Pty Limited (Registered in Australia)	30
CMOC Mining Services Pty. Limited (Registered in Australia)	30
CMOC Sales & Marketing Limited (Registered in UK)	19
Copebras Indústria Ltda (Registered in Brazil)	34
Niobras Mineração Ltda (Registered in Brazil)	34
CMOC Brasil Servicos Administrativos Eparticipacoes LTDA. (Registered in Brazil)	34
The subsidiaries of the Group established in Bermuda and the British Cayman Islands	0
TFM (Registered in Congo (DRC))	30

2. Tax incentive

On 10 May 2015, the Decision of the State Council on Cancelling Non-Administrative Licensing Approval Items (Guo Fa [2015] No.27) cancelled the recognition process of enterprise of comprehensive utilization of resources. However, the company sold powdered Tungsten (scheelite concentrates) is still within the scope of catalogue of income tax preferential program of enterprise of comprehensive utilization of resources. Therefore, the Company still recognised 90% of sales of powdered Tungsten (scheelite concentrates) to taxable income during 1 January 2019 to 30 June 2019.

On 6 December 2017, the Company received a "high-tech enterprise certificate", No. GR201741000176, which was jointly issued by the Henan Science and Technology Department, Henan Finance Department, the State Taxation Bureau of Henan Province and Local Taxation Bureau of Henan Province. The issuance of the high-tech enterprise certificate is a re-recognition after the expiration of the previous certificate, of which the validity is from 1 January 2017 to 31 December 2019, and the applicable enterprise income rate during above period is 15%.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash	1,299,005.23	1,471,630.90
Bank deposits	20,388,832,476.14	23,239,231,643.13
Other cash and bank balances	3,818,080,168.30	3,406,940,784.78
Total	24,208,211,649.67	26,647,644,058.81
Including: total amount deposited abroad	7,684,114,889.18	5,475,868,110.21

2. Held-for-trading financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value through profit or loss	285,751,634.22	774,326,692.25
Including :		
Fund	20,719,625.32	
Wealth management products	6,390,000.00	
Accounts receivable at fair value through profit or loss (Note)	258,642,008.90	774,326,692.25
Total	285,751,634.22	774,326,692.25

Note: In terms of the copper-cobalt business in Congo (DRC) and copper-gold business in Australia of the Group, the accounts receivable formed by sales of goods are accounted at fair value.

The major products of subsidiaries of the Group are cathode copper, copper concentrate and cobaltous hydroxide, selling price of which is determined according to the market price upon delivery. Generally, the price is determined according to the monthly average spot price of copper and cobalt quoted by London Metal Exchange several months subsequent to the delivery. The Group classifies the accounts receivable generated from relevant business as financial assets at FVTPL.

3. Derivative financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Forward foreign exchange contracts	3,859,950.39	
Total	3,859,950.39	

4. Accounts Receivable

(1) Presentation of accounts receivable by categories

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Measured at amortized cost	834,744,729.78	860,999,687.88
Total	834,744,729.78	860,999,687.88

(2) Accounts receivable shown by classification of bad debt provisions

If provision for bad debts is made based on the general model of expected credit losses, please refer to the disclosure of other receivables:

The Group has a long-term and stable transaction relationship with the customers with high credit rating in respect of the niobium business in Brazil, the management believes that the credit risk is low.

The Group measures the provision for the impairment loss of accounts receivable relating to tungsten and molybdenum business in China and phosphorus business in Brazil according to the amount equivalent to full lifetime ECL, and calculates the ECL on the basis of the comparison table for internal credit exposure rating and LGD. At the balance sheet date, the Group recognises the provision for ECL on the accounts receivable based on impairment matrix.

Unit: Yuan Currency: RMB

Internal credit exposure rating	30 June 2019			
	Expected average loss rate	Book balance	Impairment provision	Book value
Low risk	0.03%	526,897,106.25	163,193.32	526,733,912.93
Normal	2.15%	183,601,634.54	3,947,435.14	179,654,199.40
Attention	6.28%	136,430,351.65	8,567,825.10	127,862,526.55
Doubtful (impaired)	40.31%	827,761.60	333,670.70	494,090.90
Loss (impaired)	100.00%	62,599,777.86	62,599,777.86	0.00
Total	/	910,356,631.90	75,611,902.12	834,744,729.78

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

Changes in expected credit loss/bad debt provision for accounts receivable

Unit: Yuan Currency: RMB

	Full lifetime ECL (not-credit impaired)	Full lifetime ECL (credit-impaired)	Total
Opening balance	6,106,231.11	50,905,628.50	57,011,859.61
Transfer to credit-impaired	-58,049.55	58,049.55	0.00
Transfer from credit-impaired	620,880.09	-620,880.09	0.00
Transfer out due to direct writedown			
Provision of ECL for the period	9,792,098.97	8,925,722.80	18,717,821.77
Reversal of ECL for the period	-3,221,832.72	-243,068.31	-3,464,901.03
Transfer to due to business combination for the period	3,905,878.22	0.00	3,905,878.22
Changes in exchange rate	-558,756.45	0.00	-558,756.45
Closing balance	16,586,449.67	59,025,452.45	75,611,902.12

(3) Top five accounts receivable balances at the end of the period based on debtors

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion of the amount to the total account receivable (%)	Credit impairment loss/Closing balance of bad debt provision
Company A	Third Party	101,593,117.31	11.16	7,855,343.78
Company B	Third Party	75,076,137.14	8.25	75,076.14
Company C	Third Party	56,690,332.89	6.23	1,218,842.16
Company D	Third Party	27,037,518.29	2.97	
Company E	Third Party	26,071,548.48	2.86	26,071,548.48
Total	/	286,468,654.11	31.47	35,220,810.56

5. Financing receivables

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Notes receivable at FVTOCI	1,621,717,424.86	1,623,841,101.38
Including: Bank acceptances	1,496,757,474.86	1,303,563,428.96
Trade acceptances	124,959,950.00	320,277,672.42
Total	1,621,717,424.86	1,623,841,101.38

If provision for bad debts is made based on the general model of expected credit losses, please refer to the disclosure of other receivables:

At the end of the period, the ECL in the notes receivable at fair value is as follows :

Unit: Yuan Currency: RMB

Internal credit rating	Expected average loss rate	Book balance	Expected credit loss
Lower risk (not-credit-impaired)	0.003%	1,475,303,295.94	48,000.00
Normal (not-credit-impaired)	2.15%	149,680,254.39	3,218,125.47
Loss (credit-impaired)	100%	12,650,000.00	12,650,000.00
Total	/	1,637,633,550.33	15,916,125.47

Other notes :

At the end of the period, there are no notes receivable that were used for pledge.

Notes receivable endorsed or discounted by the Group but outstanding in the balance sheet at the end of the period respectively are as follows:

Unit: Yuan Currency: RMB

Item	Amount derecognised as at the end of the period	Amount not derecognized as at the end of period
Bank acceptances	399,764,318.65	
Total	399,764,318.65	

6. Prepayments

(1) Aging analysis of prepayments is as follows

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	216,946,221.46	89.43	129,129,737.09	85.51
1 to 2 years	13,486,459.43	5.56	20,526,003.36	13.59
2 to 3 years	11,386,445.73	4.69	578,364.87	0.38
Over 3 years	776,912.99	0.32	770,128.90	0.52
Total	242,596,039.61	100.00	151,004,234.22	100.00

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

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Amount	Proportion of the amount to the total prepayments (%)
Company F	Third Party	52,448,688.39	21.62
Company G	Third Party	24,108,558.47	9.94
Company H	Third Party	17,033,888.23	7.02
Company I	Third Party	11,036,750.96	4.55
Company J	Third Party	9,109,977.36	3.76
Total	/	113,737,863.41	46.89

7. Other receivables

Items presentation

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	268,971,715.22	226,186,602.19
Dividends receivable	16,607,396.17	
Other receivables	940,189,225.93	813,862,106.04
Total	1,225,768,337.32	1,040,048,708.23

Interests receivable

Categories of Interests receivable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Time deposits	62,898,490.14	26,357,413.31
Structured deposits interest	154,163,440.71	186,865,059.55
Interest receivable from third party	51,909,784.37	12,964,129.33
Total	268,971,715.22	226,186,602.19

Dividends receivable

Unit: Yuan Currency: RMB

Item (or Investee)	Closing balance	Opening balance
K Partnership shares	16,607,396.17	
Total	16,607,396.17	

Other receivables

(1) Other receivables disclosed by nature

Unit: Yuan Currency: RMB

Nature	Closing balance	Opening balance
Deductible Brazil social contribution tax (Note 1)	109,045,710.40	89,607,819.92
Congo (DRC) VAT refunds receivable (Note 2)	694,803,961.51	594,520,342.69
Guarantee deposit	12,257,263.98	8,607,209.96
Refund of land-transferring fee receivable	5,900,000.00	5,900,000.00
Others	147,169,889.30	144,915,575.83
Total	969,176,825.19	843,550,948.40

Note 1: See V.21 for details.

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

(2) Bad debt provision status

At the end of the period, the Group recognised the loss provision for the other receivables based on ECL as follows:

Unit: Yuan Currency: RMB

	Book balance	Bad debt provision	Book value
Other receivables of which the loss provision is recognised based on ECL	165,327,153.28	28,987,599.26	136,339,554.02

The management of the Group believes that there's no ECL on other receivables except for the receivables amounting to RMB28,987,599.26 that has credit-impaired and of which impairment has been provided fully.

(3) *Bad debt status*

Unit: Yuan Currency: RMB

Item	Opening balance	Changes for the current period			Closing balance
		Provision	Reversal	Write-off	
Bad debt provision	29,688,842.36	4,880,000.00	-5,581,243.10	28,987,599.26	
Total	29,688,842.36	4,880,000.00	-5,581,243.10	28,987,599.26	

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

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance	Aging	Proportion of the total closing balance of other receivable (%)	Closing balance of bad debt provision
Congo (DRC) government	Local tax authority	694,803,961.51	Within 2 years	71.69	
Federal government of Brazil	Local government	109,045,710.40	Within 2 years	11.25	
Company L	Third Party	13,982,122.82	Over 3 years	1.44	13,982,122.82
Individual M	Third Party	10,175,210.53	Over 3 years	1.05	
Company N	Third Party	9,258,981.53	Within 2 years	0.96	
Total	/	837,265,986.79	/	86.39	13,982,122.82

8. Inventories

(1) Categories of inventories

Current :

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories/ Provision for contract performance cost impairment	Book value	Book balance	Provision for decline in value of inventories/ Provision for contract performance cost impairment	Carrying amount
Raw materials	2,489,782,816.89	8,999,719.03	2,480,783,097.86	2,510,471,739.65	8,042,411.49	2,502,429,328.16
Work-in-progress	2,666,575,243.82	2,204,998.02	2,664,370,245.80	2,527,418,733.65		2,527,418,733.65
Finished goods	1,823,853,520.05	3,444,229.27	1,820,409,290.78	1,587,776,172.60	1,709,429.20	1,586,066,743.40
Total	6,980,211,580.76	14,648,946.32	6,965,562,634.44	6,625,666,645.90	9,751,840.69	6,615,914,805.21

Non-current:

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value of inventories	Book value	Book balance	Provision for decline in value of inventories	Book value
Raw materials (Note)	5,367,306,399.87	25,171,308.37	5,342,135,091.50	5,104,760,564.36	25,232,842.71	5,079,527,721.65
Consumable biological assets	46,308,726.82		46,308,726.82	42,906,576.50		42,906,576.50
Total	5,413,615,126.69	25,171,308.37	5,388,443,818.32	5,147,667,140.86	25,232,842.71	5,122,434,298.15

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

1. The sulphide ore exploited and reserved in Australian Northparkes Copper and gold business. According to the estimation of the management, it is expected that these ore material reserves will not be ready for sale within one year, the mining period of E48 mine shaft. Therefore, the amount is presented as non-current assets.
2. Low-grade ores were produced from Tenke Copper-Cobalt mine in Congo, ore recovery process is further demanded in the future; the management estimates that these ores will not be ready for sales within one year, so it will be presented as non-current assets.

(2) Provision for decline in value of inventories

Current :

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increase in the Current period		Amount decrease in the current period		Closing balance
		Provision	Others	Reversal or Write-off	Others	
Raw materials	8,042,411.49	7,371,168.84		6,628,461.30	-214,600.00	8,999,719.03
Work-in-progress		184,404.39	2,081,742.87	61,149.24		2,204,998.02
Finished goods	1,709,429.20	6,482,166.41		4,747,366.34		3,444,229.27
Total	9,751,840.69	14,037,739.64	2,081,742.87	11,436,976.88	-214,600.00	14,648,946.32

Notes: Other increase for the period refers to the provision for decline in value arising from the increase in business combination.

Other reductions for the period refer to the translation differences of foreign currency statements.

Non-current :

Unit: Yuan Currency: RMB

Item	Opening balance	Amount increase in the Current period		Amount decrease in the current period		Closing balance
		Provision	Others	Reversal or Write-off	Others	
Raw materials	25,232,842.71				61,534.34	25,171,308.37
Total	25,232,842.71				61,534.34	25,171,308.37

Notes: Other reductions for the period refer to the translation differences of foreign currency statements.

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

Unit: Yuan Currency: RMB

Item	Quantity	Opening balance	Increase in the Current Year			Decrease in the Current Year used	Translation differences arising on translation of financial statements denominated in foreign currencies	Closing balance
			Transferred from construction in progress	Changes in fair value				
Eucalyptus forest in Brazil	2,886 hectares	42,906,576.50	2,176,935.66	2,167,790.51	1,544,865.73	602,289.88	46,308,726.83	

9. Other current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Loans receivable from third party (Note 1)	208,776,827.50	208,776,827.50
Prepayment of enterprise income tax	36,361,123.05	0.00
Prepayment of VAT	44,095,276.10	42,292,777.66
Loans receivable from Société Nationale d'Electricité (Note2)	92,107,974.17	96,207,236.95
Accounts receivable from TFM minority shareholders (Note 3)	0.00	43,096,220.58
Loans receivable from NSR (Note 4)	962,458,000.00	960,848,000.00
Prepaid insurance expenses (Note 5)	21,012,431.10	63,047,456.11
Others	75,489,989.88	36,336,601.61
Total	1,440,301,621.80	1,450,605,120.41

Other Notes :

The Group accounts the credit impairment loss of financial assets in the other current assets according to ECL model. At 30 June 2019, the management believes that the relevant financial assets have a low credit risk.

Note 1: It is the Group's pledged loan due from a third party. The loan period is one year and the agreed interest rate is by reference to loan interest rates for the same period issued by the People's Bank of China. The loan is pledged with the equity held by the third party in unlisted company.

Note 2: The amount receivable is due from Société Nationale d'Electricité (hereinafter referred to as "SNEL") which is provided by the subsidiary of the Group in DRC. According to the agreement, the amount will be offset with electricity bill when the Company actually uses electricity. The current part is the portion expected to be offset in the next year. For the non-current part, see Note V.21.

Note 3: It is Congo (DRC) subsidiary's accounts receivable from Gécamines. According to the agreement, the current portion at the beginning of the period has been deducted from the Company's consulting fees due to Gécamines for the current period. Refer to Note V.21 for details of the non-current portion.

Note 4: It is the NREIL's loan receivable from NSR, and the loan period is one year according to the agreement. The Group makes a provision for interest receivable according to the agreed interest rate.

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

10. Long-term equity investments

Unit: Yuan Currency: RMB

Investee	Opening balance	Additional investment	Decreased investment	Changes for the Period					Closing balance	Closing balance of provision for impairment
				Investment income recognised under equity method	Adjustment to other comprehensive income	Other changes in equities	Declared cash dividends of profits	Provision for impairment losses		
I. Joint ventures										
High-Tech	70,029,342.89			-670,122.50					-69,359,220.39	
Xuzhou Huan Yu	909,103,366.78			-31,217,964.90						877,885,421.88
Subtotal	979,132,729.67			-31,888,087.40					-69,359,220.39	877,885,421.88
II. Associates										
Yulu Mining	86,593,518.79			44,439,257.05			-53,800,000.00			77,232,775.84
Caly Nanomoly Development, Inc. ("Nanomoly Development")										
Luoyang Shenyu Natural Resources Investment	1,007,760.31			-210,440.82						797,319.49
	1,456,131,269.17			152,368,589.26				1,364,697.04		1,609,864,555.47
Subtotal	1,543,732,548.27			196,597,405.49			-53,800,000.00	1,364,697.04		1,687,894,650.80
Total	2,522,865,277.94			164,709,318.09			-53,800,000.00	-67,994,523.35		2,565,780,072.68

Other Notes:

Note 1: On 27 December 2018, the Company and another shareholder of High-tech concluded an equity transfer agreement by which the Company would acquire 49.75% equities held by the shareholder in Hightech. The equity acquisition has completed in March 2019 and High-Tech becomes a wholly-owned subsidiary of the Company.

Note 2: Xuzhou Huan Yu, a joint venture of the Group, holds 90% of equity in Fuchuan Mining. Meanwhile, the Group holds 10% of equity in Fuchuan Mining indirectly by its subsidiary, Luanchuan Fu Kai Trading Co., Ltd. ("Fu Kai"). Therefore, the Group holds directly and indirectly 55% of equity in Fuchuan Mining totally by Xuzhou Huan Yu. According to the agreement with local government, the local government is entitled to 8% of the dividend rights of Fuchuan Mining. Thus, the Group actually holds 47% of the profit or loss of Fuchuan Mining under equity method.

Note 3: According to the result of Yulu Mining's 2007 annual general meeting of shareholders, both investors would share the net profit at the ratio of 1:1 since year 2008. Therefore, the Group holds 40% equity interest in Yulu Mining but recognises investment income at 50% out of its net profit.

Note 4: The Group holds 40% of Nanomoly Development's equity and accounts investment therein based on equity method. In accordance with Articles of Association of Nanomoly Development, the Group does not assume any additional liabilities for additional loss. As at the end of the current period, the Group has written down its investment in Nanomoly Development to zero.

Note 5: On 7 April 2016, the Company entered into a collaboration agreement with a third party, and the Company invested RMB1.5 million by way of intangible assets and the counterparty invested RMB8.5 million of cash to incorporate Luoyang Shenyu. Meanwhile, the Company appointed a director and a supervisor to Luoyang Shenyu. However, Luoyang Shenyu was accounted as an associate due to its significant impact.

Note 6: The Group held 45% shares of Natural Resources Investment Fund as a limited partner, and had significant impact on the operating decision of relevant investment entities. The relevant investment was accounted under equity method. At 11 May 2018, the Natural Resources Investment Fund acquired 100% equity of IXM completely and included it in the consolidation scope.

