

**CMOC** 洛阳铝业

\* For identification purposes only

洛陽樂川鋁業集團股份有限公司  
CMOC Group Limited\*

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

Stock Code: 3993

# 2022 INTERIM REPORT

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

# SUMMARY OF THE 2022 INTERIM REPORT

- **The Company's performance hit a new high by virtue of the expansion of production capacity and the prosperity of the industry.** The Company recorded an operating revenue of approximately RMB91.77 billion, representing a year-on-year increase of 8%. EBITDA amounted to approximately RMB11.28 billion, representing a year-on-year increase of 59%. Operating cash inflow amounted to approximately RMB8.50 billion, representing a year-on-year increase of 545%. Net profit attributable to the parent company amounted to approximately RMB4.15 billion, representing a year-on-year increase of 72%, of which IXM's net profit attributable to the parent company contributed USD98 million.
- **The Company advanced construction of mining projects on schedule and improved the technical management of production and operation.** Implementing the spirit of 2022 as a year of construction, the Company's TFM mixed ore and KFM copper-cobalt mine projects were progressing according to milestones and are expected to be put into production as scheduled. Processing recoveries of major mineral products of the Company exceeded the budget targets, and the recovery rates of phosphate in the Brazil mine areas and molybdenum in the Shangfanggou Mine attained new historical records. The E26L1N ore body of the NPM copper and gold mine has been successfully put into production, reaching full production capacity and achieving over-production, being five months ahead of schedule specified in the feasibility study.
- **The Company maintained the industry leading position in terms of ESG, and accelerated the implementation of the HSE system.** The Company continued to maintain the MSCI ESG rating of A, the same level as its international counterparts Rio Tinto, BHP Billiton and Anglo American, taking the lead in the domestic mining industry in terms of ESG ranking. The Company has established the HSE Committee to accelerate the full implementation of the HSE system, and achieved the objectives of "zero fatality" and "zero environmental pollution" during the reporting period.
- **The Group built a digital-intelligence base, and consolidated the foundation for management improvement.** By building a globally unified "digital-intelligence" base of ERP + OA + procurement platform + sales platform + cost control + shared financial services, the Group has effectively achieved vertical management and control as well as horizontal business synergy. In the first half of the year, the Company launched the first phase of financial sharing center system and other informatization projects, so as to respond to the post-pandemic corporate operation mode with digital intelligence.

# MAJOR FINANCIAL INDICATORS FOR THE FIRST HALF OF 2022

## (I) MAJOR ACCOUNTING DATA

Unit: Yuan Currency: RMB

Major accounting data	During the reporting period (from January to June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Operating revenue	<b>91,766,808,748.95</b>	84,815,930,336.26	8.20
Net profit attributable to shareholders of the listed company	<b>4,147,930,309.56</b>	2,408,598,438.70	72.21
Net profit after deduction of non-recurring profits or losses attributable to shareholders of the listed company	<b>3,466,057,986.65</b>	1,401,022,073.13	147.39
Net cash flow from operating activities	<b>8,501,505,218.15</b>	1,318,661,759.73	544.71
	<b>At the end of the reporting period</b>	At the end of last year	<b>Increase/decrease at the end of the reporting period as compared with the end of last year (%)</b>
Net assets attributable to the shareholders of the listed company	<b>46,489,669,728.17</b>	39,845,286,626.30	16.68
Total assets	<b>155,399,497,801.86</b>	137,449,772,623.15	13.06

## MAJOR FINANCIAL INDICATORS FOR THE FIRST HALF OF 2022 (CONTINUED)

### (II) MAJOR FINANCIAL INDICATORS

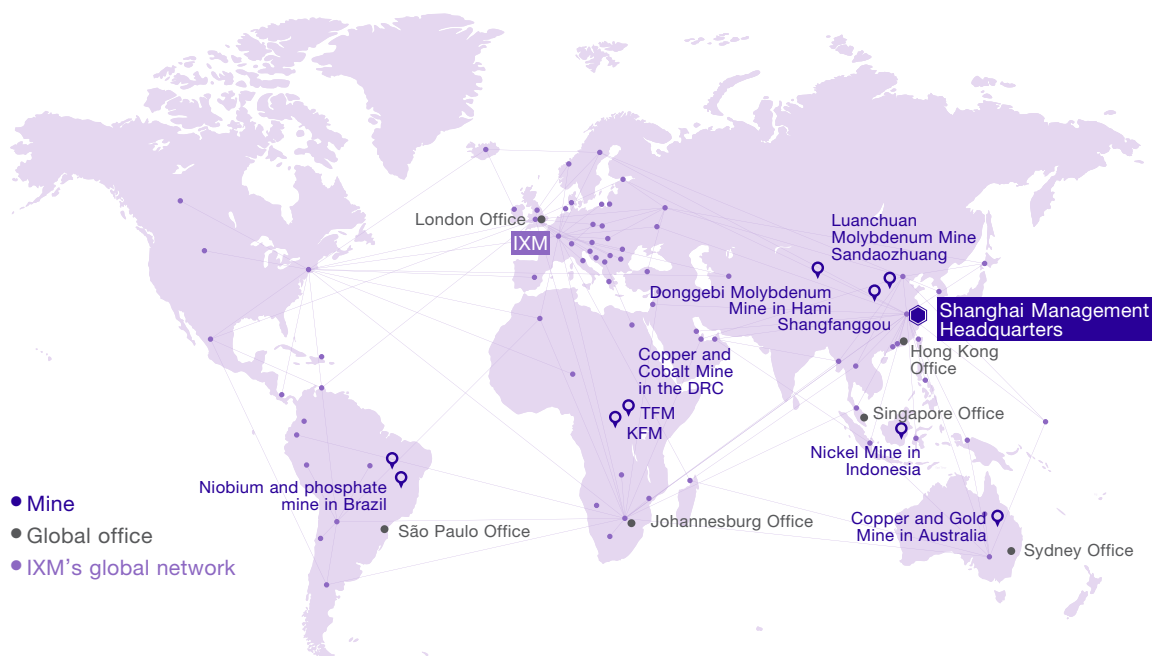
Major financial indicators	During the reporting period (from January to June)	Same period last year	Increase/decrease for the reporting period as compared with the same period last year (%)
Basic earnings per share (RMB/share)	<b>0.193</b>	0.112	72.32
Diluted earnings per share (RMB/share)	<b>0.193</b>	0.112	72.32
Basic earnings per share excluded non-recurring profits or losses (RMB/share)	<b>0.162</b>	0.065	149.23
Weighted average rate of return on net assets (%)	<b>9.41</b>	6.20	Increased by 3.21 percentage points
Weighted average rate of return on net assets excluded non-recurring profits or losses (%)	<b>7.86</b>	3.61	Increased by 4.25 percentage points

# COMPANY PROFILE

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

The Company engages in the non-ferrous metal industry, mainly the mining and processing business, which includes mining, beneficiation, smelting and refining of base and rare metals, and mineral trading business. With its main business located over five continents, including Asia, Africa, South America, Oceania and Europe, the Company is one of the leading tungsten, cobalt, niobium and molybdenum producers, and an important copper producer in the world. It is also the leading producer of phosphate fertilizer in Brazil. In terms of trading business, the Company is among the top three base metal merchants in the world. The Company ranks the 918th among the top 2,000 global listed companies by Forbes 2022 and the 20th in the 2022 Top 40 Global Mining Companies (by market capitalization) rankings.

## Diversified, Global and World-class Asset Portfolio



\*For identification purpose only

# MARKET REVIEW AND OUTLOOK

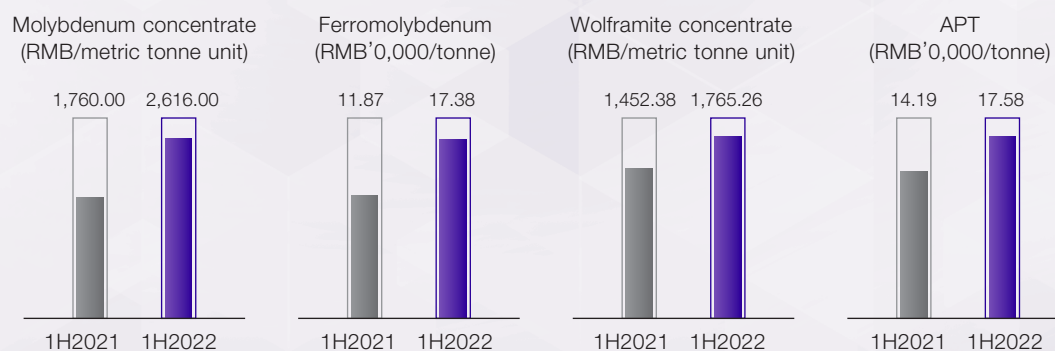
## (I) MARKET REVIEW

### 1. Market price of major products

#### Domestic market price of relevant products of the Company

Products	First half of	First half of	Increase/decrease	
	2022	2021	on a year-on-year basis (%)	
<b>Molybdenum</b>	Molybdenum concentrates (RMB/metric tonne unit)	2,616.00	1,760.00	48.64
	Ferromolybdenum (RMB'0,000/tonne)	17.38	11.87	46.42
<b>Tungsten</b>	Wolframite concentrates (RMB/metric tonne unit)	1,765.26	1,452.38	21.54
	APT (RMB'0,000/tonne)	17.58	14.19	23.89

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

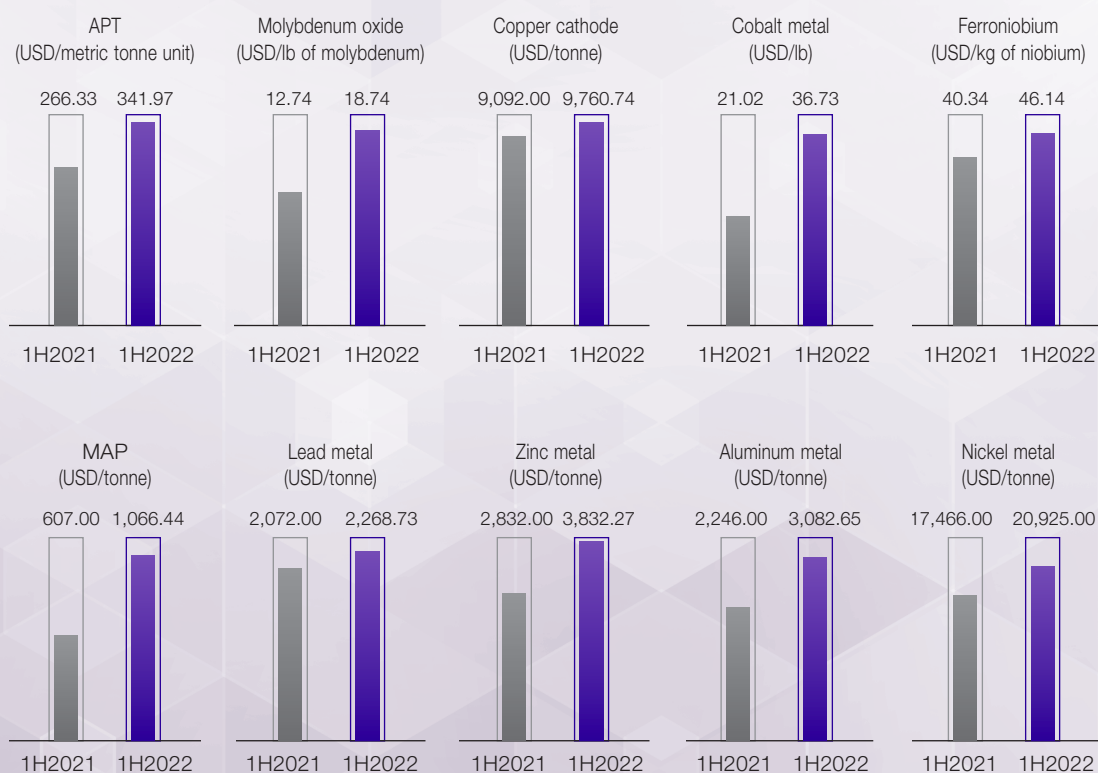


# MARKET REVIEW AND OUTLOOK (CONTINUED)

## International market price of relevant products of the Company

Products		First half of 2022	First half of 2021	Increase/decrease on a year-on-year basis (%)
<b>Tungsten</b>	APT (USD/metric tonne unit)	<b>341.97</b>	266.33	28.40
<b>Molybdenum</b>	Molybdenum oxide (USD/lb of molybdenum)	<b>18.74</b>	12.74	47.10
<b>Copper</b>	Copper cathode (USD/tonne)	<b>9,760.74</b>	9,092.00	7.36
<b>Cobalt</b>	Cobalt metal (USD/lb)	<b>36.73</b>	21.02	74.74
<b>Niobium</b>	Ferroniobium (USD/kg of niobium)	<b>46.14</b>	40.34	14.38
<b>Phosphate</b>	MAP (USD/tonne)	<b>1,066.44</b>	607.00	75.69
<b>Lead</b>	Lead metal (USD/tonne)	<b>2,268.73</b>	2,072.00	9.49
<b>Zinc</b>	Zinc metal (USD/tonne)	<b>3,832.27</b>	2,832.00	35.32
<b>Aluminum</b>	Aluminum metal (USD/tonne)	<b>3,082.65</b>	2,246.00	37.25
<b>Nickel</b>	Nickel metal (USD/tonne)	<b>20,925.00</b>	17,466.00	19.80

Note: The price of APT is the average price on Fastmarkets MB; the price of molybdenum oxide is the average price on the Metals Week (MW); the prices of copper, lead, zinc, aluminium and nickel are the spot average price on LME (London Metal Exchange); cobalt price is the average price of Fastmarkets MB standard grade cobalt (low-end); ferroniobium price is the Rotterdam price on Asian Metal; phosphate fertilizer price is from Argus Media.

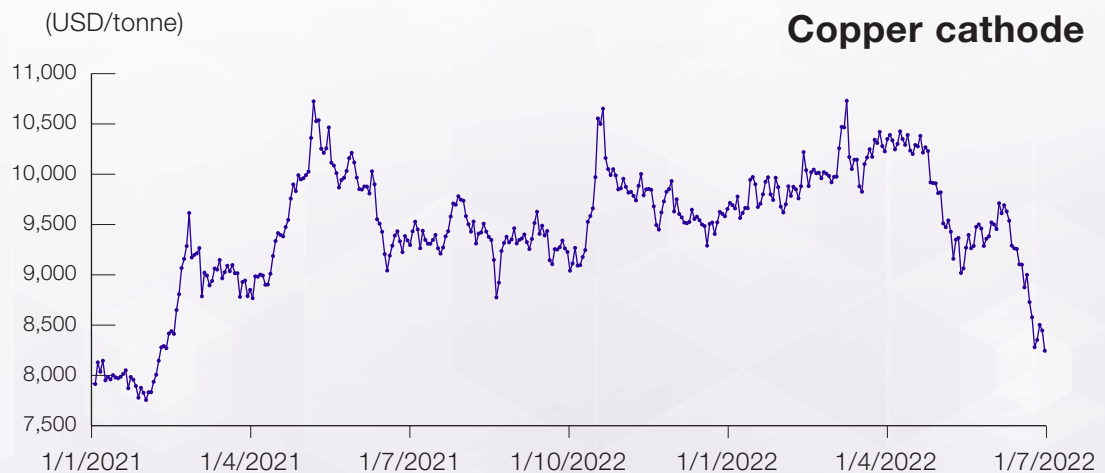


# MARKET REVIEW AND OUTLOOK (CONTINUED)

## 2. Market Review of Major Products

### (1) Copper market

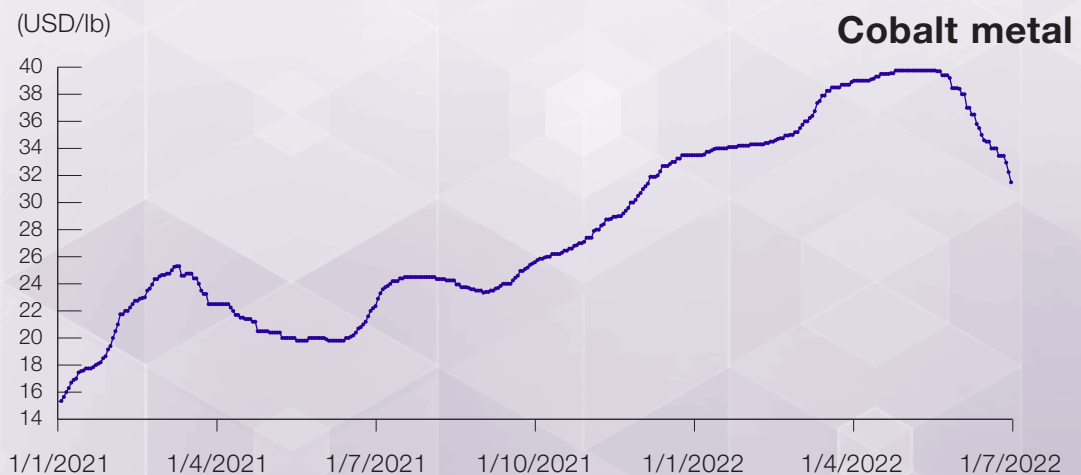
The global economy performed well in the first quarter of 2022, and copper prices continued to rise. The Russian-Ukrainian conflict caused concerns about the limited supply of Russian copper. In March 2022, the LME copper price exceeded USD10,000/tonne. In the second quarter of 2022, as Eastern China was under strict lockdown and control due to the pandemic, a large number of downstream copper enterprises suspended operation and production, affecting copper consumption and copper market sentiment and causing slump in copper prices. At the same time, with high inflation overseas, many countries have aggressively raised interest rates and reduced their balance sheets. US dollar has strengthened significantly. Copper prices have been under pressure to the downside as the market lowered global economic expectation.



Source: LME

### (2) Cobalt market

The prosperity index of new energy sector continued to improve in the first quarter of 2022. As logistic and transportation were disrupted due to rainstorm and floods in the Port of Durban, South Africa, export of cobalt raw materials was limited, causing continuous rise in cobalt price, which reached a high level USD39.40/lb in May 2022. In the second quarter of 2022, the vehicle industry chain was significantly affected by the pandemic in Eastern China, resulting in the continuous decline in downstream product price. Due to the increasing losses in cobalt salt production, the price of cobalt raw material has declined, and dropped to approximately USD33/lb by the end of June 2022. Cobalt hydroxide payable stabilized following a sharp decline, from a peak of 88% in March 2022 to 63% in June 2022. In the meantime, overseas operation entered the summer break. Due to the decline in purchase demand, the price of cobalt metal performed weakly.