There is no significant limits exist regarding cash transfer and investment income repatriation from these associates.

The entities invested by the Group are all unlisted entities.

11. Other equity instruments investments

(1) Other equity instruments investments status

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Equity of O Company	388,222,520.52	388,222,520.52
Equity of P Company	59,951,677.54	59,951,677.54
Total	448,174,198.06	448,174,198.06

Note: As the equity instrument investment of the Company and its subsidiaries are the investment that the Company and its subsidiaries plan to hold for a long term for a strategic purpose, it is designated as financial assets at FVTOCI.

(2) Non-held-for-trading equity investment status

Unit: Yuan Currency: RMB

Item	Dividend income recognized for the current period	Accumulated profit	Accumulated loss	Amount transferred to retained earnings from other comprehensive income	Reasons for designated as at fair value through other comprehensive income	Reasons for the transfer from other comprehensive income to retained earnings
Equity of O Company			11,777,479.48		Long-term holding for a strategic purpose and no active market	
Equity of P Company			40,048,322.46		Long-term holding for a strategic purpose and no active market	

12. Other non-current financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other wealth management products by nonbanking financial institutions (<i>Note 1</i>)	951,385,769.46	951,566,173.88
wealth management products by bank	122,294,827.40	0.00
K Partnership shares (<i>Note 2</i>)	784,023,085.44	766,023,085.44
Q Partnership shares	257,473,530.99	257,473,530.99
Equity of R Company	13,722,696.00	13,668,720.00
S Fund shares	83,125,538.07	82,798,577.22
T Fund shares	203,391,688.02	142,295,687.69
Equity of U Company	170,586,833.98	150,355,920.00
Equity of V Company	83,283,042.02	82,955,461.68
Target Asset Management Plans	1,509,744,500.02	1,459,479,527.97
W Fund shares	208,901,508.90	0.00
Others	4,928.00	4,928.00
Total	4,387,937,948.30	3,906,621,612.87

Other Notes :

Note 1: Other wealth management products by non-banking financial institutions are in relation to wealth management product plans provided by the non-banking financial institutions within the territory of China purchased by the Group, with expected yield from 4.82% to 5.84%. The management of the Group believes that the interests in these wealth management product plans and the risk exposures are not significant different with their book value, and are accounted as financial assets at FVTFL. In the current period, the Group obtained RMB25,428,138.16 of income from wealth management investment.

Note 2: V Partnership share is in relation to the shares of the Group invested in the partnership, and in the current period, the Group recognized RMB16,607,396.17 of dividends from relevant investment projects.

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

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Non-current derivative financial assets		
– Forward foreign exchange contract	623,068.09	
– Interest rate swaps contract (<i>Note</i>)		3,179,157.60
Total	623,068.09	3,179,157.60
Non-current derivative financial liabilities		
– Interest rate swaps contract (<i>Note</i>)	194,755,426.39	23,312,327.42
Total	194,755,426.39	23,312,327.42

Note: Interest rate swaps contract is in relation to the forward interest rate swaps contract purchased by the Group, which is used to hedge the cash flow risk due to a part of loans with floating interest rate on the balance sheet of the Group. The Group accounted the above hedging instrument and corresponding hedged items according to hedge accounting. Refer to Note V.65 for details.

14. Fixed assets

(1) Fixed assets Status

Unit: Yuan Currency: RMB

Item	Buildings and mining structures	Machinery equipment	Transportation device	Electronic equipment, fixture and furniture	Total
I. Original carrying amount :					
1. Opening balance	12,630,019,395.42	19,619,391,854.54	160,389,302.77	208,034,749.15	32,617,835,301.88
2. Increase in the current period	642,169,363.15	728,479,971.43	11,676,045.83	14,048,445.85	1,396,373,826.26
(1) Purchase	318,457,858.91	6,466,175.03	10,228,691.16	2,116,973.88	337,269,698.98
(2) Transferred from construction in progress	163,379,743.78	580,758,202.11		9,690,953.38	753,828,899.27
(3) Increase in business combination	46,264,958.44	141,255,594.29	1,447,354.67	2,240,518.59	191,208,425.99
(4) Revaluation of reclamation and asset abandonment costs (Note)	114,066,802.02				114,066,802.02
3. Decrease in the current period	-4,735,608.93	88,876,129.63	-13,463.48	794.57	84,127,851.79
(1) Disposal or scrap	5,253,692.02	115,166,622.18		3,198.97	120,423,513.17
(2) Translation difference of financial statements denominated in foreign currencies	-9,989,300.95	-26,290,492.55	-13,463.48	-2,404.40	-36,295,661.38
4. Closing balance	13,276,924,367.50	20,258,995,696.34	172,078,812.08	222,082,400.43	33,930,081,276.35
II. Accumulated depreciation					
1. Opening balance	4,147,404,444.71	4,533,785,262.92	132,762,061.55	162,225,257.65	8,976,177,026.83
2. Increase in the current period	391,034,589.40	890,546,949.56	3,528,726.94	9,148,720.09	1,294,258,985.99
(1) Provision	366,615,722.59	783,730,801.90	2,104,219.49	6,954,466.33	1,159,405,210.31
(2) Increase in business combination	24,418,866.81	106,816,147.66	1,424,507.45	2,194,253.76	134,853,775.68
3. Decrease in the current period	1,162,224.57	119,148,311.39	-5,764.73	-246.96	120,304,524.27
(1) Disposal or scrap	162,035.80	104,450,575.65			104,612,611.45
(2) Translation difference of financial statements denominated in foreign currencies	1,000,188.77	14,697,735.74	-5,764.73	-246.96	15,691,912.82
4. Closing balance	4,537,276,809.54	5,305,183,901.09	136,296,553.22	171,374,224.70	10,150,131,488.55
III. Provision for impairment					
1. Opening balance	15,376,851.99	4,814,536.21		949,297.74	21,140,685.94
2. Increase in the current period					
(1) Provision					
3. Decrease in the current period					
(1) Disposal or scrap					
4. Closing balance	15,376,851.99	4,814,536.21		949,297.74	21,140,685.94
IV. Carrying amount					
1. Closing carrying amount	8,724,270,705.97	14,948,997,259.04	35,782,258.86	49,758,877.99	23,758,809,101.86
2. Opening carrying amount	8,467,238,098.72	15,080,792,055.41	27,627,241.22	44,860,193.76	23,620,517,589.11

As at the end of the period, no fixed asset is used as collateral.

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

(2) *The temporary idle fixed assets*

Unit: Yuan Currency: RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Carrying amount	Notes
Machinery equipment	52,908,199.38	45,094,558.80	3,945,202.39	3,868,438.19	

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

Unit: Yuan Currency: RMB

Item	Carrying amount	The reason of not completing the certificate of title
High-pressure roller mill workshop	21,010,941.38	Completed and settled, asset right transaction is in progress
Tungsten and molybdenum extraction and separation workshop	6,004,688.71	Completed and settled, asset right transaction is in progress
Main extraction workshop	5,880,673.63	Completed and settled, asset right transaction is in progress
Main decomposition workshop	5,768,257.83	Completed and settled, asset right transaction is in progress
Main crystallization workshop	4,945,720.37	Completed and settled, asset right transaction is in progress
Others	25,937,195.98	Completed and settled, asset right transaction is in progress

15. Construction in progress

(1) Construction in progress status

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Convey system project from Selection No. 3 Company to Sandaogou tailing pond	122,413.79		122,413.79	35,739,303.88		35,739,303.88
Raw ore convey system reconstruction project from Mining Company New 1# Crushing Station to Selection No. 3 Company	16,803,506.99		16,803,506.99	13,125,377.68		13,125,377.68
Expansion revamp project for 24000t/day of Selection No. 3 Company	0.00		0.00	17,851,705.86		17,851,705.86
APT Capacity extension project for 2000t/year of tungsten company	1,551,000.00		1,551,000.00	1,689,000.00		1,689,000.00
Eolybdenum mine project in East Gobi of Hami of Xinjiang	83,182,564.43	31,615,388.19	51,567,176.24	83,182,564.43	31,615,388.19	51,567,176.24
Building acquisition and decoration project	231,321,128.32		231,321,128.32	228,712,028.32		228,712,028.32
Northparkes E48 mine northern extension project	55,295,503.47		55,295,503.47	50,302,990.06		50,302,990.06
Northparkes E26 underground mine development project	80,117,050.93		80,117,050.93	81,479,765.39		81,479,765.39
Niobras tailing dam heightening project	29,113,846.94		29,113,846.94	0.00		0.00
Copebras phosphorus production plant maintenance project	150,439,450.93		150,439,450.93	116,367,926.07		116,367,926.07
Copebras phosphorus production process improvement projects	13,391,310.49		13,391,310.49	25,429,033.39		25,429,033.39
Niobras niobium production plant maintenance project	77,270,780.14		77,270,780.14	105,192,601.88		105,192,601.88
TFM filtering equipment upgrading project	0.00		0.00	50,862,357.87		50,862,357.87
TFM dehydration equipment installation project	57,067,520.88		57,067,520.88	49,897,670.18		49,897,670.18
TFM mining equipment purchase project	0.00		0.00	1,698,810.83		1,698,810.83
TFM No. 2 cobalt dryer improvement project	218,942,972.43		218,942,972.43	152,450,758.55		152,450,758.55
TFM mining zone transportation road construction projects	49,360,471.74		49,360,471.74	35,562,064.68		35,562,064.68
TFM production process optimization study	61,913,633.79		61,913,633.79	32,833,860.87		32,833,860.87
TFM IT system change project	0.00		0.00	35,918,500.58		35,918,500.58
TFM mining zone power supply project	83,495,319.35		83,495,319.35	63,224,208.40		63,224,208.40
TFM 2018 mining equipment acquisition project	51,935,130.62		51,935,130.62	152,066,465.28		152,066,465.28
TFM Kwatebala KT2 tailings pond project Phase I	204,558,051.51		204,558,051.51	91,957,622.77		91,957,622.77
Tailing dam reservoir replacement construction project	40,351,607.51		40,351,607.51	0.00		0.00
Others	599,184,892.04		599,184,892.04	499,893,079.41		499,893,079.41
Total	2,105,418,156.30	31,615,388.19	2,073,802,768.11	1,925,437,696.38	31,615,388.19	1,893,822,308.19

(2) Significant change in construction in progress for the current period

Unit: Yuan Currency: RMB

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Transfer to inventories	Other reductions	Translation difference of financial statements denominated in foreign currencies	Closing balance	Proportion of project accumulated investment to budget amounts (%)	Source of fund
Convey system project from Selection No. 3 Company to Sandaogou tailing pond	76,390,000.00	35,739,303.88	18,253,024.00	53,869,914.09					122,413.79	71.00	Funds in hand
Raw ore convey system reconstruction project from Mining Company New 1# Crushing Station to Selection No. 3 Company	16,000,000.00	13,125,377.68	3,678,129.31						16,803,506.99	95.00	Funds in hand
Expansion revamp project for 24000t/day of Selection No. 3 Company	66,260,000.00	17,851,705.86	10,598,969.01	28,450,674.87					0.00	43.00	Funds in hand
APT Capacity extension project for 2000t/year of tungsten company	39,583,000.00	1,689,000.00					138,000.00		1,551,000.00	85.00	Funds in hand
Eolybdenum mine project in East Gobi of Hami of Xinjiang	2,849,000,000.00	51,567,176.24							51,567,176.24	3.00	Funds in hand
Buildings acquisition and improvement	260,000,000.00	228,712,028.32	2,609,100.00						231,321,128.32	93.00	Funds in hand
Northparkes E48 mine northern extension project	240,507,581.64	50,302,990.06	5,324,368.50	9,784.79				-322,070.30	55,295,503.47	2.00	Funds in hand
Northparkes E26 underground mine development project	1,075,597,490.01	81,479,765.39	60,218,398.46	64,188,916.32			2,607,803.40		80,117,050.93	13.00	Funds in hand
Niobras tailing dam heightening project	265,662,381.18		29,089,496.12				24,350.82		29,113,846.94	57.00	Funds in hand
Copebras phosphorus production plant maintenance project	461,567,769.11	116,367,926.07	84,915,033.79	53,379,583.37			2,536,074.44		150,439,450.93	61.00	Funds in hand
Copebras phosphorus production process improvement projects	42,299,201.11	25,429,033.39	2,376,805.96	14,762,459.26			347,930.40		13,391,310.49	100.00	Funds in hand
Niobras niobium production plant maintenance project	242,138,905.95	105,192,601.88	47,742,863.03	75,817,444.58			152,759.81		77,270,780.14	115.00	Funds in hand
TFM filtering equipment upgrading project	61,047,741.19	50,862,357.87		50,904,970.43			42,612.56		0.00	83.00	Funds in hand

Name of project	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Transfer to inventories	Other reductions	Translation difference of financial statements denominated in foreign currencies	Closing balance	Proportion of project accumulated investment to budget amounts (%)	Source of fund
TFM dehydration equipment installation project	114,351,699.93	49,897,670.18	57,701,096.37	50,620,781.29				89,535.62	57,067,520.88	95.00	Funds in hand
TFM mining equipment purchase project	80,892,770.49	1,698,810.63		1,700,234.10				1,423.27	0.00	102.48	Funds in hand
TFM No. 2 cobalt dryer improvement project	515,880,745.99	152,450,758.55	66,181,366.45					310,847.43	218,942,972.43	70.71	Funds in hand
TFM mining zone transportation road construction projects	221,734,010.91	35,562,064.68	13,727,328.00					71,079.06	49,360,471.74	41.27	Funds in hand
TFM production process optimization study	1,076,199,515.04	32,833,860.87	29,000,480.09					79,292.83	61,913,633.79	9.33	Funds in hand
TFM IT system change project	40,897,156.30	35,918,500.58	4,895,802.01	40,844,395.16				30,092.57	0.00	100.00	Funds in hand
TFM mining zone power supply project	129,066,199.47	63,224,208.40	20,148,306.10					122,804.85	83,495,319.35	64.69	Funds in hand
TFM 2018 mining equipment acquisition project	153,402,055.80	152,066,465.28	51,210,263.31	151,512,438.04				170,840.07	51,935,130.62	146.71	Funds in hand
TFM Kwatebala KT2 tailings pond project Phase I	812,365,847.78	91,957,622.77	112,352,294.11					248,134.63	204,558,051.51	25.19	Funds in hand
Tailing dam reservoir replacement construction project	378,000,000.00		40,351,607.51						40,351,607.51	11.00	Funds in hand
Others		499,893,079.41	279,039,700.45	167,767,302.97	845,206.18	2,176,935.66	9,704,881.08	746,438.07	599,184,892.04		Funds in hand
Total	9,218,844,071.09	1,893,822,308.19	939,414,432.58	753,828,899.27	845,206.18	2,176,935.66	9,842,881.08	7,259,949.53	2,073,802,768.11	/ /	

At the end of the period, the Group made provision for impairment of RMB31,615,388.19 (31 December 2018: RMB31,615,388.19) for construction in progress.

16. Right-of-use assets

Unit: Yuan Currency: RMB

Item	Building	Machinery equipment	Transportation device	Total
I. Original carrying amount				
1. Opening balance	145,106,766.07	31,827,649.29		176,934,415.36
2. Increase in the current period	17,632,397.34	230,768.90	2,235,087.57	20,098,253.81
(1) Lease	17,632,397.34	230,768.90	2,235,087.57	20,098,253.81
3. Decrease in the current period	-170,961.05	7,874,845.49	-1,870.92	7,702,013.52
(1) Others		6,552,875.61		6,552,875.61
(2) Translation difference of financial statements denominated in foreign currencies	-170,961.05	1,321,969.88	-1,870.92	1,149,137.91
4. Closing balance	162,910,124.46	24,183,572.70	2,236,958.49	189,330,655.65
II. Accumulated depreciation				
1. Opening balance				
2. Increase in the current period	28,017,140.49	6,490,981.03	279,385.96	34,787,507.48
(1) Provision	28,017,140.49	6,490,981.03	279,385.96	34,787,507.48
3. Decrease in the current period	-14,841.65	-27,823.88	-233.87	-42,899.40
(1) Disposal				
(2) Translation difference of financial statements denominated in foreign currencies	-14,841.65	-27,823.88	-233.87	-42,899.40
4. Closing balance	28,031,982.14	6,518,804.91	279,619.83	34,830,406.88
III. Provision for impairment				
1. Opening balance				
2. Increase in the current period				
(1) Provision				
3. Decrease in the current period				
(1) Disposal				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount	134,878,142.32	17,664,767.79	1,957,338.66	154,500,248.77
2. Opening carrying amount	145,106,766.07	31,827,649.29	0.00	176,934,415.36

17. Intangible Assets

(1) Details of intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Mining rights	Others	Total
I. Original carrying amount				
1. Opening balance	531,980,339.39	24,404,408,422.83	55,440,495.67	24,991,829,257.89
2. Increases for the period	189,258,408.53		7,493,078.26	196,751,486.79
(1) Purchase			5,321,131.08	5,321,131.08
(2) Increase in business combination	189,258,408.53		1,326,741.00	190,585,149.53
(3) Transfer from construction in progress			845,206.18	845,206.18
3. Decreases for the period		-45,194,696.44	3,854,527.96	-41,340,168.48
(1) Disposal			4,113,852.92	4,113,852.92
(2) Exchange differences arising on translation of financial statements denominated in foreign currencies		-45,194,696.44	-259,324.96	-45,454,021.40
4. Closing balance	721,238,747.92	24,449,603,119.27	59,079,045.97	25,229,920,913.16
II. Accumulated amortization				
1. Opening balance	107,819,512.98	3,924,856,309.70	28,101,155.87	4,060,776,978.55
2. Increases for the period	19,975,380.72	619,140,163.96	6,572,652.37	645,688,197.05
(1) Provision	6,747,627.07	619,140,163.96	5,248,835.59	631,136,626.62
(2) Increase in business combination	13,227,753.65		1,323,816.78	14,551,570.43
3. Decreases for the period		37,219,676.85	1,451,353.19	38,671,030.04
(1) Disposal			1,666,784.73	1,666,784.73
(2) Exchange differences arising on translation of financial statements denominated in foreign currencies		37,219,676.85	-215,431.54	37,004,245.31
4. Closing balance	127,794,893.70	4,506,776,796.81	33,222,455.05	4,667,794,145.56
III. Impairment provision				
1. Opening balance				
2. Increases for the period				
(1) Provision				
3. Decreases for the period				
(1) Disposal				
4. Closing balance				
IV. Carrying amount				
1. Closing carrying amount	593,443,854.22	19,942,826,322.46	25,856,590.92	20,562,126,767.60
2. Opening carrying amount	424,160,826.41	20,479,552,113.13	27,339,339.80	20,931,052,279.34

At the end of the period, there were no land use rights and mining rights used as collateral.

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

18. Goodwill

(1) Original cost of goodwill

Unit: Yuan Currency: RMB

Investee or item leading to the goodwill	Opening balance	Increases for the period	Decreases for the period		Closing balance
		Increase in business combination	Disposal	Exchange differences arising on translation of financial statements denominated in foreign currencies	
Phosphorus business in Brazil (Note)	674,886,645.02			-8,645,675.73	683,532,320.75
Total	674,886,645.02			-8,645,675.73	683,532,320.75

Note: It represents the difference of the consideration paid for acquiring the phosphorus business in Brazil and the fair value of identifiable net assets in respect of the business combination involving enterprises not under common control on 1 October 2016.

(2) Description on the process of goodwill impairment test, key parameters (such as forecast growth rate, steady growth rate, profit margin, discount rate, forecast period, etc. (if applicable) in estimating the present value of future cash flow) and recognition method of impairment loss on goodwill

The Group uses business segments as its primary segment for reporting segment information. For the purpose of impairment testing, goodwill has been allocated to asset groups by the Group. The carrying amount of goodwill allocated to the asset groups as at 30 June 2019 is as follows:

Unit: Yuan Currency: RMB

	Cost	Exchange differences arising on translation of financial statements denominated in foreign currencies	Provision for impairment	30 June 2019
Asset group – Brazil phosphorus business	850,671,685.12	-167,139,364.37	/	683,532,320.75

The recoverable amount of Brazil phosphorus business under the asset group is determined according to the present value of the expected future cash flows. Future cash flows are determined based on the financial budget of the next five years approved by the management and based on the production life of available reserves and future mining plans, and discount rate of 10% is used. As the sale of the products in phosphorus business is priced in USD and settled in BRL, the management believes that the inflation risk facing the relevant business operation mainly comes from that in the environment denominated in USD. Therefore, 4.25% is the inflation rate used to infer the cash flow from the asset group after 5 years (based on the USD environment). According to the characteristics of upstream mineral prices and costs, its impact by inflation is small, and the management believes that the forecast method is reasonable.

The key assumptions for calculating the present value of future cash flows for the above asset group as at 30 June 2019 are as follows:

Key assumptions	Consideration of the management
Budget gross margin	On the basis of realizing the average gross margin in the year before the budget year, appropriately modify the average gross margin according to the changes in the expected efficiency and the fluctuation of metal market price.
Discount rate	The discount rate used is the pre-tax discount rate that reflects the specific risk of the related asset group.
Inflation of raw material price	Consider the expected price index for the operating environment in the budget year.

The data of key assumptions of the sales price, discount rate, raw material price inflation used in the above asset group are consistent with the external information.

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

19. Long-term prepaid expenses

Unit: Yuan Currency: RMB

Item	Opening balance	Addition for the current period	Amortization for the current period	Other decreases	Closing Balance
Relocation compensation (Note 1)	43,758,280.74		3,182,454.66		40,575,826.08
Geological Museum project (Note 2)	26,400,000.00		300,000.00		26,100,000.00
Mining compensation (Note 3)	16,888,888.00		3,166,662.00		13,722,226.00
Others	41,975,701.81	6,272,619.34	5,508,951.03		42,739,370.12
Total	129,022,870.55	6,272,619.34	12,158,067.69		123,137,422.20

Other description:

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

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

Note 3: It was the mining compensation paid by the Company, which was amortised over the benefit period.

20. Deferred tax assets/deferred tax liabilities

(1) Deferred tax assets before offsetting

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for asset impairment	452,925,465.56	130,962,896.39	425,775,628.63	122,753,188.11
Unrealized profit from internal transaction	423,597,105.98	96,359,296.20	330,615,931.78	87,273,326.32
Deductible losses	1,198,671,309.64	399,324,536.69	1,088,825,124.06	367,172,809.90
Differences in inventory costs	89,509,955.19	26,852,986.56	74,309,177.27	22,292,753.18
Deferred income from government grants	70,351,749.64	15,689,666.92	74,045,061.50	16,593,907.19
Profit or loss arising from fair value changes	199,332,051.27	30,488,681.67	20,133,169.82	3,019,975.47
Net accrued and unpaid expenses	1,626,396,971.41	474,772,044.25	1,642,780,661.96	468,911,472.51
Scrap of fixed assets without recording	21,611,375.27	3,241,706.29	23,403,398.76	3,510,509.81
Effects of non-monetary items on exchange rates (Note)	575,256,233.18	195,587,119.30	417,204,788.84	141,849,628.20
Others	146,318,045.89	50,037,516.69	197,434,932.47	65,803,753.85
Total	4,803,970,263.03	1,423,316,450.96	4,294,527,875.09	1,299,181,324.54

Note: Niobras adopts USD as its functional currency, but meanwhile, it makes tax declaration and annual filing in BRL for the operating activities in Brazil. As the non-monetary items including inventories and fixed assets of Niobras on the balance sheet are recognised and subsequently measured at historical exchange rate, resulting temporary difference between their tax bases and carrying amounts upon tax accounting, the Company accordingly recognises the relevant temporary difference as a deferred tax asset/liability.

(2) Deferred tax liabilities before offsetting

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred tax liabilities	Taxable temporary difference	Deferred tax liabilities
Asset valuation surplus arising from business combination not under the common control	16,886,373,010.84	5,192,417,644.07	17,341,677,281.03	5,337,044,081.13
Accrued interest income	106,633,638.50	17,471,758.10	229,062,505.15	35,836,088.08
Differences in depreciation of fixed assets	10,440,649,215.17	3,146,859,426.75	10,771,190,657.52	3,247,672,205.89
Profit or loss arising from fair value changes	490,503,463.03	130,995,587.93	357,065,617.69	99,124,085.71
Others	228,341,496.61	67,751,339.58	238,382,677.18	75,025,210.61
Total	28,152,500,824.15	8,555,495,756.43	28,937,378,738.57	8,794,701,671.42

Note: In the course of Brazil business combination not involving enterprises under common control in 2016, identifiable net assets of the acquiree was recorded at the fair value at the acquisition date, and deferred tax liability was recognised in accordance with the differences between the fair value and tax base of the related assets on the date of acquisition. According to the local tax law of Brazil, the above taxable temporary differences can be reversed after meeting certain conditions in the future. However, as the above conditions exist uncertainty, in accordance with the conservatism principle, the management of the Group has still recognised deferred tax liabilities amounting to RMB1,134,003,910.95 in 30 June 2019 (31 December 2018: RMB1,143,597,622.94). If certain conditions are met in the future, the above deferred tax liabilities of the Group may be reversed in future to form one-time gain.

(3) Net amount of deferred tax assets or liabilities after offsetting

Unit: Yuan Currency: RMB

Item	Closing set-off amount of deferred tax assets and deferred tax liabilities	Closing balance of deferred tax assets and deferred tax liabilities after offsetting	Opening set-off amount of deferred tax assets and deferred tax liabilities after offsetting	Opening balance of deferred tax assets and deferred tax liabilities after offsetting
Deferred tax assets	818,521,652.64	604,794,798.32	1,099,549,727.02	525,597,815.59
Deferred tax liabilities	818,521,652.64	7,736,974,103.79	1,099,549,727.02	8,021,118,162.47

(4) *Details of unrecognised deferred tax assets*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	69,422,875.84	91,982,054.85
Deductible tax losses	423,196,627.09	423,196,627.09
Total	492,619,502.93	515,178,681.94

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

(5) *Deductible tax losses, for which no deferred tax assets are recognised, will expire in the following years*

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance
2019	100,772,089.72	100,772,089.72
2020	137,346,839.11	137,346,839.11
2021	98,186,466.46	98,186,466.46
2022	57,442,657.83	57,442,657.83
2023	29,448,573.97	29,448,573.97
Total	423,196,627.09	423,196,627.09

21. Other Non-current Assets

Unit: Yuan Currency: RMB

Item	Book balance	Closing balance Provision for impairment	Book value	Book balance	Opening balance Provision for impairment	Book value
Time deposit mature over 1 year and related interest receivable	120,000,000.00	120,000,000.00	200,000,000.00			200,000,000.00
Borrowings due from SNEL (Note 1)	1,261,128,564.11	1,261,128,564.11	1,251,660,684.70			1,251,660,684.70
Amount due from TFM minority shareholders (Note 2)	350,036,168.18	350,036,168.18	334,381,507.50			334,381,507.50
Brazil deductible social contribution tax (Note 3)	40,207,911.05	40,207,911.05	43,077,882.87			43,077,882.87
Prepayments for water charges (Note 4)	63,000,000.00	63,000,000.00	63,000,000.00			63,000,000.00
Prepayments for farmland occupation tax (Note 5)	18,836,266.71	18,836,266.71	18,836,266.71			18,836,266.71
Prepayments for land (Note 6)	8,659,900.00	8,659,900.00	8,659,900.00			8,659,900.00
Land acquisition compensation due from government (Note 7)	121,418,192.10	121,418,192.10	119,882,431.05			119,882,431.05
Compensatory assets (Note 8)	132,535,589.42	132,535,589.42	165,358,581.74			165,358,581.74
Litigation guarantee (Note 9)	37,606,882.74	37,606,882.74	64,697,389.96			64,697,389.96
Others	1,929,427.38	1,929,427.38	4,004,130.69			4,004,130.69
Total	2,155,358,901.69	2,155,358,901.69	2,273,558,775.22			2,273,558,775.22

Other description:

The Group recognises ECL provision of relevant financial assets in the other non-current assets on the basis of ECL. At 30 June 2019, the management of the Group believes that the credit risk of the relevant financial assets is not increased significantly since its initial recognition, and has no significant ECL.

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

Note 2: TFM's loans due from Gécamines. As at 30 June 2019, the principal due to TFM is USD30,000,000.00 (equivalent to RMB206,241,000.00); the interest receivable is USD20,916,573.55 (equivalent to RMB143,795,168.18) and the applicable interest rate for the loan is determined based on the 1-year Libor interest rate plus 6%, which will be charged against dividends expenses of Gécamines in the future.

Note 3: Brazil social contribution tax is applicable to Niobras and Copebras, of which the tax base is the balance of income from the sales of goods and rendering of services in Brazil after deducting deductible cost. As it is not required to pay the social contribution tax and goods circulation tax for export goods, tax payment remains un-deducted at the end of the period. The social contribution tax is levied by the Brazil's federal government, so the tax credit can be used to deduct the enterprise income tax levied by the federal government without expiry date. The portion of deductible balance within one year is accounted for as other receivables by the Group. See Note V.7 for details.

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

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

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

Note 7: Copebras holds the amount receivables from the state government of San Paulo, Brazil. Due to the objection from local government, the payment of the remaining fund was suspended. Related disputes are currently in the litigation stage. The management of the Group, based on the information available and opinions of external lawyers, believes that the relevant funds can be recovered.

Note 8: Based on the agreement between the Group and Anglo American in the course of the acquisition of the Brazilian Niobium Phosphorus business, if Niobras and Copebras have incurred cash outflows in the course of the business due to tax-related contingencies, compensation will be provided by Anglo American to the Group. The Group recognized a expected liability for the Niobras and Copebras related contingencies at fair value (Note V.37), accordingly recognizes the right of relevant tax related compensation as non – current assets.

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

22. Short-term borrowings

Categories of short-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Credit loan	7,804,065,371.68	4,588,152,515.23
Total	7,804,065,371.68	4,588,152,515.23

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

23. Held-for-trading financial liabilities

Unit: Yuan Currency: RMB

Item	Opening balance	Increase for the current period	Decrease for the current period	Exchange differences arising on translation of financial statements denominated in foreign currencies	Closing balance
Held-for-trading financial liabilities	3,559,593,886.39	1,719,770,183.19	1,999,577,000.00	921,644.50	3,280,708,714.08
Including:					
1. Forward commodity contract and gold lease liabilities measured at fair value (Note 1)	3,009,556,448.79	1,719,770,183.19	1,999,577,000.00		2,729,749,631.98
2. Contingent consideration for the acquisition of copper-cobalt business in DRC (Note 2)	550,037,437.60			921,644.50	550,959,082.10
Financial liabilities designated at fair value through profit or loss	691,117,466.05	10,890,130.49	702,007,596.54		0.00
Including:					
1. Liabilities from float interest rate foreign currency loan contract and forward foreign exchange contract measured at fair value and forward rate swap contract (Note 3)	691,117,466.05	10,890,130.49	702,007,596.54		0.00
Total	4,250,711,352.44	1,730,660,313.68	2,701,584,596.54	921,644.50	3,280,708,714.08

Other description:

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

Note 2: On 17 November 2016, the Group completed the acquisition of 56% equity interest of TFM held by Freeport. According to the terms of contingent consideration agreed by both parties in the acquisition agreement: if the monthly average delivery settlement price of LME Grade A copper is higher than USD3.50 per pound within 24 months from 1 January 2018 to 31 December 2019, CMOC Limited shall pay Phelps Dodge Katanga Corporation USD60 million no later than 10 January 2020. If the monthly average delivery settlement price of LME cobalt is higher than USD20.00 per pound within the 24 months from 1 January 2018 to 31 December 2019, CMOC Limited shall pay Phelps Dodge Katanga Corporation USD60 million no later than 10 January 2020.

On 20 April 2017, BHR controlled by the Group through agreement, completed the acquisition of 24% equity interest of TFM indirectly held by Lundin Mining Corporation. According to the agreement between both parties, Lundin Mining Corporation enjoys the equal right to receive contingent consideration as Freeport does, based on the transferred proportion of TFM's equity.

The Group recognizes the above contingent consideration as financial liabilities measured at fair value through profit or loss.

Note 3: The Group concluded a foreign currency loan contract at float rate with the bank. Meanwhile, the Group manages the risk in the relevant foreign currency loans at relevant float interest rate through purchase of corresponding forward foreign exchange contract and interest rate swap contract in order to hedge the cash flow risk arising from exchange rate risk and float interest rate of relevant liabilities. The Group decreases accounting mismatch by designating the relevant foreign currency loans at float interest rate as measured at fair value. Such loans were fully settled for the current period.

24. Derivative financial liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Forward foreign exchange contract		75,423,332.52
Total		75,423,332.52

25. Notes payable

Unit: Yuan Currency: RMB

Category	Closing balance	Opening balance
Commercial acceptances	20,997,986.77	20,000,000.00
Bank acceptances	115,580,000.00	9,000,000.00
Total	136,577,986.77	29,000,000.00

26. Accounts Payable

(1) Details of accounts payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payables for purchase of goods	841,101,340.74	959,709,363.91
Others	326,107,127.44	159,363,735.15
Total	1,167,208,468.18	1,119,073,099.06

(2) Aging analysis of accounts payable is as follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,097,854,816.43	1,067,283,364.39
1 to 2 years	53,425,705.54	33,533,145.03
Over 2 years	15,927,946.21	18,256,589.64
Total	1,167,208,468.18	1,119,073,099.06

27. Employee Benefits Payable

(1) Details of employee benefits payable

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Including: Exchange differences arising on translation of financial statements denominated in foreign currencies	Closing balance
1. Short-term compensation	459,511,097.23	1,113,018,840.13	1,231,731,334.15	-3,228,965.63	340,798,603.21
2. Retirement benefits-defined contribution plans	8,821,050.26	83,285,734.96	84,878,401.17	-445,058.59	7,228,384.05
3. Termination benefits		119,007.70			119,007.70
4. Others (Note)	49,012,312.29	20,970,757.46	17,653,968.43	-23,514.72	52,329,101.32
Total	517,344,459.78	1,217,394,340.25	1,334,263,703.75	-3,697,538.94	400,475,096.28

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

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

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Including: Exchange differences arising on translation of financial statements denominated in foreign currencies	Closing balance
1. Wages or salaries, bonuses, allowances and subsidies	445,968,993.85	1,062,330,527.71	1,178,302,851.20	-3,226,727.75	329,996,670.36
2. Staff welfare	1,901,132.08	11,903,994.07	13,134,658.20	-2,152.55	670,467.95
3. Social security contributions	572,868.45	14,999,619.28	14,290,512.18	-85.33	1,281,975.55
Including: Medical insurance	132,766.50	11,976,564.69	11,910,410.45	-85.33	198,920.74
Work injury insurance	438,035.93	2,185,883.87	1,561,875.48		1,062,044.32
Maternity insurance	2,066.02	837,170.72	818,226.25		21,010.49
4. Housing funds	210,292.02	18,774,119.15	20,591,761.90		-1,607,350.73
5. Labour union and staff education funds	10,857,810.83	5,010,579.92	5,411,550.67		10,456,840.08
Total	459,511,097.23	1,113,018,840.13	1,231,731,334.15	-3,228,965.63	340,798,603.21

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

(3) *Defined contribution plans as follows:*

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Exchange differences arising on translation of financial statements denominated in foreign currencies	Closing balance
1. Basic pension insurance	8,817,611.73	82,091,147.28	83,658,527.72	-445,058.59	7,250,231.29
2. Unemployment insurance	3,438.53	1,194,587.68	1,219,873.45		-21,847.24
Total	8,821,050.26	83,285,734.96	84,878,401.17	-445,058.59	7,228,384.05

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

During the period, the Group should contribute pension insurance and unemployment plans amounting to RMB82,091,147.28 and RMB1,194,587.68 (January-June of 2018: RMB34,832,496.56 and RMB982,173.23). As at 30 June 2019, the Group has outstanding contributions to pension insurance that is due as of the reporting period amounting to RMB7,250,231.29) (31 December 2018: RMB8,817,611.73). The relevant contributions have been paid after the reporting period.

28. Taxes Payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT	35,781,857.31	60,573,581.82
Enterprise income tax	212,338,788.69	710,170,473.26
Individual income tax	34,648,614.52	57,786,768.77
Urban maintenance and construction tax	671,035.58	2,087,423.36
Resource tax and royalties of mineral rights	183,926,935.04	244,149,616.24
Education surtax	957,494.92	2,287,877.21
Others	26,219,020.73	33,145,628.70
Total	494,543,746.79	1,110,201,369.36

29. Other payables

Item presentation

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	219,129,318.04	230,624,891.14
Dividends payable	462,035,419.29	27,885,796.67
Other payables	650,725,925.15	769,271,109.25
Total	1,331,890,662.48	1,027,781,797.06

Interest payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest on medium-term notes with periodic payments of interest and return of principal at maturity	23,585,753.43	66,132,602.74
Interest on bank borrowings	142,490,225.78	164,492,288.40
Interest on USD-denominated bonds	47,091,695.00	
Interest on super short-term financing instruments	5,961,643.83	
Total	219,129,318.04	230,624,891.14

Dividends payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividend for ordinary shares	434,149,622.62	
Luanchuan Taifeng Industry and Trading Co., Ltd. (Note)	6,623,109.24	6,623,109.24
Luanchuan Hongji Mining Co., Ltd. (Note)	15,943,017.89	15,943,017.89
Luanchuan Chengzhi Mining Co., Ltd. (Note)	5,319,669.54	5,319,669.54
Total	462,035,419.29	27,885,796.67

Note: Minority shareholders of subsidiaries of the Group.