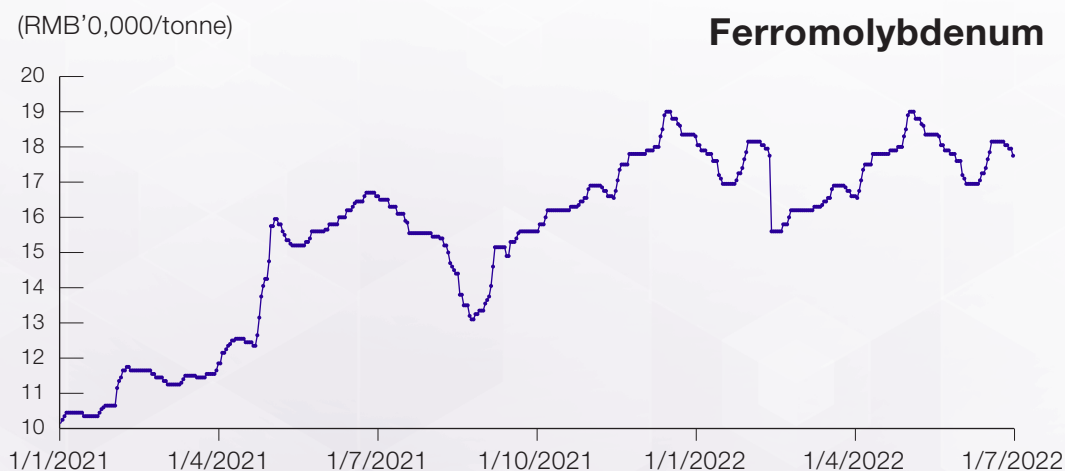
Source: Fastmarkets MB



# MARKET REVIEW AND OUTLOOK (CONTINUED)

## (3) Molybdenum market

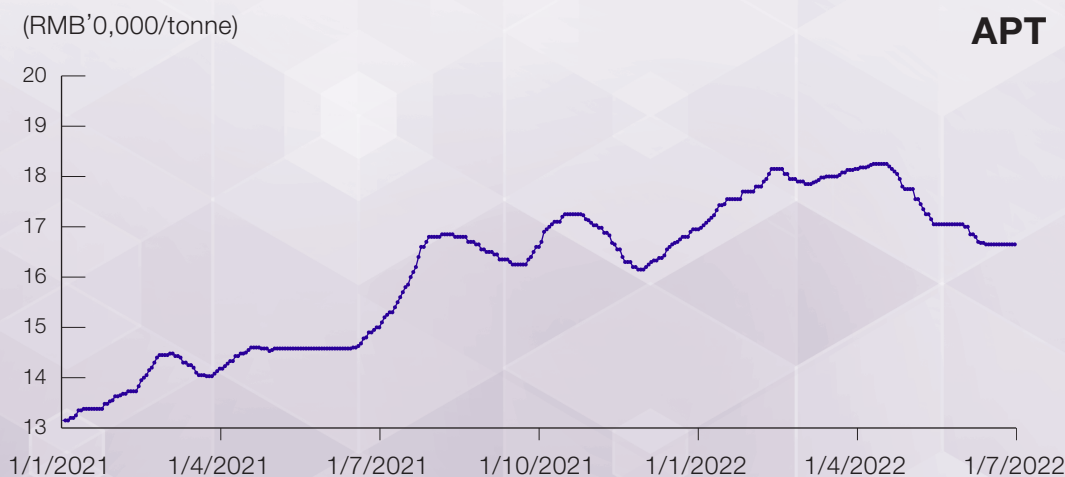
The domestic economy performed well in the first quarter of 2022. Coupling with the effect of ferromolybdenum production restriction during Beijing Winter Olympics, the price of ferromolybdenum has been rising. In the second quarter of 2022, the pandemic in Eastern China affected the production in some steel mills and ferromolybdenum procurement. Meanwhile, end consumption was greatly affected, and ferromolybdenum price significantly dropped. After the full resumption of work and production in Shanghai, there was, once again, a small growth in ferromolybdenum. However, steel mills were still struggling with low profit operation and crude steel production restriction policy. Since the acceptance for high-priced ferromolybdenum was low, ferromolybdenum prices have dropped.



Source: comelan.com

## (4) Tungsten market

Domestic economy performed well in the first quarter of 2022. Due to the effects of stockpiling before Lunar New Year coupling with strong overseas demand, APT prices rose to its historical high of RMB182,000/tonne. There was a slight seasonal fall during Lunar New Year, and demand rebounded at the end of the quarter, with prices rising again. In the second quarter of 2022, due to the impact of the pandemic in Eastern China, Yangtze River Delta Region, the gathering area of tungsten downstream products was greatly affected by a significant decrease in demand, and market sentiment was severely dampened, both leading to rapid fall of price. As operation and production gradually resumed in Yangtze River Delta Region, APT prices stabilized at bottom range.

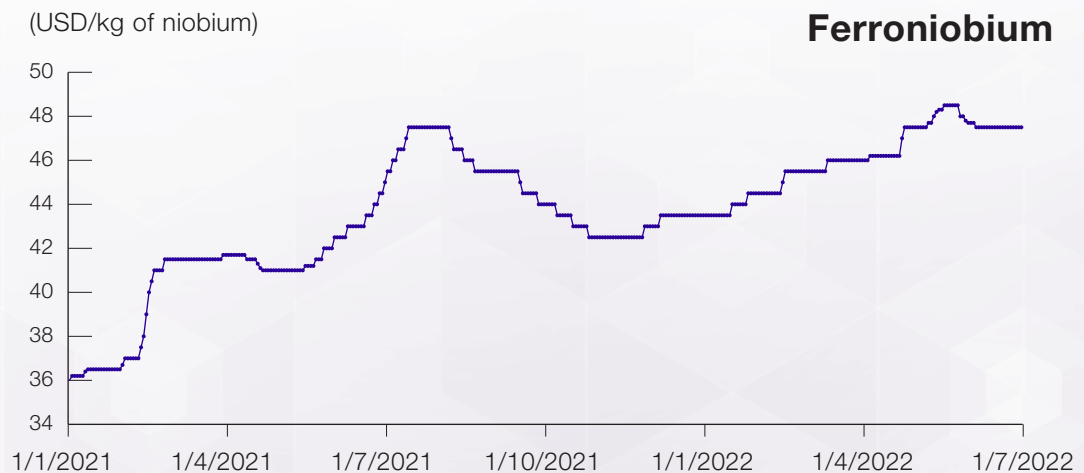


Source: comelan.com

# MARKET REVIEW AND OUTLOOK (CONTINUED)

## (5) Niobium market

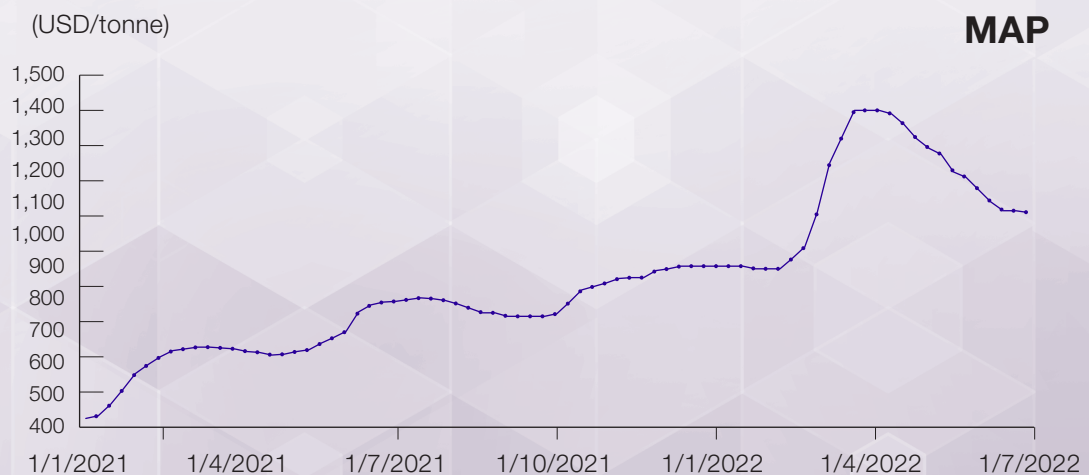
In the first quarter of 2022, port delivery efficiency was affected by the rainstorm in Brazil. Domestic ferroniobium import volume in the first half of the year was relatively low as compared to the same period of last year, together with the relatively high demand, pushing up ferroniobium price. In respect of overseas market, the Russian-Ukrainian conflict has disrupted the trade of steel materials between Russia and the EU. There was a wave of ferroniobium stockpiling, which was favorable for ferroniobium prices. Prices kept on rising until the end of May 2022. As the impact of the Russian-Ukrainian conflict eventually eased and was digested by the market, coupled with sluggish end-user demand in China due to the pandemic, the ferroniobium price stabilized after a mild decline.



Source: Asian Metal

## (6) Phosphate market

Both Russia and Ukraine are major food producers. Russia is also a major fertilizer exporter. In the first quarter of 2022, the Russian-Ukrainian conflict invoked concerns over food and fertilizer crisis in global markets. Amid the sharp rise in food prices, the price of phosphate fertilizer significantly rose to its historical high of USD1,300/tonne. In the second quarter of 2022, with high inflation across the world, many countries have aggressively raised interest rates and reduced their balance sheets. Food prices fluctuated under pressure, while phosphate fertilizer prices rose as usual. With decline in downstream profits and weaker desire for procurement, phosphate fertilizer prices entered a downward trend. At the end of the quarter, international food prices fell sharply, and phosphate fertilizer prices declined accordingly.

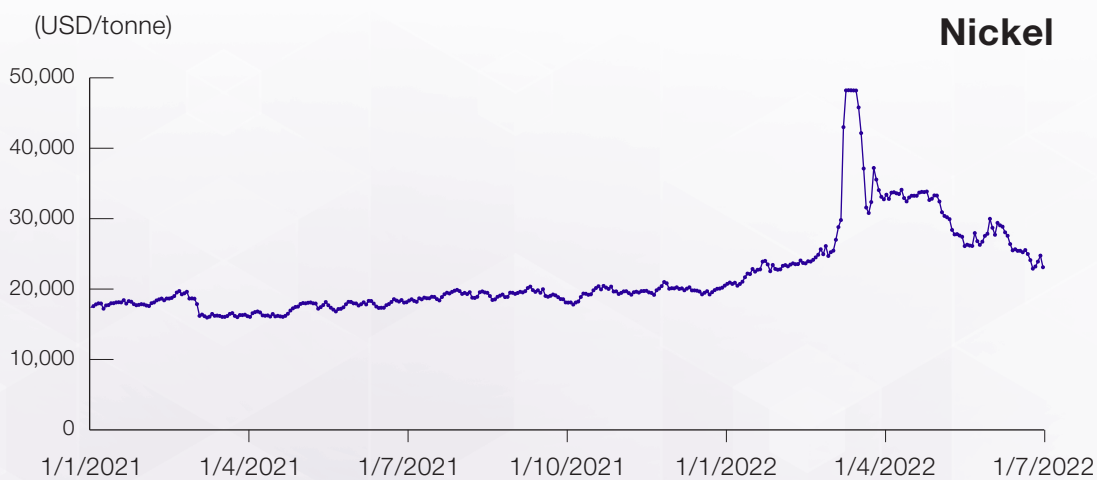


Source: Argus Media

# MARKET REVIEW AND OUTLOOK (CONTINUED)

## (7) Nickel market

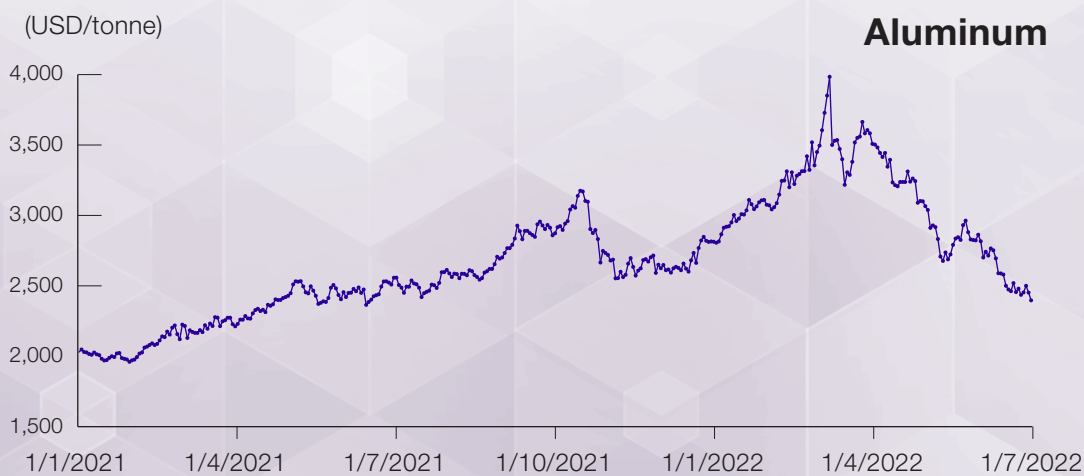
Russia is the third largest nickel supplier in the world. In the first quarter of 2022, as affected by the Russian-Ukrainian conflict, the market was concerned about supply of nickel, and the price of which fluctuated sharply. Market sentiment gradually calmed down in the second quarter of 2022. Nickel projects in Indonesia increased the supply after coming into production and ramping up production, aligned with high inflation and lowered economic growth expectations, and nickel price dropped significantly back to its relatively normal range.



Source: LME

## (8) Mineral trading market

Aluminium: Russian aluminium supplies are relatively high in terms of global proportion. In the first quarter of 2022, as affected by the Russian-Ukrainian conflict, there were concerns about restrictions on the supply of electrolytic aluminium and natural gas from Russia, leading to a rampant increase in energy prices in Europe. Production cost for electrolytic aluminium rose sharply, boosting LME aluminium price. In the second quarter of 2022, the globally high inflation is coupled with sped-up interest increase and reduced balance sheets. Despite the fact that European energy prices remained at high level, as affected by macro-economy environment, LME aluminium price dropped significantly to the level of production cost at domestic electrolytic aluminium factories.



Source: LME

# MARKET REVIEW AND OUTLOOK (CONTINUED)

Lead and zinc: In the first quarter of 2022, the Russian-Ukrainian conflict intensified the European energy crisis, resulting in strong rebound in prices of lead concentrates and zinc concentrates. Spot processing fee for lead concentrate rose to USD175/dry metric tonne from USD75/dry metric tonne. Spot processing fee for zinc concentrate rose to USD280/dry metric tonne from USD80/dry metric tonne. In the second quarter of 2022, the domestic pandemic outbreak resurged. By the time when market gradually recovered in early May 2022, spot processing fee for lead concentrate and zinc concentrate dropped to USD80/dry metric tonne and USD200/dry metric tonne, respectively.

(USD/tonne)

## Lead



Source: LME

(USD/tonne)

## Zinc



Source: LME

# MARKET REVIEW AND OUTLOOK (CONTINUED)

## (II) MARKET OUTLOOK

### 1. Copper market

Despite interest rate hikes in many countries, the global inflation level remains relatively high at the moment. There is still a possibility of aggressive rate hikes in the future, and the global economic outlook is not optimistic. China has announced several stimulus policies after the pandemic but there were still impacts from separate COVID cases. Overall, copper demand will increase in the second half of the year with strong demand support in the new energy sector. Although some new mines will be put into operation in the second half of 2022, there will still be risks on the supply side. In particular, changes in mining policy and community issues in Latin America could result in some unexpected production losses, which would support copper prices.

### 2. Cobalt market

As the European markets are entering the summer break, it is unlikely that there will be bulk transactions. There is still room for downward adjustment in cobalt metal prices but the payable has basically bottomed out. In the first half of 2022, despite the year-on-year decline in global vehicle sales, plug-in hybrid and battery vehicle sales achieved a significant year-on-year growth, achieving a new monthly sales record in June 2022. Globally, the proportion of ternary batteries was still much higher than that of LFP batteries. With the fall in nickel and cobalt prices, the cost difference between ternary batteries and LFP batteries was getting smaller. In the future, the proportion of ternary batteries is expected to continue to increase, and the subsequent peak demand season is expected to strongly stimulate cobalt demand.

### 3. Molybdenum market

Domestic molybdenum concentrate and ferromolybdenum production are relatively stable but it is expected that there will be pressure on inflow of overseas raw materials to China. In the meantime, downstream steel mills are operating at low profits and have low acceptance of high molybdenum prices. Coupled with crude steel production restrictions and hot and rainy season, the desire for ferromolybdenum procurement is weak, and molybdenum prices remain under pressure.

### 4. Tungsten market

With APT producers cutting production due to a distortion of price correlation, APT prices have started to bottom out and bounce back. However, there is still strong uncertainty about downstream end-user demand.

### 5. Niobium market

As affected by the low-profit operation of domestic steel mills and crude steel suppression policies, average daily crude steel production started to top out, causing suppression on ferroniobium demand to a certain extent. However, considering the relatively low supply-side imports, the ferroniobium market is expected to be relatively stable.

# MARKET REVIEW AND OUTLOOK (CONTINUED)

## 6. Phosphate market

At the end of the second quarter of 2022, global food prices plummeted to the level before the Russian-Ukrainian conflict. Downstream procurement of phosphate fertilizer will further deteriorate but gradually enter the peak season of phosphate fertilizer demand. The downstream inelastic solid procurement demand is expected to emerge soon, and phosphate fertilizer prices are expected to stabilize.

## 7. Nickel market

Macro-driven overseas demand is expected to weaken while the US dollar appreciates. Nickel prices remain under pressure and move towards normal level. The new energy sector is still the main driver of nickel demand. The proportion of ternary battery is gradually recovering as the nickel price and cobalt price decline.

## 8. Mineral trading market

Aluminum: The price continues to drop to the cost level of electrolytic aluminum. There is strong support for the cost of aluminum. However, macroeconomic factors such as high inflation, interest hike and reduction of balance sheets, and high energy prices, still suppress aluminum prices.

Lead and zinc: Lead concentrate fundamentals will remain in tight balance with very limited supply outside of China; refineries will still favor concentrates with high silver-lead content for economic reasons. The zinc concentrate market is expected to be slightly over-supplied, with spot processing fees largely dependent on the domestic and overseas price differences.