Other payables

(1) Other payables shall be listed based on nature

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Project and equipment funds	315,877,913.60	369,012,315.81
Loyalties due to Gécamines	22,185,394.21	7,455,476.80
Service and transportation expenses	89,495,213.44	159,496,614.87
Electricity charge compensation due to SNEL (Note)	68,747,000.00	68,632,000.00
Deposits and advances	31,686,903.61	40,059,693.22
Service fees payable	1,370,772.23	341,333.57
Resource expenses payable	49,746,222.50	50,624,603.16
Land compensation	323,300.00	1,616,800.00
Others	71,293,205.56	72,032,271.82
Total	650,725,925.15	769,271,109.25

Note: TFM and SNEL had a dispute on the future fee of electricity in 2015, the management of TFM accrued the compensation based on the best estimation of the possible cash flow out in the future.

30. Contract liabilities

Details of contract liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payment for goods	681,590,409.23	200,667,461.95
Total	681,590,409.23	200,667,461.95

At the end of the period, the contract liabilities of RMB674,752,783.52 at book value are expected to be recognised as income in the year, and RMB6,837,625.71 is expected to be recognised as income in 2020 or subsequent years.

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

31. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	3,057,873,434.84	2,922,422,080.00
Lease liabilities due within one year	63,858,257.47	68,856,605.55
Total	3,121,731,692.31	2,991,278,685.55

32. Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Short-term bonds payable	1,000,000,000.00	
Other accruals	133,184,704.61	129,395,442.32
Total	1,133,184,704.61	129,395,442.32

Increase or decrease in short-term bonds payable:

Unit: Yuan Currency: RMB

Name	Par value	Issue date	Term	Issue amount	Opening balance	Issued amount for the period	Accrued interest at par value	Amortization of premium and depreciation	Repayment in the current period	Closing balance
19 CMOC SCP001	100	2019/4/28	180 days	1,000,000,000.00		1,000,000,000.00	5,961,643.83			1,000,000,000.00
Total	/	/	/	1,000,000,000.00		1,000,000,000.00	5,961,643.83			1,000,000,000.00

33. Long-term borrowings

(1) Categories of long-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured borrowings	14,692,849,611.59	16,268,306,635.19
Credit loans	6,188,646,385.76	6,850,970,277.55
Less: long-term borrowings due within one year (Note V.31)	-3,057,873,434.84	-2,922,422,080.00
Total	17,823,622,562.51	20,196,854,832.74

Description on the categories of long-term borrowings:

Note 1: Secured borrowings represent the borrowings obtained by the Group which are through pledge of fixed deposits and equity of subsidiaries, including:

In September 2016, Luxembourg SPV and CMOC BRASIL SERVICOS ADMINISTRATIVOS E PARTICIPACOES LTDA. ("CMOC BRASIL"), the subsidiaries of the Group, obtained a total of USD900 million (equivalent to RMB6.2 billion) acquisition syndicated loan for the payment of the consideration of acquisition of the Brazil Niobium-Phosphorus business, which will be repaid by the agreed installments during the period from 14 September 2018 to 14 September 2023, with interest rates range from 3-month USD LIBOR + 1.8% to 3-month USD LIBOR + 2.75%; the Group pledged the 100% equity interest in Luxembourg SPV to the Bank of China Luxembourg branch and provide a joint guarantee.

In November 2016, CMOC DRC LIMITED ("CMOC DRC"), a subsidiary of the Group, obtained a total of USD1.59 billion (equivalent to RMB11 billion) acquisitions syndicated loan for the payment of the consideration of acquisition of the Congo (DRC) Copper-Cobalt business, which will be repaid by the agreed installments during the period from 15 March 2018 to 15 November 2023, with interest rates range from 3-month USD LIBOR + 1.7% to 3-month USD LIBOR + 2.2%; the Group pledged the 100% equity interest in CMOC DRC to the bank and provide a joint guarantee.

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

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

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

Unit: Yuan Currency: RMB

Expiration date	Amount of the period	Same period last year
1 to 2 years	2,992,787,820.29	3,512,041,857.17
2 to 5 years	14,830,834,742.22	14,506,433,295.57
More than 5 years		2,178,379,680.00
Total	17,823,622,562.51	20,196,854,832.74

As at 30 June 2019, the annual interest rates for the above mentioned borrowings ranged from 4.0199% to 5.0699% (31 December 2018: 0.5447% to 4.5225%).

As at 30 June 2019, there was no outstanding long-term borrowings of the Group in due but not paid.

34. Bonds payable

(1) *Bonds payable*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Medium-term note	2,000,000,000.00	2,000,000,000.00
USD-denominated bonds	2,062,410,000.00	
Total	4,062,410,000.00	2,000,000,000.00

(2) *Changes in bonds payable: (preference share, perpetual bonds, and other financial instrument excluded)*

Unit: Yuan Currency: RMB

Name of bonds	Par value	Issue date	Bonds		Opening balance	Issue in the current period	Accrued interest based on par value	Interests paid during the current period	Closing interest payable	Amortization of premium and depreciation	Exchange differences arising on translation of financial statements denominated in foreign currencies	Repayment in the current period	Closing balance
			term	Issue amount									
16 Luanchuan Molybdenum													
MTN001(Notes 1)	100	17 March 2016	5 years	2,000,000,000.00	2,000,000,000.00		41,853,150.69	84,400,000.00	23,585,753.43				2,000,000,000.00
CMOC CAP B2202 (Notes 2)	USD 200,000	1 February 2019	3 years	2,010,750,000.00		2,010,750,000.00	47,091,695.00		47,091,695.00		51,660,000.00		2,062,410,000.00
Total	/	/	/	4,010,750,000.00	2,000,000,000.00	2,010,750,000.00	88,944,845.69	84,400,000.00	70,677,448.43		51,660,000.00		4,062,410,000.00

Note 1: The Company issued medium-term notes with a total par value of RMB2 billion (referred to: 16 Luanchuan Molybdenum MTN001) on 17 March 2016; and the relevant bonds are permitted to trade and circulate on the National Inter-bank Bond Market. The proceeds from the issue of the medium-term financing bonds were used to supply the Company and its subsidiaries' working capital and repayment of bank borrowings. The annual interest rate of the medium-term notes is a fixed rate at 4.22% with a term of 5 years and the interest is paid once a year in the duration. See Note V.29 for the details of interest payable.

Note 2: The Company issued the guaranteed bonds (bond stock code: CMOC CAP B2202) with a total par value of USD0.3 billion on 1 February 2019, which were publicly issued to institutional investors outside the United States and were not offered to the public in Hong Kong. The proceeds from the issue of such USD-denominated bonds were used to meet the general operation needs of the Company, including but not limited to the repayment of some existing debts of the Company. The annual interest rate of such USD-denominated bonds is a fixed rate at 5.48% with a term of 3 years and the interest is paid once in 1 February and 1 August of each year starting from 1 August 2019. See Note V.29 for the details of interest payable.

35. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Operating lease payments	96,529,792.21	109,224,275.11
Total	96,529,792.21	109,224,275.11

36. Long-term employee benefits payable

(1) Table of long-term employee benefits payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
1. Long service leave (Note)	92,168,736.18	83,015,797.25
2. Long-term bonus	52,814,989.17	43,887,418.65
3. Others		2,161,509.93
Total	144,983,725.35	129,064,725.83

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

37. Provisions

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pending litigation (Note 1)	580,221,302.81	513,710,091.71
Rehabilitation and asset abandonment cost (Note 2)	1,327,862,803.97	1,466,162,900.14
Total	1,908,084,106.78	1,979,872,991.85

Note 1: Pending litigation represented that the Group's Niobium-Phosphorus business in Brazil is facing with a series of local litigations and disputes related to tax matters, labours and other civil cases. When the relevant litigations are likely to lose and result in economic benefits outflow, the management of the Group estimates the amount of potential economic benefits outflow and makes corresponding provisions.

Note 2: The Group has the obligation of rehabilitation, environmental restoration and dismantling of related assets due to the environmental impact caused by mineral production and development activities. The management's best estimate of future economic benefits outflow generated from the above obligations is recognized as provision upon discounting. The above estimate is determined based on the industry practices and the current local laws and regulations, and significant changes in related laws and regulations may have a significant impact on the Group's estimate.

38. Deferred income

Deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Closing balance
Government grants	74,092,394.24	1,230,000.00	3,695,227.80	71,627,166.44
Total	74,092,394.24	1,230,000.00	3,695,227.80	71,627,166.44

Projects related to government grants:

Unit: Yuan Currency: RMB

Item of liabilities	Opening balance	Additional grants during the current period	Recorded in other income during the current period	Closing balance	Related to assets/Related to income
Deferred income-subsidies for low-grade scheelite demonstration project	54,873,395.54		-3,502,434.90	51,370,960.64	Related to assets
Subsidies of the return of Nannihu land premium	14,973,581.90		-192,792.90	14,780,789.00	Related to assets
Special funds for comprehensive utilization of 3,000 tons/day Molybdenum selection tailings	3,000,000.00			3,000,000.00	Related to assets
Comprehensive tax and industrialization award for large-scale tungsten associated copper rhenium	1,200,000.00			1,200,000.00	Related to assets
Subsidies for installation of heavy metal automatic monitoring facilities	45,416.80			45,416.80	Related to assets
Subsidies for closing down Luchanggou tailing pond project of Ore Processing Plant		1,230,000.00		1,230,000.00	Related to assets

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

39. Other non-current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Production progress fees payable to Gécamines (Note 1)	68,747,000.00	68,632,000.00
Acquisition consideration payable to BHR shareholders (Note 2)		3,225,704,000.00
Others	2,840,389.55	
Total	71,587,389.55	3,294,336,000.00

Other description:

Note 1: In accordance with the mining agreement entered into between the Group and Gécamines, Gécamines needs to charge TFM production progress fees. On 30 June 2019, the outstanding payment is USD10 million; according to TFM's production plan, the remaining amount is expected to be paid after 2020.

Note 2: On 20 January 2017, the Group concluded a frame cooperation agreement with BHR and its investors to obtain the control over BHR and its affiliated assets in the manner of control by agreement, and meanwhile to promise to provide fixed annualized withdrawal returns to the investors of BHR over the corresponding period. Such acquisition consideration was settled at the end of the period.

40. Share capital

As at 30 June 2019, the Company issues 21,599,240,583 shares with the par value of RMB0.2 per share, and the total share capital was RMB4,319,848,116.60. The structures and types of shares are shown as follow:

Unit: Yuan Currency: RMB

	Opening balance	Issuing new shares	Changes for the period(+, -)			Subtotal	Closing balance
			Bonus	Capitalisation of surplus reserve	Others		
Total amount of shares	4,319,848,116.60					4,319,848,116.60	

41. Capital reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Closing balance
Capital premium (share premium)	27,582,794,983.23			27,582,794,983.23
Including: Capital invested by investors	27,580,672,943.23			27,580,672,943.23
Others	2,122,040.00			2,122,040.00
Total	27,582,794,983.23			27,582,794,983.23

42. Other comprehensive income

Unit: Yuan Currency: RMB

Item	Opening balance	Amount recognised in the current period					After-tax amount attributable to owners of the parent company	After-tax amount attributable to minority shareholder	Closing balance
		Actual amount before income tax in the current period	Less: Amount previously included in other comprehensive income and transferred into profit or loss	Less: Amount previously included in other comprehensive income and transferred into retained earnings	Less: income tax expense				
I. Other comprehensive income cannot be reclassified into the profit or loss subsequently									
Including: Changes in fair value of other equity instrument investments	-39,458,225.43							-39,458,225.43	
II. Other comprehensive income to be reclassified into the profit or loss									
Including: Other comprehensive income to be reclassified into profit or loss under equity method	-20,822,262.48	5,214,056.23						-20,822,262.48	
Cash flow hedge reserve	-17,113,194.35	-173,146,944.37				-173,146,944.37		-190,260,138.72	
Exchange differences of financial statements denominated in foreign currencies	-721,933,737.95	178,361,000.60				164,563,809.76	13,797,190.84	-557,369,928.19	
Total other comprehensive income	-799,327,420.21	5,214,056.23				-8,583,134.61	13,797,190.84	-807,910,554.82	

43. Special reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Closing balance
Safety production expense	3,038,386.94	84,545,567.50	84,249,838.26	3,334,116.18
Total	3,038,386.94	84,545,567.50	84,249,838.26	3,334,116.18

44. Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increases for the current period	Decreases for the current period	Closing balance
Statutory surplus reserve	1,160,396,190.21			1,160,396,190.21
Total	1,160,396,190.21			1,160,396,190.21

45. Retained profits

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Retained profit at the end of prior period before adjustment	8,682,123,314.63	5,517,441,023.24
Total adjusted retained profit at the beginning of period (Add +, Less -)		368,666,821.27
Retained profit at the beginning of the period after adjustment	8,682,123,314.63	5,886,107,844.51
Add: Net profit attributable to owners of the parent company for the period	807,990,808.81	3,122,510,222.14
Less: Ordinary shares payable	2,375,916,464.13	1,641,542,284.31
Retained profits at the end of current period	7,114,197,659.31	7,367,075,782.34

46. Operating income and operating costs

(1) Operating income and operating costs

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	9,885,585,119.58	7,702,545,433.57	13,974,088,745.58	7,910,065,535.27
Other operating activities	93,084,188.16	74,609,956.25	85,707,002.46	76,223,004.45
Total	9,978,669,307.74	7,777,155,389.82	14,059,795,748.04	7,986,288,539.72

(2) Description on performance obligations

Sales of goods:

The Group sells minerals including molybdenum, tungsten, niobium, phosphorus, copper, cobalt and gold, etc. to the customers. Generally, the performance business only includes delivery of goods in the contract concerning sales of goods, so the consideration of sale is recognised according to the fixed price or temporary pricing arrangement as agreed in the sales contract. The Group recognizes the revenue at the time point when the control over the relevant goods is passed to the customers. Meanwhile, the Group conducts business in the manner of receipts in advance or credit selling according to the credit status of the counterparty.

Income from hotel services:

The Group provides services to the customers through its self-operated hotels and accordingly obtain revenue which is recognised over the period when the customers obtain and consume the relevant services.

Other income:

The Group provides auxiliary services including diesel and electric power to the customers and accordingly obtains revenue which is recognised over the period when the customers obtain and consume the relevant services.

(3) Description on the allocation to the remaining performance obligation

The amount of revenue corresponding to the performance obligations that have been contracted but not yet fulfilled or completely fulfilled at the end of the current period is RMB7,859,910,813.45, including:

Unit: Yuan Currency: RMB

Item	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Molybdenum, tungsten and related products	145,878,917.08				145,878,917.08
Niobium related products	74,819,203.88				74,819,203.88
Phosphorus related products	3,022.60				3,022.60
Copper, cobalt and related products	7,633,966,809.41				7,633,966,809.41
Others	2,200,068.85	1,810,166.69	624,538.88	608,086.06	5,242,860.48
Total	7,856,868,021.82	1,810,166.69	624,538.88	608,086.06	7,859,910,813.45

47. Taxes and levies

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Urban maintenance and construction tax	10,752,662.61	10,882,056.11
Educational surcharge	10,687,935.39	10,878,813.23
Resource tax (Note)	423,529,994.13	347,760,579.29
Others	41,329,728.74	47,743,725.31
Total	486,300,320.87	417,265,173.94

Note: The resources tax includes royalties of mining rights in Congo (DRC).

48. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	12,894,522.20	11,047,817.43
Entertainment expenditures	549,948.16	497,206.97
Traveling expense	1,824,626.73	1,100,076.06
Market consulting fee	16,425,991.06	27,228,575.43
Others	9,379,317.55	10,522,889.72
Total	41,074,405.70	50,396,565.61

49. Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	175,231,367.92	155,100,048.06
Depreciation and amortisation	72,622,921.58	48,053,945.13
Consulting and agency fees	66,876,209.77	133,375,293.15
Entertainment expenditures	17,518,193.35	11,242,187.47
Insurance fee	46,351,178.20	2,786,943.23
Others	103,175,665.10	107,306,619.53
Total	481,775,535.92	457,865,036.57

50. Research and Development expenditure

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Research and Development expenditure on technology	122,672,256.28	72,065,988.91
Total	122,672,256.28	72,065,988.91

51. Financial expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Interest expenses on bonds	94,867,102.02	42,353,150.69
Discount interest of notes receivable	8,117,077.87	5,330,555.54
Interest expenses of bank loans	676,841,412.69	648,514,161.19
Interest on lease liabilities	3,770,346.42	
Total interest expenses:	783,595,939.00	696,197,867.42
Less: Interest income	-531,075,204.76	-483,197,046.24
Exchange differences	-21,607,204.04	-28,987,781.81
Gold lease charges	52,642,215.79	75,378,024.02
Returns paid to BHR shareholders (Note)	140,961,913.08	102,576,240.00
Others	83,279,974.40	73,422,480.56
Total	507,797,633.47	435,389,783.95

Note: On 20 January 2017, the Group concluded a frame cooperation agreement with BHR and its investors to obtain the control over BHR and its affiliated assets in the manner of control by agreement, and meanwhile to promise to provide fixed annualized withdrawal returns to the investors of BHR over the corresponding period. The Group has provided financial expenses in respect of the returns as agreed.

52. Other income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Nannihu land transfer compensation	192,792.90	192,792.90
Deferred income-subsidies for low-grade scheelite demonstration project	3,502,434.90	3,502,434.90
Rewards for research and development	2,800,000.00	
Financial aid funds from Sinasure	3,000,000.00	
Others	638,839.43	674,000.00
Total	10,134,067.23	4,369,227.80

53. Investment income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Income from long-term equity investments under equity method	164,709,318.09	51,073,855.99
Investment income of held-for-trading financial assets during the holding period	75,972.88	
Investment income from disposal of held-for-trading financial assets	1,761,818.63	
Investment income of other non-current financial assets during the holding period	42,036,701.73	23,496,740.24
Investment income on disposal of other non-current financial assets		43,647,437.01
Loss on completion of forward exchange contracts arising from change in exchange rates	-101,862,443.30	
Investment income from re-measurement of the shares previously held at fair value after acquisition of subsidiaries by steps	52,245,779.61	
Total	158,967,147.64	118,218,033.24

Other description:

There is no major limit on recovery of investment income to the Group. The investment income of current period and the corresponding period of the prior year are generated from non-listed investments.