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# BUSINESS REVIEW

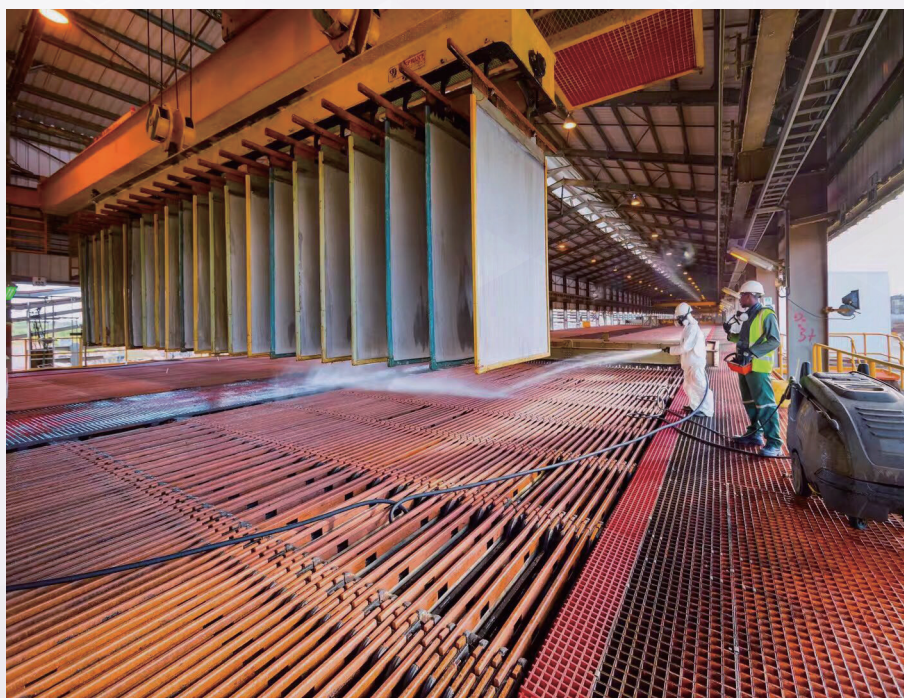
In the first half of 2022, the production volume of major products of the Company is as follows:

<b>Major products</b>	Production guidance for 2022 (‘0,000 tonnes)	<b>Production volume in the first half of 2022 (tonnes)</b>
TFM copper metal	22.7-26.7	<b>125,387</b>
Cobalt metal	1.75-2.05	<b>10,465</b>
Molybdenum metal	1.28-1.51	<b>7,774</b>
Tungsten metal (excluding Yulu Mining)	0.61-0.72	<b>4,187</b>
Niobium metal	0.82-0.95	<b>4,627</b>
Phosphate fertilizer (HA+LA)	104-122	<b>564,566</b>
NPM copper metal (80% equity interest)	2.25-2.62	<b>11,263</b>
NPM gold metal (80% equity interest)	17,300-20,200 ounces	<b>8,381 ounces</b>
Concentrate products (trade volume)		<b>1,546,706</b>
Refined metal products (trade volume)	770-910	<b>1,507,287</b>

# OPERATION REVIEW

## 1. SOLID PRODUCTION AND OPERATION BOOSTING RESULTS

Working closely with leading industry research institutes in China, all mine areas of the Company strengthened their process technology management, carried out ore processing experiments and promoted the conversion of research and development results. The ore processing recovery rate of major minerals exceeded the expected target and the recovery rates of phosphate in the Brazil mining area and molybdenum in the Shangfanggou Mine reached a record high. The Company promoted the equipment inspection system, and the equipment in the DRC TFM Copper and Cobalt Mine and China maintained high availability. As benefited from the release of production capacity of expansion projects and the improvement of production process, the throughputs of phosphate in TFM Copper and Cobalt Mine, NPM Copper and Gold Mine and phosphate in Brazil significantly increased year-on-year. During the reporting period, copper production volume increased by 24.4% year-on-year, cobalt production volume increased by 49.3% year-on-year and niobium production volume increased by 17.2% year-on-year. Thanks to the increase in production volume coupled with the rise in market prices, the Company recorded historical high results for the same period.



**TFM copper production workshop**



# OPERATION REVIEW (CONTINUED)

## 2. SPEED UP PROJECT CONSTRUCTION AND CONSOLIDATE DEVELOPMENT FOUNDATION

Adhered to the goals set for 2022 as a year of construction, the Company overcame the impacts of the recurrence of the COVID-19 pandemic and provided outstanding service guarantees in all aspects. By pressing the “fast forward” button for project construction, the Company accelerated the transformation of its advantage in resources into the advantage of production capacity and economic advantage. During the reporting period, the foundation construction of the coarse crusher and mill in the middle area of the TFM mixed ore project has been completed, and the installation of the main equipment of the mill has started. The foundation construction of the mill in the east area has been completed, and the foundation of the leaching tank will be subject to anti-corrosion construction. The preparation work of KFM progressed smoothly. The Board considered and approved the project’s construction plan, and all the work of the project was carried out smoothly according to the milestones. The river diversion project was basically completed, and the construction of the concentrator, substation, smelter and tailings pond were carried out smoothly. These two projects are expected to be put into production as scheduled, and as production capacity is reached, the annual average production of copper and cobalt of TFM Copper and Cobalt Mine will increase by 200,000 tonnes and 17,000 tonnes, respectively, while the annual average production of copper and cobalt of KFM will provide an increment of by 90,000 tonnes and 30,000 tonnes, respectively. This will significantly increase the production capacity of copper and cobalt of the Company, making the Company the world’s largest cobalt producer. During the reporting period, the E26L1N mining area of NPM mine in Australia has successfully commenced production, and reached and exceeded its production capacity, which is 5 months ahead of the schedule as defined in the feasibility study. The annual throughput of NPM is over 8.2 million tonnes/year. The LOM is extended to around 2040.



## 3. STEADY INORGANIC GROWTH OFFERED STRATEGIC STABILITY

Focusing on new energy metals, key countries and regions, the Company deepened its strategic cooperation with business partners including CATL. In July 2022, the Company successfully completed the equity transaction with CATL in relation to its joint development of KFM in the DRC. The Huayue project, an investment project of the Company, was put into production in December 2021 and reached full production in April 2022. It becomes a new profit contributor to the Company and further expands the Company’s footprint in the new energy sector. The project has also become an important springboard for the Company to tap into the Indonesian market.

# OPERATION REVIEW (CONTINUED)

## 4. FOCUS ON PROMINENT ISSUES, WEAKNESSES AND SUSTAINABILITY

The Company strengthened the management of African business, and coordinated and planned the Group's supply chain, value chain and sales network in Africa. The Company invited domestic professional research institutions specialized in mining, processing, melting and tailings storage to provide customized services for the niobium and phosphate mine in Brazil and the NPM mine in Australia. The Company developed medium and long-term development plans, implemented timely improvement and expansion projects and explored growth potential by utilizing its resources. The iron recovery process in China became more mature, while the production capacity of iron concentrates continued to reach record highs and increased by 66% year-on-year in the first half of the year. During the reporting period, the comprehensive fluorite recovery in China has entered the industrial trial period, and more efforts were made to explore ways of improving technical performance of the recovery process.

## 5. CONTINUE TO IMPROVE ESG AND ACHIEVE THE DOUBLE-ZERO TARGET

The Company established the HSE Committee, issued HSE management policies, completed the HSE assessments of the niobium and phosphate mine in Brazil and the TFM and KFM in the DRC, and accelerated the implementation of a firm-wide HSE system. During the reporting period, the Company achieved the goals of "zero fatality" and "zero environmental pollution". The Company was commended by the Henan Provincial Safety Committee for its safety production month activities and for undertaking the national tailings storage emergency drill. The Company committed to the construction of green mines, actively developed the unmanned Sandaozhuang Mine, which promoted the transformation and upgrading of the manufacturing industry and was successfully selected as one of the first leading companies in the manufacturing industry of Henan Province. On 2 July 2022, the Company was once again awarded the "Henan Province Social Responsible Enterprise of the Year". IXM, a subsidiary of the Company, was awarded the 2022 AAA - ESG Solution Award by "The Asset". The Company established two ESG visions and four performance targets. All mines gradually completed ESG certification audits by external experts. In May 2022, the Company maintained the MSCI ESG A rating, which is on par with international peers including Rio Tinto, BHP and Anglo American, leading among its domestic peers in terms of ESG ranking.

## 6. LAUNCH SAP PHASE I AND ENTER THE ERA OF DIGITAL INTELLIGENCE

The Company's SAP project is a digital infrastructure to implement the "5233" strategic framework. By building a global unified ERP + OA + procurement platform + sales platform + fee control + shared financial services "digital intelligence" foundation, the Group's vertical management and control and horizontal business synergy can be effectively established. The SAP project will be completed in 2023, by then the Company will become a digital management platform integrated with global production, supply and sales. The first phase of the project includes the Group's core businesses, such as the global procurement business, the group and company sales business, China's production and supply business and KFM construction period project management, which were officially launched on 8 July 2022. Meanwhile, in the first half of the year, the Company launched the first phase of the financial sharing center system, the electronic printing control platform and the digitization of files, so as to respond to the post-pandemic corporate operation mode with digital intelligence.

## OPERATION REVIEW (CONTINUED)

### 7. STRENGTHEN THE SYNERGY BETWEEN MINING AND TRADING AND REDUCE MARKET RISKS

IXM adapted to changes in the global market, appropriately addressed the impact of the significant fluctuation in the commodity market and continued to improve its internal management to enhance its ability to prevent risks. IXM further integrated into the Group's overall strategy. All products of the Group, except for molybdenum, tungsten and phosphate products, were sold by IXM. The synergy between the mining and trading segments was further brought into play. The trading segment continued to perform and maintained outstanding operating results. IXM's net profit attributable to the parent was approximately USD98 million, representing a year-on-year increase of over 50%.

### 8. STEADY IMPROVEMENT IN MANAGEMENT STIMULATED ENDOGENOUS POWER

Based on its development needs, the Company changed its English name to highlight its brand image, which accurately reflects its current business status and facilitate internationalization. The organizational upgrade of the headquarters was completed, and the function construction was gradually improved. The Company sorted out the system of the headquarters, established a clear multi-level approval hierarchy, and rationalized the management boundary and approval process between the headquarters and each core business unit. The Company organized themed activities to integrate the minds and actions of its staff into the business venture and the Group's development strategy. The Company organized cultural and sports activities such as the "Good Voice of CMOC" (洛鋁好聲音), to promote CMOC's mining culture and strengthen business and management integrity. The Company implemented the "high pressure line" system and the "regular audit + special audit" to remove obstacles of the Group's "three-step" strategy, clean up the environment and create an atmosphere. Based on the principle of value creation and yearly target of service and construction, the Company adopted a variety of incentives in key projects, such as key project construction, contract review, cost reduction and efficiency enhancement, to improve the enthusiasm and initiative of employees and suppliers. The Company rolled out management upgrade initiatives on a larger scale with obvious effectiveness achieved from contract clearance at Brazil sites and NPM mine in Australia.

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# OPERATION PROSPECTS

## **1. STRENGTHEN THE REGULAR PANDEMIC CONTROL MEASURES, MAINTAIN STABLE PRODUCTION AND OPERATION, AND ENSURE THE ACHIEVEMENT OF THE ANNUAL TARGET**

The Company will establish regular pandemic response plans and management and control measures to achieve mutual success for both employees' safety and stable operation of all business segments. For all business segments, the Company will continue to strengthen production and operation management in accordance with the annual plan, further explore the effective integration of the Chinese management model with overseas practices to improve global management ability, further improve the "5233" management structure, and continue to carry out activities such as contract clearance, cost reduction and efficiency improvement so as to ensure the annual production and operation targets can be fully fulfilled.

## **2. PUSH FORWARD THE PROGRESS OF KEY PROJECTS AND TASKS, AND ACCELERATE THE TRANSITION OF RESOURCE ADVANTAGES INTO PRODUCTION CAPACITY AND ECONOMIC ADVANTAGES**

In order to push forward the TFM mixed ore and KFM milestone projects at full steam for the copper and cobalt segment, the Company will increase the effort in construction, strengthen the management of project construction and carry out special campaigns to increase efficiency and business performance, to control investment, and to save resources on an ongoing basis in order to ensure all milestones can be successfully met, striving to commence production in the first half of 2023 and ramp up the copper and cobalt production capacity. For the molybdenum and tungsten segment, the Company will continue to strengthen the ore processing technology in Sandaozhuang and Shangfanggou, and accelerate the comprehensive fluorite recovery experiment to achieve industrial production as soon as possible and create new source of profit growth. For the niobium and phosphate segment, the Company will continue to transform management improvement effects into production and operation effects, and maintain a healthy momentum for niobium and phosphate production, while accelerating the implementation of the tailing storage construction plan and production expansion plan. For the copper and gold segment, the Company will maximize the potential of the E26L1N mining area, stabilize the ore grade, and improve the development and planning of the E22 and other replacing mines while striving to ensure the production progress. All business segments will work together in capturing the market cycle to make bigger contribution to the Company in registering profitability and higher operating cash inflows.

## **3. EXPLORE MORE BUSINESS OPPORTUNITIES WITH IXM AND FURTHER UNLEASH THE SYNERGY BETWEEN MINING AND TRADING**

The Company will improve the production and sales synergy between IXM and all operating units, business synergy with all departments at the Group's headquarters, investment and financing synergy with financial institutions, and resource synergy with upstream and downstream customers. The Company will facilitate the business integration of the Company's African business with IXM's South African business in order to further improve the logistics synergy in key regions such as Africa. The Company will continue to provide strong support for IXM to broaden its product lines and expand its global market share, especially in the metal and commodity segment related to the new energy industry, so as to make IXM a new profit growth point for the Company and enhance the industry and market presence of the Company.

## **OPERATION PROSPECTS (CONTINUED)**

### **4. FOSTER NEW BUSINESS AND PROFIT DRIVERS FOCUSING ON BUSINESS EXPANSION AROUND KEY REGIONS AND PRODUCTS**

Relying on the existing business presence in Africa, South America and Southeast Asia, the Company will focus on resource varieties related to the new energy industry and domestic shortages, actively search, screen and investigate high-quality projects, and increase investment and M&A intensity. Drawing on the experience of IXM in trade financing, the Company will try different investment methods and structures. While maintaining prudence and self-discipline, the Company will focus on changes in the industry's long-term supply and demand structure and the Company's long-term development, and cultivate new business and profit growth points in the future as soon as possible.

### **5. CONSOLIDATE THE LEADING POSITION IN TERMS OF ESG, AND CONTINUOUSLY IMPROVE THE SUSTAINABLE DEVELOPMENT GOVERNANCE MODEL**

The Company will strengthen the construction of the ESG system in all business segments, consolidate the A-grade MSCI ESG rating, and provide guidance for the sustainable development of all business segments. The Company will accelerate the construction of the HSE system in all business segments, respond to the targets of carbon neutrality and carbon peaks and China's green mine construction, and achieve safety, environmental and occupational health performance targets. All business segments will continue to maintain and strengthen community relations, strengthen communication with stakeholders, build a responsible corporate image, create a favorable environment for corporate development, and prevent related risks. Utilizing the TFM mixed ore project and KFM new project construction, the Company is committed to accelerating construction and ESG simultaneously and promoting ESG best practices from project construction.

### **6. DYNAMICALLY MANAGE THE BALANCE SHEET AROUND THE DEVELOPMENT STRATEGY, AND ACCELERATE THE CONSTRUCTION OF THE INFORMATION SYSTEM**

In terms of liquidity, the Company will continue to strengthen its cooperation with financial institutions, broaden financing channels, and ensure financial support required for strategic projects while securing liquidity and a stable balance sheet. In terms of IT development, the Company will improve the integration and upgrading of the launch of old and new systems for SAP Phase I. The Company will commence the construction of SAP Phase II, promote the integration of SAP in the DRC, IXM and Australia, and accelerate the management and control of the global business by digital means to improve the level of global governance.

## **OPERATION PROSPECTS (CONTINUED)**

### **7. SPEED UP THE CONSTRUCTION OF THE INCENTIVE SYSTEM, AND STRENGTHEN THE STRATEGIC RESERVE OF TALENTS**

The Company will continue to improve the “5233” management structure, focus on building a team of talents, and strengthen recruitment according to the development needs of all business segments to meet the needs for technical and management talents of overseas project construction and capacity enhancement. The Company will carry out incentive measures in multiple channels, and conduct annual performance assessment in accordance with the “one company one policy” initiative. At the same time, the Company will implement special incentives in key missions, such as the construction of the TFM and KFM projects, improving management in Brazil and contract clearance in Australia, so as to enhance efficiency. The Company will continue to implement the employee share ownership plan to share our results, stabilize the team and attract talents.

### **8. STRENGTHEN CORPORATE CULTURE CONSTRUCTION, AND ENHANCE GLOBAL BRAND INFLUENCE**

With the new corporate culture as the soul, the Company will continue to promote brand upgrading and enhance its global brand image and influence around the four dimensions of “more responsible”, “full of vitality”, “internationalization” and “modernization”. Based on the principle of “being factual, open and transparent”, the Company will further strengthen investor communication and continue to broaden investor communication channels. Moreover, to create a good external environment for the development of the Company, the Company will be more proactive in information disclosure and interpretation, to foster broader recognition, deepen understanding, and gain stronger support from our investors.

# FINANCIAL HIGHLIGHTS

## CONSOLIDATED BALANCE SHEET

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance	Change
<b>Current assets:</b>			
Cash and bank balances	29,654,006,859.44	24,318,024,989.56	21.94%
Held-for-trading financial assets	8,593,656,166.22	7,117,297,565.38	20.74%
Derivative financial assets	7,263,705,077.30	1,830,819,434.83	296.75%
Accounts receivable	796,115,352.72	745,903,478.74	6.73%
Financing receivables	576,113,945.12	662,973,657.80	-13.10%
Prepayments	1,847,246,981.43	1,473,068,744.38	25.40%
Other receivables	3,038,261,274.30	2,158,421,687.51	40.76%
Including: Interests receivable	496,201,585.68	409,454,105.99	21.19%
Dividends receivable	–	900,000.00	-100.00%
Inventories	27,045,884,742.74	26,959,964,452.91	0.32%
Non-current assets due within one year	2,795,877,965.44	573,733,642.62	387.31%
Other current assets	3,983,053,051.02	5,115,673,898.16	-22.14%
<b>Total current assets</b>	<b>85,593,921,415.73</b>	70,955,881,551.89	20.63%
<b>Non-current assets:</b>			
Long-term equity investment	1,525,613,004.68	1,249,467,501.47	22.10%
Other investments in equity instruments	67,782,443.79	67,772,733.31	0.01%
Other non-current financial assets	3,853,744,824.13	3,912,404,655.76	-1.50%
Fixed assets	26,271,792,773.16	24,959,306,845.68	5.26%
Construction in progress	6,670,766,380.79	3,882,051,384.27	71.84%
Right-of-use assets	285,633,766.68	358,652,931.81	-20.36%
Intangible assets	19,605,476,529.33	19,398,989,322.92	1.06%
Long-term inventory	6,596,028,452.06	6,111,544,354.19	7.93%
Goodwill	407,591,631.99	387,204,155.33	5.27%
Long-term prepaid expenses	242,422,007.47	178,843,869.89	35.55%
Deferred tax assets	1,069,584,304.54	987,702,345.62	8.29%
Other non-current assets	3,209,140,267.51	4,999,950,971.01	-35.82%
<b>Total non-current assets</b>	<b>69,805,576,386.13</b>	66,493,891,071.26	4.98%
<b>Total assets</b>	<b>155,399,497,801.86</b>	137,449,772,623.15	13.06%