54. Gains from changes in fair values

Unit: Yuan Currency: RMB

Source resulting in gains from change in fair value	Amount for the current period	Amount for the prior period
Held-for-trading financial assets	132,303.92	
Gains (Losses) from the changes in the fair value of forward foreign exchange contract	76,131,066.90	-40,140,657.66
Gains (Losses) from gold lease measured in fair value and changes in fair value of forward contract (Note V.23)	-9,428,883.19	
Gains from changes in fair value of consumable biological assets (Note V.8)	2,167,790.51	2,068,148.72
Gains from the changes in the fair value of other non-current financial assets at FVTPL.	78,830,240.47	-41,224,519.42
(Loss from) changes in the fair value of float interest rate foreign currency loan contract and forward foreign exchange contract measured at fair value and forward rate swap contract (Note V.23)	-10,879,956.60	
Total	136,952,562.01	-79,297,028.36

55. Impairment losses on credit

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Bad debt losses attributable to account receivables	-15,252,920.74	2,835,964.00
Bad debt losses attributable to other receivables	701,243.10	
Bad debt losses attributable to notes receivable	-2,885,584.98	
Total	-17,437,262.62	2,835,964.00

Other description:

Note: The Group recognises impairment provision for credit losses on account receivables, other financial assets classified as measured at amortised cost and debt instruments that are classified at fair value through other comprehensive income.

56. Impairment losses on assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Losses on decline in value of inventories and impairment losses of contract performance cost	-11,899,427.69	-10,781,135.64
Total	-11,899,427.69	-10,781,135.64

57. Gains from disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Gains (or losses) from disposal of fixed assets	-10,676,048.84	-5,063,656.25
Total	-10,676,048.84	-5,063,656.25

58. Non-operating income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period	The amount recognised in non-recurring profit and loss of the period
Government grants	678,974.27	186,200.00	678,974.27
Others	1,849,428.48	241,131.97	1,849,428.48
Total	2,528,402.75	427,331.97	2,528,402.75

Government grant recognised in profit and loss for the period

Unit: Yuan Currency: RMB

Items of government grant	Amount for the current period	Amount for the prior period	Related to assets/related to incomes
Others	678,974.27	186,200.00	Related to incomes

59. Non-operating Expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period	The amount recognised in non-recurring profit and loss of the period
External donations	1,687,328.34	36,357,812.46	1,687,328.34
Others	4,864,073.97	10,501,851.57	4,864,073.97
Total	6,551,402.31	46,859,664.03	6,551,402.31

60. Income tax expenses

(1) Income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Current tax expenses	420,765,844.66	1,586,817,253.73
Deferred income tax expenses	-416,842,977.80	-562,990,779.27
Differences arising from settlement of income tax for the previous year	46,498,332.37	-378,298.13
Total	50,421,199.23	1,023,448,176.33

(2) Reconciliation of accounting profit to income tax expense

Unit: Yuan Currency: RMB

Item	Amount for the current period
Total profit	823,911,803.85
Income tax expense calculated in accordance with statutory/applicable tax rate	123,586,770.58
Impact of the different tax rates applicable to subsidiaries	-66,016,029.39
Impact of income tax during the period before adjustment	46,498,332.37
Impact of non-taxable income	-124,711,707.68
Impact of non-deductible cost, expenses and losses	88,434,359.36
Impact of deductible loss of the deferred income tax assets unrecognized in the previous period	-941,729.71
Impact of deductible temporary difference or deductible loss of unrecognized deferred income assets in the current period	-391,657.82
Impact of non-monetary items	-23,583,114.79
Deductible losses generated from tax reports (Note)	7,545,976.31
Income tax expenses	50,421,199.23

Other description:

Note: In the Group's business in Brazil, a part of enterprises adopt RMB as their functional currency, but meanwhile, they make tax declaration and annual filing in BRL as the functional currency according to the local tax regulations of Brazil. Therefore, the management accordingly recognises the relevant the tax loss in the statements denominated in BRL as a deferred tax asset.

61. Other comprehensive income

Please refer to Note V.42 for details.

62. Cash Flow Statement

(1) Cash received relating to other operating activities

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Receipts of compensation and penalties	105,711.03	62,581.34
Receipts of interests income	460,124,636.52	619,341,697.72
Receipts of Government grants	4,742,477.68	266,200.00
Others	243,934,865.61	148,992,176.71
Total	708,907,690.84	768,662,655.77

(2) Cash paid relating to other operating activities

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Payments of consulting fee, technology development fee and transportation fee, etc.	92,634,134.10	166,808,046.80
Payments of donations and penalties, etc.	130,000.00	35,035,000.00
Payments of bank charges, etc.	29,580,600.78	66,266,921.51
Others	62,752,607.71	27,913,070.32
Total	185,097,342.59	296,023,038.63

(3) Cash received relating to other investing activities

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Others	49,606,955.40	63,133,760.35
Total	49,606,955.40	63,133,760.35

(4) *Cash paid relating to other investing activities*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Cash payment for loans to third party		1,021,788,600.49
Payment on delivery of forward foreign exchange contract	101,851,228.28	
Others	7,820,749.22	
Total	109,671,977.50	1,021,788,600.49

(5) *Cash received relating to other financing activities*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Cash receipts from gold lease business	1,728,060,935.00	2,167,857,334.02
Others	19,399,978.94	153,218,526.89
Total	1,747,460,913.94	2,321,075,860.91

(6) *Cash paid relating to other financing activities*

Unit: Yuan Currency: RMB

Item	Amount for the period	Amount for the prior period
Cash repayment of gold lease business	1,959,232,020.40	1,429,815,130.24
Commission charge related to gold lease business	93,758,632.42	88,118,164.08
Borrowing guarantee deposit and arrangement fee	156,828,640.99	191,791,999.04
Fixed remuneration paid to BHR shareholders	140,961,913.01	
Others		112,126,638.67
Total	2,350,781,206.82	1,821,851,932.03

63. 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
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	773,490,604.62	3,600,925,555.74
Add: Provision for impairment losses of assets	11,899,427.69	10,781,135.64
Depreciation of fixed assets, depreciation of oil and gas assets and depreciation of productive biological assets	1,194,192,717.79	1,284,980,773.43
Intangible asset amortisation	631,136,626.62	654,264,989.12
Amortisation of long-term prepaid expenses	12,158,067.69	9,098,698.81
Losses on disposal of fixed assets, intangible assets and other long-term assets (gain is filled in column with "-")	10,676,048.84	5,063,656.25
Losses on changes in fair values (gain is filled in column with "-")	-136,952,562.01	79,297,028.36
Financial expenses (gain is filled in column with "-")	853,358,284.48	768,882,179.77
Losses arising from investments (gain is filled in column with "-")	-158,967,147.64	-118,218,033.24
Decrease in deferred tax assets (increase is filled in column with "-")	-78,998,737.57	-247,256,644.56
Increase in deferred tax liabilities (decrease is filled in column with "-")	-284,502,961.03	-322,305,834.22
Decrease in inventories (increase is filled in column with "-")	-596,207,937.39	-600,774,522.67
Decrease in receivables from operating activities (increase is filled in column with "-")	-267,714,792.67	-623,793,125.39
Increase in payables from operating activities (decrease is filled in column with "-")	655,957,078.74	612,146,672.19
Others	-389,711,163.60	298,616,297.33
Including : Impairment provision on credit	17,437,262.62	-2,835,964.00
Amortisation of deferred income	3,695,227.80	3,695,227.80
Increase in special reserve (decrease is filled in column with "-")	295,729.24	-2,238,337.58
Decrease in restricted bank deposits (increase is filled in column with "-")	-411,139,383.26	299,995,371.11
Net cash flow from operating activities	2,229,813,554.56	5,411,708,826.56
2. Significant investing and financing activities that do not involving cash:		
Conversion of debts to capital		
Convertible corporate bonds mature within one year		
Fixed assets acquired under finance lease		
3. Net changes in cash and cash equivalents		
Closing balance of cash	20,390,131,481.37	19,542,510,960.90
Less: Opening balance of cash	23,240,703,274.03	19,781,418,278.86
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,850,571,792.66	-238,907,317.96

(2) *Net cash paid to acquire subsidiaries for the current period*

Unit: Yuan Currency: RMB

	Amount
Cash and cash equivalents paid in the current period for business combination occurred in the current period	120,395,000.00
Less: Cash and cash equivalents held by the subsidiaries on the date of purchase	4,308,179.25
Net cash paid for the acquisition of subsidiaries	116,086,820.75

(3) *Constitution of cash and cash equivalents*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Cash	20,390,131,481.37	23,240,703,274.03
Including: Cash on hand	1,299,005.23	1,471,630.90
Bank deposits always available for payment	20,388,832,476.14	23,239,231,643.13
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	20,390,131,481.37	23,240,703,274.03

64. Foreign Currency Monetary Items

(1) Foreign currency monetary items

Unit: Yuan

Item	Closing balance denominated in foreign currency	Exchange rate	Closing balance of foreign currency translated into RMB
Monetary funds			
Including: USD	7,912,068.95	6.8615	54,288,276.57
EUR	4,048,277.18	7.8138	31,632,406.35
HKD	5,404,948.01	0.8801	4,756,656.29
RMB	1,378,023.54	1.0000	1,378,023.54
CAD	1,186,386.87	5.2397	6,216,275.83
AUD	20,588,890.01	4.8212	99,263,714.69
BRL	245,228,488.27	1.7911	439,233,048.09
GBP	414,103.03	8.7240	3,612,632.51
CDF	45,430,756.00	0.0042	189,286.55
ZAR	24,600,712.26	0.4864	11,965,397.41
SGD	193,510.99	5.0783	982,714.78
Short-term borrowings			
USD	22,083,046.99	6.8747	151,814,371.68
EUR	38,000,000.00	7.8170	297,046,000.00

(2) Description of overseas business entities; for material overseas business entities, disclose their major business places overseas, recording currency and the selection criterion thereof; should there be any change in the recording currency, disclose the reason for such change

Name of subsidiaries	The main operating location abroad	Functional currency	Basis of choice
Copebras Indústria Ltda.	Brazil	BRL	According to the primary economic environment
Niobras Mineração Ltda.	Brazil	USD	According to the primary economic environment
COMC Brazil	Brazil	USD	According to the primary economic environment
Luxembourg SPV	Luxembourg	USD	According to the primary economic environment
CMOC Mining Pty Limited	Australia	USD	According to the primary economic environment
CMOC Mining Services Pty. Limited	Australia	AUD	According to the primary economic environment
CMOC International DRC Holdings Limited	Bermuda	USD	According to the primary economic environment
TF Holdings Limited	Bermuda	USD	According to the primary economic environment
TFM	Congo (DRC)	USD	According to the primary economic environment
Purveyors South Africa Mine Services CMOC	Republic of South Africa	USD	According to the primary economic environment

65. Hedge

Disclosure of hedged projects and relevant hedging instruments based on hedge categories, and qualitative and quantitative information about hedged risks:

(I) *Interest rate swap:*

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

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

As at the balance sheet date, the loss arising from the changes in fair value of cash flow hedging instruments that have recognised in the other comprehensive income is RMB174,622,256.57, and is expected to be transferred gradually to the income statement within 53 months after the balance sheet date.

In this period, the Group reclassified RMB421,816.84 from other comprehensive income to profit or loss.

(II) *Forward foreign exchange contract:*

The Group adopts hedging contracts to mitigate the risk of exchange rate fluctuation between US dollar and BRL, i.e. to sell US dollar and buy BRL at a fixed forward exchange rate and settle at the actual exchange rate on the delivery date. The Group designated BRL ordinary operating expenditure and investment expenditure in Brazil, totaling US\$74.23 million, as hedged items in 2019. At the same time, the key terms of hedged projects and hedging instruments are basically consistent, and the high effectiveness of hedging can be guaranteed by qualitative and quantitative means.

VI. CHANGE OF CONSOLIDATION SCOPE

1. Business combination not involving enterprises under common control

(1) Business combination not involving enterprises under common control occurred in the current period

Unit: Yuan Currency: RMB

Acquiree	Date of equity acquisition	Cost on Equity acquisition	Percentage of equity acquired (%)	Acquisition method	Acquisition date	Determination basis for the acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
High-tech	March 2019	242,000,000.00	100%	By cash	March 2019	Transfer of control	25,276,862.48	-926,414.56

Other explanations:

Note: At 27 December 2018, the Company and another shareholder of associate High-tech concluded an equity transfer agreement by which the Company would acquire all the equities held by the shareholder in High-tech at a price of RMB120,395,000.00. This acquisition of equity was completed in March 2019 and High-tech became a wholly-owned subsidiary of the Company. As at the balance sheet date, all activities of production and operation of Hi-tech was at a normal course.

(2) Cost for business combination and goodwill

Unit: Yuan Currency: RMB

Cost for business combination	Hi-tech
– Cash	120,395,000.00
– Fair value on purchase date of equity held before purchase date	121,605,000.00
Total cost for business combination	242,000,000.00
Less: share of fair value of identifiable net assets acquired	242,000,000.00
The amount of goodwill/cost for business combination less than the share of fair value of identifiable net assets acquired	0.00

Determination, contingent consideration and changes of the fair value of combination costs:

The transaction consideration of the Company's acquisition of Hi-tech was determined with reference to the transaction price of similar transactions in the market.

(3) *The identifiable net assets and liabilities of the acquiree on the acquisition date*

Unit: Yuan Currency: RMB

	Hi-tech	
	Fair value on acquisition date	Book value on the acquisition date
Assets:	293,642,868.71	155,013,934.42
Monetary funds	4,308,179.25	4,308,179.25
Receivables	17,807,843.76	17,807,843.76
Inventories	30,794,146.26	30,794,146.26
Fixed assets	56,354,650.31	56,354,650.31
Intangible Assets	176,033,579.10	37,404,644.81
Others	8,344,470.03	8,344,470.03
Liabilities:	51,642,868.71	16,985,635.14
Payables	16,097,946.97	16,097,946.97
Deferred tax liabilities	34,657,233.57	0.00
Others	887,688.17	887,688.17
Net assets	242,000,000.00	138,028,299.28
Less: equity attributable to minority shareholders		
Net assets acquired	242,000,000.00	138,028,299.28

(4) *Gains or losses from re-measurement of the fair value of equity held before the acquisition date*

Whether there are multiple transactions by steps to realize enterprise consolidation and obtain the control right within the reporting period

Unit: Yuan Currency: RMB

Acquiree	Carrying value of equity originally held at the date of acquisition before the acquisition date	Fair value of equity originally held at the date of acquisition before the acquisition date	Gains or loss from remeasurement of equity originally held before the acquisition date	Recognition method and main assumption of fair value at the date of acquisition of equity originally held before the acquisition date	Amount of OCI related to equity held originally before the acquisition date transferred to investment income
Hi-tech	69,359,220.39	121,605,000.00	52,245,779.61	Market prices of similar transactions	0.00

2. Change of consolidation scope for other reasons

On 27 March 2019, the Group established Luoyang Ding Hung Trading Co., Limited, a third-level wholly-owned subsidiary, in Luoyang City, Henan Province. It is principally engaged in the sales of metal material and mineral products. As at the balance sheet date, it has not yet carried out any actual operations.

On 30 April 2019, the Group established Shanghai Aoyide Trading Co., Limited, a fourth-level wholly-owned subsidiary, in Shanghai Municipality. It is principally engaged in the trading of domestic non-ferrous metal. As at the balance sheet date, it has not yet carried out any actual operations.

On 17 June 2019, the Group established Ridgeway Commodities SA, a second-level wholly-owned subsidiary, in Switzerland. It is principally engaged in the trading of mineral products. As at the balance sheet date, it has not yet carried out any actual operations.

VII. INTERESTS IN OTHER ENTITIES

1. Interest in subsidiaries

(1) Constitution of the Group

Name of the subsidiary	Main Business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
China Molybdenum Refining Co., Ltd. ("Ye Lian")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
China Molybdenum Tungsten Sales and Trading Co., Ltd. ("Sales and Trading")	China	Luanchuan, Henan	Sales of mineral products	100.00	-	Investment Establishment
Luoyang Dachuan Molybdenum Tungsten Technology Co., Ltd. ("Da Chuan")	China	Luanchuan, Henan	Processing and sales of mineral products	100.00	-	Investment Establishment
Luoyang Mudu International Hotel Co., Ltd. ("International Hotel")	China	Luoyang, Henan	Hotel	100.00	-	Investment Establishment
China Molybdenum Tungsten Co., Ltd ("Wu Ye")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
China Molybdenum (Hong Kong) Company Limited ("CMOC HK")	Hong Kong, China	Hong Kong	Sales of mineral products	100.00	-	Investment Establishment
Molybdenum Metal Material Company Limited ("Metal Material")	China	Luoyang, Henan	Processing and sales of mineral products	100.00	-	Investment Establishment
Xinjiang Luomu	China	Xinjiang	Producing and sales of mineral products	70.00	-	Investment Establishment
China Molybdenum Sales Co., Ltd ("Sales Company")	China	Luanchuan, Henan	Sales of mineral products	100.00	-	Investment Establishment
CMOC Limited	Hong Kong, China	Hong Kong	Investment holding	100.00	-	Investment Establishment
CMOC Mining Pty Limited	Australia	Australia	Mining, processing and sales of mineral products	-	100.00	Investment Establishment
CMOC Mining Services Pty. Limited	Australia	Australia	Mining services	-	100.00	Investment Establishment
Luanchuan Huqi Mining Company Limited ("Huqi Mining")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
Fu Kai	China	Luanchuan, Henan	Purchase and sales of molybdenum and tungsten products	100.00	-	Investment Establishment

Name of the subsidiary	Main Business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Luanchuan Qixing Mining Company Limited ("Qi Xing")	China	Luanchuan, Henan	Refining and sales of mineral products	90.00	-	Investment Establishment
Luanchuan Furun Mining Co., Ltd ("Fu Run")	China	Luanchuan, Henan	Refining and sales of mineral products	100.00	-	Investment Establishment
Luanchuan County Dadongpo Tungsten Molybdenum Co., Ltd. ("Da Dong Po")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luanchuan County Jiuyang Mining Co., Ltd. ("Jiu Yang")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luanchuan County Sanqiang Molybdenum Tungsten Co., Ltd. ("San Qiang")	China	Luanchuan, Henan	Refining and sales of mineral products	51.00	-	Investment Establishment
Luoyang Mudulihao Business Co., Ltd.	China	Luoyang, Henan	Hotel management	-	100.00	Investment Establishment
Schmoke (Shanghai) International Trading Co., Ltd. ("Schmoke")	China	Shanghai	Import and export of goods and technology	100.00	-	Investment Establishment
CMOC Mining USA LTD	U.S.	U.S.	Consultation	-	100.00	Investment Establishment
Shanghai Ruichao Investment Co., Ltd	China	Shanghai	Consultation, business planning and management	-	100.00	Investment Establishment
Schmocker (Tibet) International Trading Co., Ltd	China	Tibet	Consultation, asset management and sales	-	100.00	Investment Establishment
Upnorth Investment Limited	China	BVI	Investment holding	-	100.00	Investment Establishment
Beijing Yongbo Resources Investment holding Co., Ltd. ("Beijing Yongbo")	China	Beijing	Consultation, asset management and sales	100.00	-	Investment Establishment
Luoyang Yuehe Properties Co., Ltd	China	Luoyang	Consultation and asset management	100.00	-	Investment Establishment
CMOC DRC	Hong Kong	Hong Kong	Mining services	-	100.00	Investment Establishment
CMOC Sales & Marketing Limited	UK	London	Mining services and sales	-	100.00	Investment Establishment
Luxembourg SPV	Luxembourg	Luxembourg	Investment holding	-	100.00	Investment Establishment
CMOC BRAZIL	Brazil	Brazil	Investment holding	-	100.00	Investment Establishment
Long March No.1 Investment Limited	Hong Kong	Hong Kong	Investment holding	-	100.00	Investment Establishment
Bandra Investment Limited	China	BVI	Investment holding	-	100.00	Investment Establishment
Copebras Indústria Ltda.	Brazil	Brazil	Mining and processing of mineral products	-	100.00	Business combination not under common control

Name of the subsidiary	Main Business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Acquisition method
				Direct	Indirect	
Niobras Mineração Ltda.	Brazil	Brazil	Mining and processing of mineral products	-	100.00	Business combination not under common control
CMOC International DRC Holdings Limited	Bermuda	Bermuda	Investment holding	-	100.00	Business combination not under common control
TFHL	Bermuda	Bermuda	Investment holding	-	100.00	Business combination not under common control
TFM	Congo (DRC)	Congo (DRC)	Mining and processing of mineral products	-	80.00	Business combination not under common control
Purveyors South Africa Mine Services CMOC	The Republic of South Africa	The Republic of South Africa	Logistics and transportation	-	100.00	Business combination not under common control
Oriental Red Investments Limited	Virgin Islands, British	Virgin Islands, British	Investment holding	-	100.00	Investment Establishment
NREIL	Hong Kong	Hong Kong	Investment holding	-	100.00	Investment Establishment
BHR	Virgin Islands, British	Virgin Islands, British	Investment holding	-	100.00	Control according to agreement
Ningbo Baiya Investment Co., Ltd.	China	Ningbo, Zhejiang	Investment management	-	100.00	Investment Establishment
CMOC Congo SASU	Congo (DRC)	Congo (DRC)	Consultation service	-	100.00	Investment Establishment
Congo Construction Company SARL	Congo (DRC)	Congo (DRC)	Refining and sales of mineral products	-	100.00	Business combination not under common control
CMOC Capital Limited	Virgin Islands, British	Virgin Islands, British	Investment holding	-	100.00	Investment Establishment
CMOC BHR Limited	Hong Kong	Hong Kong	Investment holding	-	100.00	Investment Establishment
High-Tech	China	Luoyang, Henan	Producing, processing and sales of metal products	100.00		Business combination not under common control
Shanghai Aoyide Trading Co., Limited (Note)	China	Shanghai	Trading of domestic non-ferrous metal	-	100.00	Investment Establishment
Luoyang Ding Hung Trading Co., Limited(Note)	China	Luoyang, Henan	Sales of metal materials and mineral products	-	100.00	Investment Establishment
Ridgeway Commodities SA (Note)	Switzerland	Switzerland	Trading	-	100.00	Investment Establishment

Note: They are newly-established subsidiaries of the Group in the current period.

(2) Significant non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of the subsidiary	Minority shareholder's shareholding ratio (%)	Profit or loss attributable to minority interests in the current period	Dividends distributed to minority shareholder in the current period	Closing balance of minority interests
TFM	20%	-33,921,457.32		5,363,385,737.65

(3) Major financial information of significant non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of the subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
TFM	7,081,451,917.32	35,222,601,158.05	42,304,053,075.37	1,854,330,897.92	13,632,793,488.73	15,487,124,386.65	7,520,364,803.49	35,024,483,437.52	42,544,848,241.01	2,081,572,892.02	13,521,740,717.96	15,603,313,609.98

Unit: Yuan Currency: RMB

Name of the subsidiary	Amount in the period				Amount in prior period			
	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flow from operating activities
TFM	4,474,719,143.63	-169,607,286.58	-169,607,286.58	500,758,116.97	8,466,308,138.33	2,383,600,027.45	2,383,600,027.45	3,013,128,129.02

2. Interest in joint ventures or associates

(1) Significant joint ventures or associates

Unit: Yuan Currency: RMB

Name of the joint venture or associate	Main business site	Place of incorporation	Nature of business	Shareholding ratio (%)		Accounting methods of investments in joint ventures or associates
				Direct	Indirect	
Xuzhou Huan Yu	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Investments	50%	–	Equity method
Yulu Mining Co., Ltd. (Note 2)	Luoyang, Henan	Luoyang, Henan	Refining and sales of mineral products	40%	–	Equity method
Luoyang Shenyu (Note 1)	Luoyang, Henan	Luoyang, Henan	Refining and sales of mineral products	15%	–	Equity method
Natural Resources Investment Fund	Hong Kong, China	Cayman Islands British	Investments	–	45%	Equity method

Note 1: Please refer to Note V.10 for details.

Note 2: According to the resolution of shareholders' meeting in 2007 of Yulu Mining Co., Ltd., both investment parties share net profits of the company by ratio of 1 to 1 from 2008. Therefore, the Group actually shares 50% of profits or losses of Yulu Mining under equity method.

(2) Major financial information of key joint ventures

Unit: Yuan Currency: RMB

	Closing balance/ Amount recognised in the current period Xuzhou Huan Yu	Opening balance/ Amount recognised in the prior period Xuzhou Huan Yu
Current assets	318,050,688.94	215,102,523.24
Including: cash and cash equivalents	7,395,924.30	6,077,577.08
Non-current assets	2,613,239,006.98	2,620,273,694.61
Total assets	2,931,289,695.92	2,835,376,217.85
Current liabilities	273,104,369.70	129,076,368.97
Non-current liabilities	962,387,405.11	950,000,000.00
Total liabilities	1,235,491,774.81	1,079,076,368.97
Minority Interests	-49,338,448.96	-42,677,212.81
Equity attributable to shareholders of the parent company	1,745,136,370.07	1,798,977,061.69
Net assets share calculated by percentage of shareholding	872,568,185.03	899,488,530.84
Adjusting items	5,317,236.85	9,614,855.94
– Others	5,317,236.85	9,614,855.94
Book value of the equity investment in joint ventures	877,885,421.88	909,103,386.78
Fair value of joint venture equity investment with public quotation	N/A	N/A
Operating income	–	–
Financial expense	32,882,304.13	26,618,494.85
Income tax expenses	–	–
Net profit	-66,428,283.30	-61,386,494.02
Net profit from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	-66,428,283.30	-61,386,494.02
Dividends received from joint ventures in the current year	–	–

Other explanations

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

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

(3) Major financial information of significant associates

Unit: Yuan Currency: RMB

	Closing balance/Amount recognised in the current period		Opening balance/Amount recognised in the prior period	
	Yulu Mining (Note 1)	Natural Resources Investment Fund (Note 2)	Yulu Mining (Note 1)	Natural Resources Investment Fund (Note 2)
Current assets	167,086,654.47	21,966,339,996.85	189,479,268.51	21,013,574,529.22
Non-current assets	52,645,746.66	1,024,297,348.39	54,658,124.73	639,248,209.12
Total assets	219,732,401.13	22,990,637,345.24	244,137,393.24	21,652,822,738.34
Current liabilities	42,199,596.77	18,173,828,681.19	46,845,212.72	17,005,196,786.81
Non-current liabilities	2,500,000.00	1,335,549,197.93	3,000,000.00	1,276,767,959.20
Total liabilities	44,699,596.77	19,509,377,879.12	49,845,212.72	18,281,964,746.01
Minority interests	-	-	-	-
Equity attributable to shareholders of the parent company	175,032,804.36	3,481,259,466.12	194,292,180.52	3,370,857,992.33
Net assets shares calculated by percentage of shareholding	70,013,121.74	1,566,566,759.76	77,716,872.21	1,516,886,096.55
Adjustments items	7,219,654.10	43,297,795.71	8,876,646.58	-60,754,827.38
- Others	7,219,654.10	43,297,795.71	8,876,646.58	-60,754,827.38
Book value of equity investments in associates	77,232,775.84	1,609,864,555.47	86,593,518.79	1,456,131,269.17
Fair value of associates equity investments with public quotation	N/A	N/A	N/A	N/A
Operating income	164,453,200.14	35,495,692,656.62	220,952,936.09	13,615,229,247.28
Net profits	88,878,514.06	107,324,307.78	120,653,041.30	51,985,709.84
Net profit from discontinued operations	-	-	-	-
Other comprehensive income	-	3,077,166.02	-	-
Total comprehensive income	88,878,514.06	110,401,473.80	120,653,041.30	51,985,709.84
Dividends received from associates in the current year	53,800,000.00	-	59,700,000.00	-

Other explanations

Note 1: Although the Group holds 40% equity interest of Yulu Mining, shares 50% dividend rights. Details refer to Note V.10.

Note 2: As of 11 May 2018, IXM became a wholly-owned subsidiary of NCCL Natural Resources Investment Fund. At the balance sheet date, the Group accordingly offsets the internal unrealized gross profit arising from the downstream transactions with IXM.

3. Significant joint operation

Name of joint operation	Main business site	Place of incorporation	Nature of business	Shareholding proportion/entitled shares (%)	
				Direct	Indirect
Nothparkes Joint Venture	Australia	Australia	Copper gold mining	–	80%

Note: On 1 December 2013, the Group has completed the acquisition of 80% of the interest in Northparkes Mines' unincorporated joint venture company-Northparkes Joint Venture and certain related assets with respect to the operations of the Northparkes Copper and Gold Mines owned by North Mining Limited. Northparkes Joint Venture, a unincorporated joint venture, is a joint control operation of the Group upon the acquisition.

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

Pursuant to the Northparkes Joint Venture Management Agreement, the Company as the manager holds the management business of the Northparkes mines and is responsible for the management of the daily operation of the Northparkes mines, while the joint venturers as joint controllers of Northparkes Joint Venture jointly control the operation of the Northparkes mines and are entitle to and responsible for the assets and liabilities related to the relevant joint venture agreements of the Northparkes mines according to their respective proportion. The joint venturers have agreed to protect the rights of individual joint venturers in the event of default by any other joint venture, so as to ensure the interest of all parties (including their respective shares of the production volume).

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group's business is mining and selling minerals which produced by themselves. In the long term, natural hedges operated in a number of ways can help to maintain stabilise earnings and cash flow, and there is no need to use the derivative financial instruments in this way or other forms of synthetic hedges. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes; nor does it believe that it has exposure to such trading or speculative holdings through its investments in associates and jointly controlled entities.

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

1.1 Market risk

1.1.1. Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate changes. The Group is subject to foreign exchange risk mainly related to USD, HKD, EUR, CAD, RMB, BRL, GBP, ZAR, SGD, CDF and AUD. The Group's subsidiaries in the PRC use RMB for settlement of their principal business activities. The Group's subsidiaries in Australia mainly use AUD or USD for settlement, the Group's Niobium and Phosphorus businesses in Brazil are principally settled in USD and BRL and the Group's Copper-Cobalt business in Congo (DRC) is principally settled in USD and CDF. Foreign currency transactions are mainly financing activities of domestic and Hong Kong subsidiaries settled in USD, operating activities of subsidiaries in Australia of which the functional currency is USD settled in AUD, operating activities of subsidiaries in Brazil of which the functional currency is USD settled in BRL, and operating activities of subsidiaries in Congo (DRC) of which the functional currency is USD settled in CDF. The Group pays close attention to the influence of exchange rate on the foreign exchange risk. The Group currently has not taken any measures to avoid foreign exchange risk, referring to Note V.3&13.

As at 30 June 2019, except that the financial assets and liabilities balance of each entity mentioned below use USD, HKD, AUD, EUR, CAD, RMB, BRL, ZAR, SGD, GPB and CDF (converted to RMB) as functional currency, the Group's financial assets and financial liabilities are settled on the basis of the functional currency of each entity. The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Group's operating results.

Unit: RMB'000

Item	Closing balance	Opening balance
USD		
Monetary funds	54,288	258,094
Short-term borrowings	-151,814	-171,580
Subtotal	-97,526	86,514
HKD		
Monetary funds	4,757	896
Subtotal	4,757	896
AUD		
Monetary funds	99,264	195,577
Subtotal	99,264	195,577
EUR		
Monetary funds	31,632	85,936
Short-term borrowings	-297,046	-1,760,749
Subtotal	-265,414	-1,674,813

Item	Closing balance	Opening balance
CAD		
Monetary funds	6,216	5,914
Subtotal	6,216	5,914
RMB		
Monetary funds	1,378	1,814
Subtotal	1,378	1,814
BRL		
Monetary funds	439,233	205,685
Subtotal	439,233	205,685
GBP		
Monetary funds	3,613	3,301
Subtotal	3,613	3,301
CDF		
Monetary funds	189	140
Subtotal	189	140
ZAR		
Monetary funds	11,965	10,521
Subtotal	11,965	10,521
SGD		
Monetary funds	983	28
Subtotal	983	28
Total	204,658	-1,164,423

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures and purchase appropriate forward foreign exchange contracts to mitigate currency risk exposures.

The following table sets out in detail the sensitivity of the Group to the 10% rate of change in the exchange rate when exchanging the foreign currencies with the functional currency (including RMB, USD and HKD) of each entity. 10% ratio is used internally to report foreign exchange risk to the senior management, which represents the management's estimate of possible changes in the foreign exchange rate. Foreign exchange risk sensitivity analysis at the Group's reporting date is based on the changes on the settlement date and throughout the reporting period. A positive number indicates that an increase in profit before tax of a company with RMB as its functional currency is resulted from having USD and EUR borrowings and RMB increase against those foreign currencies. A negative figure indicates a decrease in profit before tax resulting from RMB appreciating against other foreign currencies as the Company that adopts RMB as its functional currency has assets or liabilities in USD, HKD and EUR; HKD appreciating against other foreign currencies as the Company that adopts HKD as its functional currency has cash and bank balances in USD and RMB; or USD appreciating against other foreign currencies as the Company that adopts USD as its functional currency has assets or liabilities in AUD, HKD, EUR, CAD, RMB, BRL, GBP, CDF, ZAR, SDG. If the relevant functional currency depreciating against these foreign currencies, it will have an opposite effect on the pre-tax profit. The Group does not consider the effect of current forward foreign exchange contract in the sensitivity analysis as below.

Unit: '000 Yuan Currency: RMB

Item	Changes in exchange rates	Amount of Current Period		Amount of the same period last year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Entities which are denominated in RMB					
Pre-tax profit and equity	Depreciation by 10% of USD against RMB	15,139	15,139	56,564	56,564
	Depreciation by 10% of HKD against RMB	-3	-3	-2	-2
	Depreciation by 10% of EUR against RMB	29,705	29,705	68,863	68,863
Entities which are denominated in HKD					
Pre-tax profit and equity	Depreciation by 10% of USD against HKD	-5,387	-5,387	-5,570	-5,570
	Depreciation by 10% of RMB against HKD	-100	-100	-143	-143
Entities which are denominated in USD					
Pre-tax profit and equity	Depreciation by 10% of AUD against USD	-9,926	-9,926	-1,947	-1,947
	Depreciation by 10% of HKD against USD	-473	-473	-118	-118
	Depreciation by 10% of EUR against USD	-3,163	-3,163	90,780	90,780
	Depreciation by 10% of CAD against USD	-622	-622	-582	-582
	Depreciation by 10% of RMB against USD	-38	-38	-38	-38
	Depreciation by 10% of BRL against USD	-43,923	-43,923	-31,091	-31,091
	Depreciation by 10% of GBP against USD	-361	-361	-378	-378
	Depreciation by 10% of CDF against USD %	-19	-19	-24	-24
	Depreciation by 10% of ZAR against USD	-1,197	-1,197	-3,299	-3,299
	Depreciation by 10% of SGD against USD	-98	-98	-5	-5

The management of the Group believes that currency risk at the end of the period cannot reflect the currency risk for the period. Sensitivity analysis cannot reflect inherent currency risk.

1.1.2. Interest rate risk

The Group's fair value interest rate risk of financial instruments relates primarily to fixed-rate bank borrowings. The Group currently does not have an interest rate hedging policy as the management considers the risk exposure related to fair value interest rate is low.

The Group's risk in changes in cash flow of financial instruments arising from changes in interest rate relates primarily to bank borrowings with a float interest rate (see Note V.33 and Note V.22). The Group paid close attention to the impact on cash flow change risks from the changes in interest rate and also hedged part of the interest rate risk assumed by the Group through interest rate swap contracts (see Note V.65).

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

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

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

Unit: '000 Yuan Currency: RMB

Item	Changes in exchange rates	Amount of Current Period		Amount of the same period last year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Float interest rate	Increase 50 base points of interest rate	-63,577	-63,577	-21,734	-21,734
Float interest rate	Decrease 50 base points of interest rate	63,577	63,577	21,734	21,734

1.1.3. Commodity price risk

International copper prices and Cobalt prices have a significant impact on the Group's operating results. Copper and cobalt prices fluctuated in the past and the factors causing fluctuation were uncontrollable by the Group. The Group does not hedge against the fluctuation risk of copper and cobalt prices.

The table below shows the sensitivity analysis of the price of copper and cobalt on the balance sheet date, which reflects pre-tax impact of un-pricing accounts receivable at the end of the year on the total profit and shareholders' equity when the market price of copper and cobalt is changed reasonably and possibly under the assumption that other variables remain unchanged.