## FINANCIAL HIGHLIGHTS (CONTINUED)

Item	Closing balance	Opening balance	Change
<b>Current liabilities:</b>			
Short-term borrowings	<b>20,613,090,427.94</b>	26,911,899,635.42	-23.41%
Held-for-trading financing liabilities	<b>3,299,364,798.89</b>	4,402,513,686.53	-25.06%
Derivative financial liabilities	<b>4,833,620,590.81</b>	2,636,505,095.30	83.33%
Notes payable	<b>2,382,327,631.91</b>	2,906,023,727.49	-18.02%
Accounts payable	<b>1,535,871,325.69</b>	1,260,247,972.87	21.87%
Contract liabilities	<b>1,143,208,500.38</b>	637,933,776.57	79.20%
Employee benefits payable	<b>792,061,404.56</b>	897,749,900.38	-11.77%
Taxes payable	<b>2,885,488,452.00</b>	2,704,678,920.67	6.69%
Other payables	<b>5,748,653,542.12</b>	2,918,190,968.03	96.99%
Including: Interests payable	<b>189,545,011.40</b>	161,655,596.08	17.25%
Dividends payable	<b>1,552,230,396.71</b>	27,885,796.67	5,466.38%
Non-current liabilities due within one year	<b>4,822,457,541.20</b>	4,954,382,332.64	-2.66%
Other current liabilities	<b>878,491,213.91</b>	429,943,105.54	104.33%
<b>Total current liabilities:</b>	<b>48,934,635,429.41</b>	50,660,069,121.44	-3.41%
<b>Non-current liabilities:</b>			
Long-term borrowings	<b>20,678,688,680.76</b>	13,610,578,855.09	51.93%
Bonds payable	<b>2,150,000,000.00</b>	1,150,000,000.00	86.96%
Non-current derivative financial liabilities	<b>265,353,691.99</b>	357,204,494.71	-25.71%
Lease liabilities	<b>230,393,922.16</b>	233,937,993.67	-1.51%
Long-term employee benefits payable	<b>347,041,408.50</b>	308,472,990.96	12.50%
Provision	<b>2,962,161,245.30</b>	3,081,821,758.57	-3.88%
Deferred income	<b>49,408,466.90</b>	53,103,694.70	-6.96%
Deferred tax liabilities	<b>6,230,503,689.91</b>	6,136,296,210.55	1.54%
Other non-current liabilities	<b>17,531,836,022.28</b>	13,594,075,166.39	28.97%
<b>Total non-current liabilities</b>	<b>50,445,387,127.80</b>	38,525,491,164.64	30.94%
<b>Total liabilities</b>	<b>99,380,022,557.21</b>	89,185,560,286.08	11.43%



## FINANCIAL HIGHLIGHTS (CONTINUED)

Item	Closing balance	Opening balance	Change
<b>Shareholders' equity (or equity interest)</b>			
Paid-in capital (or Share capital)	<b>4,319,848,116.60</b>	4,319,848,116.60	0.00%
Capital reserve	<b>27,654,673,063.39</b>	27,645,855,518.39	0.03%
Less: treasury share	<b>1,325,021,131.22</b>	876,357,019.96	51.20%
Other comprehensive income	<b>-1,946,197,535.00</b>	-6,406,227,030.65	69.62%
Special reserve	<b>1,101,777.78</b>	487,314.82	126.09%
Surplus reserve	<b>1,463,370,956.65</b>	1,463,370,956.65	0.00%
Retained profits	<b>16,321,894,479.97</b>	13,698,308,770.45	19.15%
Total equity attributable to owners of the parent company	<b>46,489,669,728.17</b>	39,845,286,626.30	16.68%
Non-controlling interests	<b>9,529,805,516.48</b>	8,418,925,710.77	13.20%
<b>Total shareholders' equity (or equity interest)</b>	<b>56,019,475,244.65</b>	48,264,212,337.07	16.07%
<b>Total liabilities and shareholders' equity (or equity interest)</b>	<b>155,399,497,801.86</b>	137,449,772,623.15	13.06%

# FINANCIAL HIGHLIGHTS (CONTINUED)

## CONSOLIDATED INCOME STATEMENT

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change
<b>I. Total operating revenue</b>	<b>91,766,808,748.95</b>	84,815,930,336.26	8.20%
Including: Operating revenue	<b>91,766,808,748.95</b>	84,815,930,336.26	8.20%
<b>II. Total operating costs</b>	<b>83,050,643,333.25</b>	77,686,108,379.70	6.91%
Including: Operating costs	<b>80,301,263,497.68</b>	75,816,658,403.88	5.92%
Taxes and levies	<b>883,514,183.06</b>	527,866,553.80	67.37%
Selling expenses	<b>60,573,118.36</b>	37,415,774.00	61.89%
Administrative expenses	<b>827,426,087.60</b>	684,666,806.20	20.85%
Research and development expenses	<b>248,344,859.00</b>	64,364,765.73	285.84%
Financial expenses	<b>729,521,587.55</b>	555,136,076.09	31.41%
Including: Interest expenses	<b>1,036,938,162.44</b>	891,376,235.11	16.33%
Interest income	<b>464,986,568.32</b>	354,935,485.05	31.01%
Add: Other income	<b>30,493,714.00</b>	19,567,029.71	55.84%
Investment income (losses are indicated by "-")	<b>345,040,340.20</b>	100,644,308.04	242.83%
Including: Income from investments in associates and joint ventures	<b>251,555,691.22</b>	8,462,846.28	2,872.47%
Gains from changes in fair value (losses are indicated by "-")	<b>-1,128,527,668.83</b>	-2,851,031,616.92	60.42%
Credit impairment losses (losses are indicated by "-")	<b>-7,304,050.99</b>	-1,501,651.67	-386.40%
Asset impairment losses (losses are indicated by "-")	<b>-19,724,927.33</b>	-37,041,130.65	46.75%
Income from the disposal of assets (losses are indicated by "-")	<b>13,307,215.88</b>	-249,973.49	5,423.45%
<b>III. Operating profit (losses are indicated by "-")</b>	<b>7,949,450,038.63</b>	4,360,208,921.58	82.32%
Add: Non-operating income	<b>5,427,667.30</b>	18,841,499.16	-71.19%
Less: Non-operating expenses	<b>43,156,688.14</b>	19,360,877.27	122.91%
<b>IV. Total profit (total losses are indicated by "-")</b>	<b>7,911,721,017.79</b>	4,359,689,543.47	81.47%
Less: Income tax expenses	<b>3,093,652,219.99</b>	1,526,413,671.96	102.67%

## FINANCIAL HIGHLIGHTS (CONTINUED)

Item	The period	Same period last year	Change
<b>V. Net profit (net losses are indicated by "-")</b>	<b>4,818,068,797.80</b>	2,833,275,871.51	70.05%
(1) Classified by operation continuity			
1. Net profit from continuing operations (net losses are indicated by "-")	<b>4,818,068,797.80</b>	2,833,275,871.51	70.05%
(2) Classified by ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated by "-")	<b>4,147,930,309.56</b>	2,408,598,438.70	72.21%
2. Non-controlling interest (net losses are indicated by "-")	<b>670,138,488.24</b>	424,677,432.81	57.80%
<b>VI. Other comprehensive income, net of tax</b>	<b>4,900,540,403.43</b>	-2,267,385,789.96	316.13%
(I) Other comprehensive income attributable to owners of the parent company, net of tax	<b>4,460,029,495.65</b>	-2,185,166,228.12	304.10%
1. Other comprehensive income that will be reclassified subsequently into the profit or loss	<b>4,460,029,495.65</b>	-2,185,166,228.12	304.10%
(1) Cash flow hedge reserve	<b>2,756,144,219.88</b>	-1,849,123,160.57	249.05%
(2) Foreign exchange differences from translation of financial statements	<b>1,703,885,275.77</b>	-336,043,067.55	607.04%
(II) Other comprehensive income, net of tax attributable to non-controlling shareholders	<b>440,510,907.78</b>	-82,219,561.84	635.77%
<b>VII. Total comprehensive income</b>	<b>9,718,609,201.23</b>	565,890,081.55	1,617.40%
(I) Attributable to owners of the parent company	<b>8,607,959,805.21</b>	223,432,210.58	3,752.60%
(II) Attributable to non-controlling shareholders	<b>1,110,649,396.02</b>	342,457,870.97	224.32%
<b>VIII. Earnings per share</b>			
(I) Basic earnings per share (RMB per share)	<b>0.193</b>	0.112	72.32%
(II) Diluted earnings per share (RMB per share)	<b>0.193</b>	0.112	72.32%

# FINANCIAL HIGHLIGHTS (CONTINUED)

## CONSOLIDATED STATEMENT OF CASH FLOW

Unit: Yuan Currency: RMB

Item	The period	Same period last year	Change
<b>I. Cash flows from operating activities</b>			
Cash received from sales of goods and rendering services	<b>91,463,322,565.65</b>	83,869,453,898.42	9.05%
Cash received related to other operating activities	<b>432,036,588.98</b>	434,207,489.44	-0.50%
Sub-total of cash inflows from operating activities	<b>91,895,359,154.63</b>	84,303,661,387.86	9.01%
Cash paid for purchasing goods and receiving labour services	<b>75,553,535,402.69</b>	78,867,055,040.66	-4.20%
Cash paid to employees and paid for employees	<b>1,766,636,277.82</b>	1,553,128,379.24	13.75%
Taxes and fees paid	<b>5,619,877,900.98</b>	2,352,455,580.56	138.89%
Cash paid for other operating activities	<b>453,804,354.99</b>	212,360,627.67	113.70%
Sub-total of cash outflow from operating activities	<b>83,393,853,936.48</b>	82,984,999,628.13	0.49%
Net cash flow from operating activities	<b>8,501,505,218.15</b>	1,318,661,759.73	544.71%
<b>II. Cash flows from investing activities</b>			
Cash received from recovery of investment	<b>5,830,154,743.86</b>	4,115,727,545.54	41.66%
Cash received from investment income	<b>297,112,010.07</b>	111,508,011.79	166.45%
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	<b>3,760,985.96</b>	6,284,951.00	-40.16%
Net cash received from disposals of subsidiaries and other operating units	<b>23,500,000.00</b>	55,505,000.00	-57.66%
Cash received related to other investing activities	<b>162,426,203.83</b>	3,773,981,091.30	-95.70%
Sub-total of cash inflows from investment activities	<b>6,316,953,943.72</b>	8,063,006,599.63	-21.66%