Unit: '000 Yuan Currency: RMB

Item	Increase/ (Decrease) percentage	Amount of Current Period		Amount of the same period last year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of copper	5%	47,058	47,058	15,503	15,503
Market price of copper	-5%	-47,058	-47,058	-15,503	-15,503

Unit: '000 Yuan Currency: RMB

Item	Increase/ (Decrease) percentage	Amount of Current Period		Amount of the same period last year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of cobalt	5%	22,834	22,834	55,101	55,101
Market price of cobalt	-5%	-22,834	-22,834	-55,101	-55,101

1.1.4. Other price risk

The equity instrument investments held by the Group, including financial assets classified as other non-current financial assets measured at fair value at each balance sheet date. As at the end of the reporting period, the equity instrument investments held by the Group mainly comprise listed securities and assets management plans, therefore, the Group is exposed to the risk of the fluctuation of securities market price. If equity price of the equity instrument investments held by the Group increase or decrease by 5% while other variables remain the same, the interests of shareholders and profit or loss of the Group will increase or decrease by RMB114,688,000 at the end of the reporting period (excluding the effect of income tax).

1.2. Credit risk

As at 30 June 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of other party to fulfill an obligation, including the book value of the financial assets has been recognized in the balance sheet of the Group.

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

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

The Group holds bank acceptances and trade acceptances. As most of bank acceptances are drawn by the banks with high credit ratings, so the management of the Group considers that the credit risk on bank acceptances is low; the management of the Group accounts for the impairment provision for credit risk on trade acceptances according to the level of credibility of the counterparty as the customers of trade acceptances are those that have long-term cooperation relationship with the Group. Refer to Note V.5 for details.

The Group only trades with well-known and creditworthy third parties. Total amount of top five entities with the largest balances of accounts receivable as at the end of the current period takes 31.47% (at the end of last year: 55.05%) of the amount of total accounts receivable. Accounts receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit risk is controlled. Products are sold only to companies whose credit information is in an acceptable range. Credit limits have been set for most of the customers and they are monitored systematically. For overseas sales, letters of credit are generally in use. For the details of analysis related to credit risk, refer to Note V.4.

To credit risk arising from the other receivables, other current assets and other non-current assets, the Group's exposure to credit risk arising from default of counterparties is limited as most of the counterparties are entities with good credit standing and the Group does not expect any significant loss for uncollected advances to these entities. For the details of analysis related to credit risk, refer to Note V.7, 9 & 21.

1.3. Liquidity risk

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

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

Unit: '000 Yuan Currency: RMB

30 June 2019	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Borrowings	7,946,555	3,217,935	16,348,596		27,513,086
Held-for-trading financial liabilities	3,280,709				3,280,709
Notes payable	136,578				136,578
Accounts payable	1,167,208				1,167,208
Other payables	1,112,761				1,112,761
Non-current liabilities due within one year	3,192,540				3,192,540
Other current liabilities	1,017,000				1,017,000
Bonds payable	197,420	2,197,420	2,175,430		4,570,270
Lease liabilities		59,023	34,126	3,381	96,530
Derivative financial liabilities (settled as net)					
Non-current derivative financial liabilities			194,755		194,755
Total	18,050,771	5,474,378	18,752,907	3,381	42,281,431

Unit: '000 Yuan Currency: RMB

31 December 2018	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Borrowings	5,490,073	3,737,189	16,024,195	2,082,353	27,333,810
Held-for-trading financial liabilities	4,250,711				4,250,711
Notes and accounts payable	1,148,073				1,148,073
Other payables	1,027,782				1,027,782
Non-current liabilities due within one year	2,993,231				2,993,231
Bonds payable	84,400	84,400	2,168,800		2,337,600
Other non-current liabilities		3,439,836	68,632		3,508,468
Derivative financial liabilities (settled as net)					
Derivative financial liabilities	75,423				75,423
Non-current derivative financial liabilities			20,133		20,133
Total	15,069,693	7,261,425	18,281,760	2,082,353	42,695,231

IX. DISCLOSURE OF FAIR VALUE

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

Unit: Yuan Currency: RMB

Item	Fair value measurement in the first level	Closing fair value Fair value measurement in the second level	Fair value measurement in the third level	Total
1. Continuous fair value measurement				
(I) Held-for-trading financial assets				
1. Financial assets at fair value through profit or loss				
(1) Debt instrument investment				
(2) Equity instrument investment				
(3) Derivative financial assets		3,859,950.39		3,859,950.39
(4) Accounts receivable		258,642,008.90		258,642,008.90
(5) Others			27,109,625.32	27,109,625.32
(II) Inventories				
(1) Consumable biological assets			46,308,726.82	46,308,726.82
(III) Other equity instrument investment			448,174,198.06	448,174,198.06
(IV) Financing from accounts receivable				
1. Notes receivable			1,621,717,424.86	1,621,717,424.86
(V) Other non-current financial Assets:				
1. Wealth management products by financial institutions			1,073,680,596.86	1,073,680,596.86
2. Others			3,314,257,351.44	3,314,257,351.44
(VI) Non-current derivative financial assets:				
1. Forward contracts		623,068.09		623,068.09
The total assets measured continuously at fair value		263,125,027.38	6,531,247,923.36	6,794,372,950.74
(VII) Held-for-trading financial liabilities				
1. Financial liabilities measured at fair value through profit or loss				
Including: Forward commodity contract and gold lease liabilities measured at fair value		2,729,749,631.98		2,729,749,631.98
Contingent consideration at fair value			550,959,082.10	550,959,082.10
(VIII) Non-current derivative financial liabilities				
1. Forward contracts		194,755,426.39		194,755,426.39
The total liabilities measured continuously at fair value		2,924,505,058.37	550,959,082.10	3,475,464,140.47

2. Continual and non-continual second level fair value measurement items, qualitative and quantitative information of the valuation techniques and significant parameters adopted

Items that are continuously measured at Level 2 fair value are the accounts receivable classified as at FVTPL and debt instruments at fair value. The related fair value is determined with reference to the closing price and forward offer of similar products and the yield rate of similar debt instruments in open market.

3. Continual and non-continual third level fair value measurement items, qualitative and quantitative information of the valuation techniques and significant parameters adopted

Items that are continuously measured at the third level of fair value are consumable biological assets, other equity instrument investments, other non-current financial assets and contingent consideration. The fair value of consumable biological assets is measured based on the prices of same kind wood, the growth period of tree and the discounting of the subsequently input and maintenance fee. The fair value of other equity instrument investments and other non-current financial assets are according to the valuation report provided by third-party financial institutions which is based on the comparable market investment prices and discounted future cash flow or valued by the management. The fair value of contingent consideration is based on the corresponding commodity prices calculated by Monte Carlo model.

4. Valuation technology changed during the period and reasons for that change

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

The management of the Group has evaluated cash and bank balances, accounts receivable, other receivables, other current assets, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings due within 1 year, etc. Due to short term, fair value is similar to book value.

Financial liabilities of the Group not measured subsequently at fair value include long-term borrowings and other non-current liabilities. Interest rate of long-term borrowings of floating rate of the Group is linked to market rate.

X. RELATED PARTIES AND TRANSACTIONS

1. Parent Company of the Company

Unit: 0'000 Yuan Currency: RMB

Name of the parent company	Place of registration	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent company (%)	Proportion of the Company's voting power held by the parent company (%)
Cathay Fortune Corporation	Shanghai	Investment management	18,181.82	24.69	24.69

Explanations of the parent company of the Company

On 12 January 2014, the Company received the Notice of Change of Control Rights of Luoyang Luanchuan Molybdenum Group Co., Ltd. from the shareholders CFC and LMG, notifying that CFC increased its shareholding H shares of the Company in the secondary market through its wholly-owned subsidiary, Cathy Fortune Investment, incorporated in Hong Kong. Upon completion, CFC and its persons acting in concert totally hold 1,827,706,322 shares of the Company (approximately 36.01% of the total share capital of the Company), surpassing 1,776,594,475 shares (approximately 35.01% of the total share capital of the Company) held by the original largest shareholder LMG, and become the Company's largest shareholder. CFC and LMG exchanged views on the change of control of the Company. LMG confirmed that it no longer had control over the Company and had no intention to increase its shareholding in the Company. Therefore, the controlling shareholder of the Company changed to CFC.

As of 30 June 2019, CFC actually holds 5,333,220,000.00 shares of the Company, accounting for 24.69% of total share capital of the Company.

CFC is the actual controller of the Company.

The ultimate controlling party of the Company is Yu Yong.

2. Subsidiaries of the Company

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

3. Joint Ventures and Associates of the Company

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

Other joint ventures and associates which have transactions with the Company in the current period or in previous periods are as follows:

Name of joint ventures or associates	Relationship with the Company
Fuchuan Mining	A subsidiary of a joint venture
Yulu Mining	Associate
Luoyang Shenyu	Associate
IXM(<i>Note</i>)	A subsidiary of an associate

Note: Natural Resources Investment Fund completed the acquisition of IXM on 11 May 2018 and IXM became the related party of the Group since the date of the completion of the acquisition.

4. Other Related Parties

Other related parties	Relationship with the Company
LMG	Shareholder of the Company
CFC	Shareholder of the Company
Gécamines(<i>Note</i>)	Minority shareholder of a subsidiary

Other explanations

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

5. Related Party Transactions

(1) Related parties' transaction of selling and purchasing goods and rendering and receiving labor services

Table of information on purchasing goods/receiving labor services

Unit: Yuan Currency: RMB

Related party	Details of related party transaction	Amount recognised in the current period	Amount recognised in the prior period
High-Tech	Purchases of products	–	1,826,000.00
Gécamines	Providing technical support	50,197,395.22	60,533,142.92
IXM	Purchases of products	221,517,950.86	–

Table of information on selling goods/rendering labor services

Unit: Yuan Currency: RMB

Related party	Details of related party transaction	Amount recognised in the current period	Amount recognised in the prior period
Luoyang Shenyu	Selling goods	13,190,975.09	10,268,607.28
Yulu Mining	Selling goods	5,502,826.58	5,327,876.66
Fuchuan Mining	Selling goods	143,496.21	–
IXM	Selling goods	2,517,018,901.68	243,826,102.12
Hi-tech (Note)	Selling goods	12,315,086.19	–

Note: Since the Group completed the acquisition of Hi-tech in March 2019, Hi-tech became a wholly-owned subsidiary of the Group. The sales transactions between the Group and Hi-tech has not constituted related party transaction.

(2) Compensation for key management personnel

Unit: '000 Yuan Currency: RMB

Item	Amount recognised in the current period	Amount recognised in the prior period
Compensation for key management personnel	18,827	15,258

Note:

- The above key management personnel include directors, supervisors and senior management personnel of the Company during the Reporting Period.
- Half-year compensation includes the compensation incentives for key management personnel of the previous year.
- Guo Yimin and Cheng Yunlei, directors, and Kou Youmin, supervisor, did not actually receive the compensation during the Reporting Period.

6. Amounts Due from/to Related parties

(1) Receivable Item

Unit: Yuan Currency: RMB

Item	Related party	Closing balance		Opening balance	
		Book value	Bed debt provision	Book Value	Bed debt provision
Accounts receivable	Luoyang Shenyu	1,904,796.03	1,904.80	291,666.66	291.67
Accounts receivable	Yulu Mining	146,760.24	146.76		
Accounts receivable	Fuchuan Mining	163,866.46	3,523.13	24,742.80	530.95
Accounts receivable	IXM	11,595,240.25			
Prepayments	Luoyang Shenyu	40,000.00			
Other receivables	Luoyang Shenyu	583,333.32			
Interest receivable (Note 2)	NSR	38,559,148.38		12,964,129.33	
Other current assets (Note 2)	NSR	962,458,000.00		960,848,000.00	
Other current assets (Note 1)	Gécamines			43,096,220.58	
Other non-current assets (Note 1)	Gécamines	350,036,168.18		334,381,507.50	

Note 1: The above receivables are fund borrowings due from minority shareholders of TFM and other related parties, TFM received interest from relevant parties in accordance with the agreed interest rate. There were no increased borrowings which were lend to Gécamines by TFM and the interest accrued was USD20,916,573.55.

Note2: The above amounts due to related parties were lent by NREIL to NSR, and NREIL collected interest according to the agreed interest rate. At the end of period, the interest receivable is USD5,608,848.11.

(2) Payable Item

Unit: Yuan Currency: RMB

Item	Related party	Book balance at the end of the period	Book balance at the beginning of the period
Other payables	Fuchuan Mining	11,384,276.00	11,384,276.00
Other payables	Gécamines	8,073,271.22	5,921,146.67
Other non-current liabilities	Gécamines	68,747,000.00	68,632,000.00
Other payables	IXM	54,929,959.62	
Receipts in advance	IXM		5,777,674.29

XI. COMMITMENTS AND CONTINGENCIES

1. Significant Commitments

Major external commitments, nature and amount thereof as at the balance sheet date

(1) Capital commitments

Unit: RMB'000

	Closing balance	Opening balance
Contracted but not recognised in the financial statements:		
– Commitment for acquisition and construction of long-term assets	901,951	1,099,082
– Commitment for external investment (<i>Note</i>)	3,561,095	3,764,321
Total	4,463,046	4,863,403

Note: The above commitment for external investment includes the relevant consideration to acquire 100% equity of NSRC for which the Group and the Natural Resources Investment Fund have concluded an acquisition agreement.

2. Contingencies

(1) *Major contingencies as at the of balance sheet date*

(1) *Pending litigation*

Copper and cobalt businesses of the Group in the DRC

At the end of 2015, TFM negotiated with SNEL to address the availability, supply quality and quantity of electricity. In accordance with the amended items of the power agreement included in the dispute settlement plan, TFM agrees to pay the electricity at the price of USD0.0569 per kilowatt-hour from January 2016 (the original electricity price was USD 0.0350 per kilowatt-hour) and to pay USD10 million settlement compensation to get more continuous supply of electricity from SNEL. As at the date of this report, the two parties have not yet signed any formal agreement, and the negotiations are still in progress. In response to this contingent liability, TFM has accrued USD10 million in expenditure in prior years. The Group's Copper-Cobalt business in Congo (DRC) may have some lawsuits, claims and liability claims in the daily business. The management considers that the results of such contingencies will not have a material adverse effect on the financial position, operating performance or cash flows of the business based on the information currently available.

The Group's Niobium-Phosphorus business in Brazil

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

(2) *Guarantee*

As at 30 June 2019, the Group's Australian NPM Copper and gold mine business provides guarantees to the relevant business operations of New South Wales government agencies of Australia, whose guarantee amount of AUD 32,920,000 (equivalent to RMB159,220,000). The relevant business venture agrees to any liability of the business compulsory executed from this guarantee. As at 30 June 2019, no material guarantee responsibility was undertaken by us.

XII. EVENTS AFTER BALANCE SHEET DATE

1. Acquisition of IXM

On 4 December 2018, CMOC Limited, a first-level wholly-owned subsidiary of the Company, and NSR, a wholly-owned subsidiary of Natural Resources Investment Fund, entered into a share purchase agreement. Pursuant to such agreement, CMOC Limited agreed to purchase the 100% equity interests of NSRC from NSR at a consideration of USD495 million plus the target company's net income during the period.

The completion of the equity interest purchase took place on 24 July 2019, and the Group indirectly held 100% equity interests of IXM through NSRC. The Group already paid the completion consideration which was adjusted and paid according to the finally determined "net income of target group for the period".

XIII. OTHER IMPORTANT EVENTS

1. Segment Information

(1) Determination basis and accounting policies for segment reporting

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

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

(2) Reporting segment's financial information

January – June 2019

Unit: '000 Yuan Currency: RMB

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium & phosphorus related products	Copper & cobalt related products	Others	Unallocated item	Inter-segment eliminations	Total
Operating revenue								
External revenue	2,070,594	651,960	2,354,592	4,474,719	426,804			9,978,669
Inter-segment revenue								
Total segment operating revenue	2,070,594	651,960	2,354,592	4,474,719	426,804			9,978,669
Total operating revenue in the financial statements	2,070,594	651,960	2,354,592	4,474,719	426,804			9,978,669
Operating cost	933,981	522,518	1,819,868	4,119,461	381,327			7,777,155
Taxes and levies	110,163	25,274	24,881	307,621		18,361		486,300
Selling expenses	4,835	4,663	14,704	16,123		749		41,074
Administrative expenses		8,835	62,628	23,752		386,562		481,777
R & D expenses						122,672		122,672
Financial expenses		23,456	223,706	-54,797		315,433		507,798
Add: Impairment losses on assets	-4,528		-2,304	-5,067				-11,899
Impairment losses on credit	-12,877		-4,560					-17,437
Gains (losses) from changes in fair values			2,168			134,785		136,953
Investment income						158,967		158,967
Gains (losses) from disposal of assets		-313	-5	-10,358				-10,676
Other income	10,134							10,134
Segment operating profit	1,014,344	66,901	204,104	47,134	45,477	-550,025		827,935
Operating profit in the financial statements	1,014,344	66,901	204,104	47,134	45,477	-550,025		827,935
Add: Non-operating income			781			1,747		2,528
Less: Non-operating expenses		1,557				4,994		6,551
Total profit	1,014,344	65,344	204,885	47,134	45,477	-553,272		823,912
Less: Income tax expense	66,366	20,992	76,185	-66,648		-46,474		50,421
Net profit	947,978	44,352	128,700	113,782	45,477	-506,798		773,491

January – June 2018

Unit: '000 Yuan Currency: RMB

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium & phosphorus related products	Copper & cobalt related products	Others	Unallocated item	Inter-segment eliminations	Total
Operating revenue								
External revenue	2,260,645	841,699	2,303,965	8,466,308	187,179			14,059,796
Inter-segment revenue								
Total segment operating revenue	2,260,645	841,699	2,303,965	8,466,308	187,179			14,059,796
Total operating revenue in the financial statements	2,260,645	841,699	2,303,965	8,466,308	187,179			14,059,796
Operating cost	920,838	531,544	1,835,536	4,505,396	192,975			7,986,289
Taxes and levies	173,114	37,047		207,104				417,265
Selling expenses	6,902	4,949	12,902	25,643				50,396
Administrative expenses		4,478	54,030	25,362		373,995		457,865
Research and development expenses						72,066		72,066
Financial expenses		42,103	241,519	379,077		-227,309		435,390
Add: Impairment losses on assets	-3,463			-7,318				-10,781
Impairment losses on credit	2,836							2,836
Gains from changes in fair values			2,068			-81,365		-79,297
Investment income						118,218		118,218
Gains from disposal of assets		-580	286	-4,660		-110		-5,064
Other income						4,369		4,369
Segment operating profit	1,159,164	220,998	162,332	3,311,748	-5,796	-177,640		4,670,806
Operating profit in the financial statements	1,159,164	220,998	162,332	3,311,748	-5,796	-177,640		4,670,806
Add: Non-operating income						427		427
Less: Non-operating expenses		1,303				45,556		46,859
Total profit	1,159,164	219,695	162,332	3,311,748	-5,796	-222,769		4,624,374
Less: Income tax expense	196,800	43,023	-186,399	977,361		-7,337		1,023,448
Net profit	962,364	176,672	348,731	2,334,387	-5,796	-215,432		3,600,926

2. Status of wealth management

Unit: '000 Yuan Currency: RMB

Entrustee	Types	Amount	Start date	Expiry date	Capital source	Usage of funds	Payment methods of remuneration	Annualized rate of return	Actual gain or loss	Statutory procedure or not
Ping An Huitong	Asset management plan	700,000.00	2018/5/18	2021/6/30	Own capital	Floating revenue	Standardised credit assets	5.40%	19,331.64	Yes
NEW CHINA CAPITAL MANAGEMENT	Asset management plan	1,701,814.85	2017/9/8	2019/9/7	Own capital	Portfolio investment	Payment in due course	-	-	Yes
Luoyang branch of Industrial Bank	Principal guaranteed structured deposits	600,000.00	2019/1/18	2019/7/17	Own capital	Wealth management funds from banks	Floating revenue	4.40%	-	Yes
Luoyang branch of China Minsheng Bank	Principal guaranteed structured deposits	800,000.00	2019/1/18	2019/12/18	Own capital	Wealth management funds from banks	Floating revenue	4.10%	-	Yes
Luoyang branch of Zhongyuan Bank	Principal guaranteed structured deposits	500,000.00	2019/1/22	2019/7/22	Own capital	Wealth management funds from banks	Floating revenue	4.45%	-	Yes
Luoyang branch of Industrial Bank	Principal guaranteed structured deposits	500,000.00	2019/1/22	2019/10/21	Own capital	Wealth management funds from banks	Floating revenue	3.97%	-	Yes
Luoyang branch of China CITIC Bank	Principal guaranteed structured deposits	600,000.00	2019/1/23	2019/7/26	Own capital	Wealth management funds from banks	Floating revenue	4.05%	-	Yes
Luoyang branch of Bank of China	Principal guaranteed structured deposits	500,000.00	2019/5/8	2019/8/9	Own capital	Wealth management funds from banks	Floating revenue	3.70%	-	Yes
Others		2,836,390.00							6,096.49	
Including:	Principal guaranteed structured deposits	2,460,000.00			Own capital	Wealth management funds from banks	Floating revenue	2.5%-4.45%	-	Yes
	Asset management plan	250,000.00			Own capital	Wealth management funds from banks	Standardised credit assets	4.82%	6,096.49	Yes
	Wealth Management Product	126,390.00			Own capital	Wealth management funds from banks	Floating revenue	3.8%-4.39%	-	Yes
Total		8,738,204.85							25,428.13	

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

XIV. NOTES TO MAJOR ITEMS OF FINANCIAL STATEMENTS OF PARENT COMPANY

1. Accounts receivable

(1) Disclosed by classification of bad debt provisions

Please refer to the disclosure of other receivables if bad debt provisions are made in accordance with the general model of expected credit loss:

The Company recognised the loss provision for the accounts receivable based on ECL on 30 June 2019 as follows:

Unit: Yuan Currency: RMB

Book balance	Impairment provision	Book value
795,253,681.77	3,775,177.57	791,478,504.20

The Company recognised the loss provision for the accounts receivable based on ECL on 31 December 2018 as follows:

Unit: Yuan Currency: RMB

Book balance	Impairment provision	Book value
182,232,367.03	3,775,030.81	178,457,336.22

Changes in expected loss provision/bad debt provision for accounts receivable:

Unit: Yuan Currency: RMB

	Full lifetime ECL (not-credit-impaired)	Full lifetime ECL (credit-impaired)	Total
Opening balance		3,775,030.81	3,775,030.81
Transfer to credit-impaired			
Transfer from credit-impaired			
Transfer out due to direct writedown financial assets			
Provision of ECL for the current period	146.76		146.76
Reversal of ECL for the current period			
Closing balance	146.76	3,775,030.81	3,775,177.57

(2) *Top five accounts receivable balances by debtors as at the end of the period*

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance	Proportion of the total closing balance of the account receivable (%)	Closing balance of bad debt Reserve
Wu Ye	Subsidiary	327,915,963.54	41.23	/
Metal Material	Subsidiary	259,317,794.09	32.61	/
Ye Lian	Subsidiary	71,820,120.34	9.03	/
Sales Company	Subsidiary	65,216,335.92	8.20	/
Sales and Trading	Subsidiary	19,868,992.60	2.50	/
Total	/	744,139,206.49	93.57	/

2. Other receivables

Item presented

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable	389,279,153.79	378,516,688.14
Dividends receivable	44,006,084.08	44,006,084.08
Other receivables	3,721,244,184.07	4,360,653,754.98
Total	4,154,529,421.94	4,783,176,527.20

Interests receivable

(1) Categories of interests receivable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interests receivable within the Group	214,054,314.81	189,695,544.84
Time deposits interest	30,775,202.46	1,784,302.94
Structured deposits interest	144,449,636.52	187,036,840.36
Total	389,279,153.79	378,516,688.14

Dividends receivable

(1) Dividends receivable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Jiu Yang	26,993,751.76	26,993,751.76
San Qiang	10,118,892.09	10,118,892.09
Da Dong Po	6,893,440.23	6,893,440.23
Total	44,006,084.08	44,006,084.08

Other receivables

(1) Categorized by nature

Unit: Yuan Currency: RMB

Nature of other receivables	Closing book balance	Opening book balance
Current account within the Group	3,671,815,582.29	4,330,279,595.19
Guarantee deposit	5,000,000.00	2,000,000.00
Refund of land-transferring fee receivable	5,900,000.00	5,900,000.00
Others	61,277,159.26	50,803,960.37
Total	3,743,992,741.55	4,388,983,555.56

(2) Bad debt provision

At the end of the period, the Group had other receivables of which the loss provision was recognised on the basis of ECL as below:

Unit: Yuan Currency: RMB

	Book balance	Impairment provision	Book value
Other receivables of which the loss provision was recognised on the basis of ECL	3,743,992,741.55	22,748,557.48	3,721,244,184.07

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

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance	Aging	Percentage of total other receivables at the end of the period (%)	Closing balance of bad debt provision
Company L	Third Party	13,982,122.82	Above 3 years	0.37	13,982,122.82
Company X	Third Party	8,108,419.87	1 to 2 years	0.22	
Company Y	Third Party	5,900,000.00	Above 3 years	0.16	
Company Z	Third Party	5,000,000.00	Within 1 year	0.13	
Company AA	Third Party	5,000,000.00	Above 3 years	0.13	
Total	/	37,990,542.69	/	1.01	13,982,122.82

3. Long-term Equity Investments

Unit: Yuan Currency: RMB

Item	Closing balance		Book balance	Opening balance	
	Book balance	Impairment provision		Book balance	Impairment provision
Investment in subsidiaries	28,491,149,096.21		22,328,163,875.82		22,328,163,875.82
Investment in associates and joint ventures	732,090,937.58		836,267,308.94		836,267,308.94
Total	29,223,240,033.79	29,223,240,033.79	23,164,431,184.76		23,164,431,184.76

(1) Investment in subsidiaries

Unit: Yuan Currency: RMB

Investee entity	Opening balance	Increases for the period	Decreases for the period	Closing balance	Impairment provision for the period	Closing balance of impairment provision
Ye Lian	5,638,250.27			5,638,250.27		
Da Chuan	17,500,000.00			17,500,000.00		
Sales and Trading	2,000,000.00			2,000,000.00		
Da Dong Po	33,483,749.86			33,483,749.86		
Jiu Yang	17,028,900.00			17,028,900.00		
San Qiang	33,397,038.41			33,397,038.41		
International Hotel	210,000,000.00			210,000,000.00		
Wu Ye	100,000,000.00			100,000,000.00		
CMOC HK	1,869,455,300.96			1,869,455,300.96		
Metal Material	650,000,000.00			650,000,000.00		
Fu Run	8,803,190.84			8,803,190.84		
Xin Jiang Luo Mu	980,000,000.00			980,000,000.00		
Hu Qi	9,900,000.00			9,900,000.00		
Fu Kai	261,520,000.00			261,520,000.00		
Sales Company	50,700,000.00			50,700,000.00		
Qi Xing	46,963,636.00			46,963,636.00		
CMOC Ltd (Note 1)	17,064,973,809.48	5,973,231,000.00		23,038,204,809.48		
Schmocke	660,000,000.00			660,000,000.00		
Beijing YongBo	267,800,000.00			267,800,000.00		
CMOC Mining Pty Limited	39,000,000.00			39,000,000.00		
Hi-tech (Note 2)		189,754,220.39		189,754,220.39		
合計	22,328,163,875.82	6,162,985,220.39		28,491,149,096.21		

Note 1: The increased amount represents the increased capital to CMOC Limited from the Company for the current period.

Note 2: Please refer to Note VI.1 for details.

(2) Investment in associates and joint ventures

Unit: Yuan Currency: RMB

Investee entity	Opening balance	Additional investment	Decreased investment	investment income or loss recognised under equity method	Changes for the period		Declared cash dividend or profits	Provision for Impairment losses	Others	Closing balance	Closing balance of impairment provision
					Adjustment to other comprehensive income	Other changes in equities					
I. Joint ventures											
High-Tech	70,029,342.89			-670,122.50					-69,359,220.39		
Xuzhou Huanju	678,636,686.95			-24,575,844.70						654,060,842.25	
Sub-total	748,666,029.84			-25,245,967.20					-69,359,220.39	654,060,842.25	
II. Associates											
Yulu Mining	86,593,518.79			44,439,257.05			53,800,000.00			77,232,775.84	
Luoyang Shenyu	1,007,760.31			-210,440.82						797,319.49	
Sub-total	87,601,279.10			44,228,816.23			53,800,000.00			78,030,095.33	
Total	836,267,308.94			18,982,849.03			53,800,000.00		-69,359,220.39	732,090,937.58	

4. Operating Revenue and Operating Cost

(1) Operating Revenue and Operating Cost

Unit: Yuan Currency: RMB

Item	Amount recognised in the current period		Amount recognised in the prior period	
	Revenue	Cost	Revenue	Cost
Principal operating activities	1,631,385,512.83	598,233,508.97	1,784,252,389.93	563,833,444.24
Other operating activities	46,831,716.96	48,399,034.45	39,823,067.80	40,980,483.56
Total	1,678,217,229.79	646,632,543.42	1,824,075,457.73	604,813,927.80

(2) Explanation of allocated to remaining performance obligations

At the end of the current reporting period, the amount of revenue with signed contracts but unfulfilled or uncompleted performance obligation is RMB82,913.81, and of which RMB1,508.91 is expected to be recognized as revenue in 2019.

5. Investment income

Unit: Yuan Currency: RMB

Item	Amount recognised in the current period	Amount recognised in the prior period
Income from long-term equity investments under equity method	18,982,849.03	33,818,935.95
Investment income of held for trading financial assets during the holding period	75,972.88	
Investment income on disposal of held for trading financial assets	1,868,819.49	
Investment income of other non-current financial assets during the holding period	25,428,138.16	23,330,075.08
Gains or losses on delivery of forward foreign exchange contract	-101,808,568.20	
Total	-55,452,788.64	57,149,011.03

XV. SUPPLEMENTARY INFORMATION

1. Breakdown of Non-Recurring Profit or Loss in the current period

Unit: Yuan Currency: RMB

Item	Amount	Note
Profit or loss from disposal of non-current assets	-10,676,048.84	
Government subsidy included in current profits and losses (excluding government grants which are closely related to the Company's business and conform with the national standard amount or quantity)	10,813,041.50	Include subsidy of RMB3.50 million for the low-grade scheelite project
Profit and loss of changes in fair value arising from holding of financial assets held for trading, derivative financial assets, financial liabilities held for trading, and derivative financial liabilities and investment gains from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other credit investments, except for effective hedging activities associated with normal business operations of the Company	57,160,777.16	Includes RMB78.83 million of gains on change in fair value of non-current financial assets, RMB31.06 million of net losses on delivery of forward foreign exchange contract
Other non-operating revenue and expenses other than the above items	-3,014,645.24	
Other profit/loss items falling within the definition of non-recurring profit and loss	52,245,779.61	Investment income recognized by remeasuring the fair value of the original shareholding portion at the step acquisition of the associate of Hi-tech
Donation expenditures	-1,687,328.34	
Income tax effects	4,140,515.11	
Effects of minority interests	1,450,069.32	
Total	110,432,160.28	

2. Return on Net Assets and Earnings Per Share

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	1.95	0.037	N/A
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	1.69	0.032	N/A

SECTION 1 DOCUMENTS AVAILABLE FOR INSPECTION

DOCUMENTS AVAILABLE FOR INSPECTION	Financial statements signed and sealed by the legal representative of the Company, the person in charge of accounting affairs and the head of the accounting department.
	All the original of files and announcements of the Company disclosed in Securities Times, and Securities Daily during the reporting period.
	Interim reports published on the Hong Kong securities market.

Chairman : **Li Chaochun**

Date of Approval from the Board : 27 August 2019

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Li Chaochun (*Chairman*)
Li Faben (*General Manager*)

Non-Executive Directors

Guo Yimin (*Vice Chairman*)
Yuan Honglin
Cheng Yunlei

Independent Non-Executive Directors

Wang Gerry Yougui
Yan Ye
Li Shuhua

Supervisors

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

BOARD COMMITTEES

Remuneration Committee

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

Audit and Risk Committee

Li Shuhua (*Chairman*)
Yan Ye
Yuan Honglin

Strategic and Sustainability Committee

Li Chaochun (*Chairman*)
Li Faben
Wang Gerry Yougui
Yuan Honglin

Nomination and Governance Committee

Wang Gerry Yougui (*Chairman*)
Li Chaochun (*Vice Chairman*)
Yan Ye
Li Shuhua

BOARD SECRETARY

Yue Yuanbin

JOINT COMPANY SECRETARY

Yue Yuanbin
Ho Siu Pik (*FCS, FCIS*)

REGISTERED OFFICE IN THE PRC

North of Yihe, Huamei Shan Road
Chengdong New District, Luanchuan County
Luoyang City, Henan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN THE PRC

North of Yihe, Huamei Shan Road
Chengdong New District, Luanchuan County
Luoyang City, Henan Province, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

LEGAL REPRESENTATIVE

Li Chaochun

AUTHORIZED REPRESENTATIVES

Li Chaochun
Ho Siu Pik

ENQUIRY DEPARTMENT OF THE COMPANY

Office of the Board of Directors

INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY

(+86) 379 6860 3993

SHANGHAI A SHARE REGISTRAR

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36/F, China Insurance Building
No. 166 Lujiazui Road East
Pudong New Area
Shanghai, the PRC

HONG KONG H SHARE REGISTRAR

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

PLACES OF LISTING

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

NAME OF THE STOCK

China Molybdenum Co., Ltd. (CMOC)

STOCK CODE

Stock code of A share: 603993 (Listed on 9 October 2012)

Stock code of H share: 03993 (Listed on 26 April 2007)

PRINCIPAL BANKERS

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

AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP

LEGAL ADVISORS

As to Hong Kong law:

Freshfields Bruckhaus Deringer
55/F, One Island East
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Hong Kong

As to PRC law:

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

WEBSITE

www.chinamolyc.com

DEFINITIONS

“CMOC”, the “Company” or “Group”	洛陽樂川鉬業集團股份有限公司 (China Molybdenum Co., Ltd.*)
“CFC”	Cathay Fortune Corporation, a controlling shareholder of the Company
“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
“Xinjiang Luomu”	Xinjiang Luomu Mining Co., Ltd., a controlled subsidiary of the Company
“Xuzhou Huanyu”	Xuzhou Huanyu Molybdenum Co., Ltd., a joint venture of the Company
“Fuchuan Mining”, “Fu Chuan”	Luoyang Fuchuan Mining Co., Ltd., a controlled subsidiary of Xuzhou Huanyu
“Yulu Mining”	Luoyang Yulu Mining Co., Ltd., a non wholly-owned subsidiary of the Company
“High-Tech”	Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd., a wholly-owned subsidiary of the Company since March 2019
“Luoyang Shenyu”	Luoyang Shenyu Molybdenum Co., Ltd, an associate of the Company
“Sandaozhuang Mine” or “Sandaozhuang Molybdenum/Tungsten Mine”	located in Luanchuan County, Henan Province, China, the mine where the Company is carrying out major mining work of molybdenum/tungsten at present
“Shangfanggou Mine, Shangfanggou Molybdenum Mine”	located in Luanchuan County, Henan Province, China, which is owned by a controlled subsidiary of Xuzhou Huanyu which is a joint venture of the Company
“Xinjiang Copper Mine”	a large molybdenum mine located in East Gobi, Hami, Xinjiang, China, which is owned by Xinjiang Luomu, a controlled subsidiary of the Company
“NPM or Northparkes Copper/Gold Mine”	copper-gold mine in Northparkes, situated at northwest of the town of Parkes in New South Wales, Australia, 80% equity of which was held by a wholly-owned subsidiary of the Company registered in Australia as the manager
“open-pit mining”	a type of surface mining, which is a mining method for exploration of useful minerals from open-surface mining sites

“APT”	ammonium paratungstate
“MAP”	ammonium dihydrogen phosphate, a chemical agent, also known as monoammonium phosphate
“Brazil”	the Federative Republic of Brazil
“Congo (DRC)”	the Democratic Republic of the Congo
“TFM Copper/Cobalt Mine” or “TFM”	Tenke Fungurume Copper/Cobalt Mine located in Congo (DRC)
“BHR”	BHR Newwood Investment Management Limited
“Luxembourg SPV”	CMOC Luxembourg S.A.R.L
“Brazil’s Phosphate” or “CIL Phosphate”	Chapadão Phosphate Mine of Copebras Indústria Ltda., located in the Catalão mining area in Brazil
“Brazil Niobium Mine” or “NML Niobium Mine”	Boa Vista Niobium Mine of Niobras Mineração Ltda., located in the Catalão mining area in Brazil
“Natural Resources Investment Fund”	NCCL Natural Resources Investment Fund LP
“NREIL”	Natural Resource Elite Investment Limited
“IXM”	IXM B.V., a subsidiary of an associate of the Company for the period from 11 May 2018 to 23 July 2019 and a wholly-owned subsidiary of the Company since 24 July 2019
“Gécamines”	La Generale des Carrieres et des Mines
“Hong Kong CMOC”	CMOC Limited
“Reporting Period”	For the six months ended 30 June 2019

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



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