## FINANCIAL HIGHLIGHTS (CONTINUED)

Item	The period	Same period last year	Change
Cash paid for acquiring or construction of fixed assets, intangible assets and other long-term assets	<b>3,757,458,656.86</b>	1,368,373,680.45	174.59%
Cash paid for acquiring investments	<b>5,809,214,944.53</b>	5,951,838,555.85	-2.40%
Cash paid for other investment activities	<b>469,422,334.28</b>	4,376,787,806.15	-89.27%
Sub-total of cash outflow from investment activities	<b>10,036,095,935.67</b>	11,697,000,042.45	-14.20%
Net cash flows from investment activities	<b>-3,719,141,991.95</b>	-3,633,993,442.82	-2.34%
<b>III. Cash flows from financing activities</b>			
Cash received from investment contribution	–	97,026,574.00	-100.00%
Cash received from borrowings	<b>59,286,010,814.44</b>	44,774,074,809.78	32.41%
Cash received from other financing activities	<b>3,943,457,966.50</b>	1,843,520,236.88	113.91%
Sub-total of cash inflows from financing activities	<b>63,229,468,780.94</b>	46,714,621,620.66	35.35%
Cash repayments of borrowings	<b>59,650,027,076.41</b>	41,757,711,467.08	42.85%
Cash paid for distribution of dividends, profits and interest	<b>875,837,947.14</b>	755,251,753.49	15.97%
Cash paid for other financing activities	<b>1,734,573,555.37</b>	674,196,485.02	157.28%
Sub-total of cash outflow from financing activities	<b>62,260,438,578.92</b>	43,187,159,705.59	44.16%
Net cash flow from financing activities	<b>969,030,202.02</b>	3,527,461,915.07	-72.53%
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>772,934,787.33</b>	-34,851,683.66	2,317.78%
<b>V. Net decrease in cash and cash equivalents</b>	<b>6,524,328,215.55</b>	1,177,278,548.32	454.19%
Add: Balance of cash and cash equivalents at the beginning of period	<b>20,392,690,843.69</b>	11,448,950,438.25	78.12%
<b>VI. Balance of cash and cash equivalents at the end of period</b>	<b>26,917,019,059.24</b>	12,626,228,986.57	113.18%

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

For the six months ended 30 June 2022, the net profit of the Group increased by RMB1,985 million or 70.07% from RMB2,833 million for the six months ended 30 June 2021 to RMB4,818 million. For the six months ended 30 June 2022, the net profit of the Group attributable to owners of the parent company was RMB4,148 million, representing an increase of RMB1,739 million or 72.19% from RMB2,409 million for the six months ended 30 June 2021.

## OPERATING RESULTS

For the six months ended 30 June 2022, the operating revenue of the Group increased by RMB6,951 million or 8.20% from RMB84,816 million for the six months ended 30 June 2021 to RMB91,767 million. For the six months ended 30 June 2022, the gross profit of the Group was RMB11,466 million, representing an increase of RMB2,467 million or 27.41% from RMB8,999 million for the same period last year.

The operating revenue, operating cost and gross profit margin of the principal businesses in the first half of 2022 and the same period of last year are set out as below:

Principal businesses by industry, by product and by region:

*Unit: Yuan Currency: RMB*

Principal businesses by industry						
By industry	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease of operating revenue as compared to the last year (%)	Increase or decrease of operating cost to the last year (%)	Increase or decrease of gross profit margin as compared to the last year (%)
<b>Mineral exploration and processing</b>	17,293,954,795.72	8,349,228,944.49	51.72	45.81	21.10	Increased by 9.85 percentage points
<b>Mineral trading <sup>(Note)</sup></b>	74,312,329,873.34	71,808,750,961.52	3.37	2.22	4.54	Decreased by 2.15 percentage points
<b>Others</b>	86,161.44	81,610.77	5.28	109.74	95.12	Increased by 7.10 percentage points

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Principal businesses by product

By product	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease of operating revenue as compared to the last year (%)	Increase or decrease of operating cost as compared to the last year (%)	Increase or decrease of gross profit margin as compared to the last year (%)
<b>Mineral exploration and processing</b>						
Molybdenum and tungsten	3,503,009,757.08	1,871,512,023.30	46.57	34.91	10.47	Increased by 11.82 percentage points
Copper and gold	640,161,963.36	509,313,605.48	20.44	-2.78	15.20	Decreased by 12.42 percentage points
Niobium and phosphate	3,583,578,140.38	1,779,168,396.96	50.35	40.77	1.04	Increased by 19.52 percentage points
Copper and cobalt	9,567,204,934.90	4,189,234,918.75	56.21	57.87	39.77	Increased by 5.67 percentage points
<b>Mineral trading <sup>(Note)</sup></b>						
Concentrate products	20,144,186,055.46	19,533,402,572.87	3.03	-8.21	-8.03	Decreased by 0.19 percentage points
Refined metal products	54,168,143,817.88	52,275,348,388.65	3.49	6.72	10.16	Decreased by 3.02 percentage points
<b>Others</b>	86,161.44	81,610.77	5.28	109.74	95.12	Increased by 7.10 percentage points

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Principal businesses by region

By region	Operating revenue	Operating cost	Gross profit margin (%)	Increase or decrease of operating revenue as compared to the last year (%)	Increase or decrease of operating cost as compared to the last year (%)	Increase or decrease of gross profit margin as compared to the last year (%)
<b>Mineral exploration and processing</b>						
China	3,503,009,757.08	1,871,512,023.30	46.57	34.91	10.47	Increased by 11.82 percentage points
Australia	640,161,963.36	509,313,605.48	20.44	-2.78	15.20	Decreased by 12.42 percentage points
Brazil	3,583,578,140.38	1,779,168,396.96	50.35	40.77	1.04	Increased by 19.52 percentage points
DRC	9,567,204,934.90	4,189,234,918.75	56.21	57.87	39.77	Increased by 5.67 percentage points
<b>Mineral trading <sup>(Note)</sup></b>						
China	18,742,858,324.56	18,716,332,995.67	0.14	-20.39	-18.92	Decreased by 1.80 percentage points
Overseas	55,569,471,548.78	53,092,417,965.85	4.46	13.04	16.42	Decreased by 2.77 percentage points
<b>Others</b>						
China	86,161.44	81,610.77	5.28	109.74	95.12	Increased by 7.10 percentage points

Note: IXM is engaged in the metal trading business which combines the futures and spot commodities. The Group only included the corresponding cost of the spot commodities in accordance with the requirements of the Accounting Standards for Enterprises when calculating the operating cost of the metal trade; the profit and loss related to the futures business is recognized in gains in fair value change. The gross profit margin of the mineral trading business calculated in accordance with the International Accounting Standards for Business for the period was 1.64%.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Table of Major Products

Major products	Unit	Production volume	Sales volume	Inventory volume	Increase or decrease of production volume as compared to the same period last year	Increase or decrease of sales volume as compared to the same period last year	Increase or decrease of inventory volume as compared to the end of last year
					(%)	(%)	(%)
<b>Mineral mining and processing</b> <sup>(Note 1)</sup>							
Molybdenum	Tonnes	7,774	8,096	1,180	-2.81	-14.50	-8.02
Tungsten	Tonnes	4,187	3,701	1,682	-1.99	-4.05	99.24
Niobium	Tonnes	4,627	4,306	932	17.23	17.03	19.31
Phosphate fertilizer (HA+LA)	Tonnes	564,566	494,741	192,139	8.46	-18.19	148.72
Copper (TFM)	Tonnes	125,387	115,397	64,680	27.75	19.31	36.61
Cobalt	Tonnes	10,465	10,873	10,189	49.29	39.77	224.39
Copper (80% equity interest of NPM)	Tonnes	11,263	8,831	2,620	-3.37	2.96	-40.54
Gold (80% equity interest of NPM)	Ounces	8,381	6,825	N/A	-13.08	-9.11	N/A

Major products	Unit	Procurement volume	Sales volume	Inventory volume	Increase or decrease of procurement volume as compared to the same period last year	Increase or decrease of sales volume as compared to the same period last year	Increase or decrease of inventory volume as compared to the end of last year
					(%)	(%)	(%)
<b>Mineral trading</b>							
Concentrate products <sup>(Note 2)</sup>	Tonnes	1,661,864	1,546,706	341,061	22.15	18.62	-7.11
Concentrate products <sup>(Note 3)</sup>	Tonnes	1,439,868	1,507,287	476,056	-26.16	-18.26	25.98

Note 1: Information relating to production volume, sales volume and inventory volume in the mineral mining and processing stage is from the mines, of which inventory the volume of TFM copper and cobalt includes the self-produced inventory volume held by IXM.

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## SELLING EXPENSES

For the six months ended 30 June 2022, selling expenses of the Group amounted to RMB61 million, representing an increase of RMB24 million or 64.86% from RMB37 million for the same period in 2021, mainly due to a year-on-year increase in operating income and selling expenses of the copper and cobalt segment during the current period.

## RESEARCH AND DEVELOPMENT EXPENSES

For the six months ended 30 June 2022, research and development expenses of the Group amounted to RMB248 million, representing an increase of RMB184 million or 287.50% from RMB64 million for the same period in 2021, mainly due to a year-on-year increase in research and development investment during the current period.

## FINANCIAL EXPENSES

For the six months ended 30 June 2022, financial expenses of the Group amounted to RMB730 million, representing an increase of RMB175 million or 31.53% from RMB555 million for the same period in 2021, mainly due to a year-on-year increase in interest expenses during the current period.

## TAX AND LEVIES

For the six months ended 30 June 2022, tax and levies of the Group amounted to RMB884 million, representing an increase of RMB356 million or 67.42% from RMB528 million for the same period in 2021, mainly due to the increase in operating revenue from copper and cobalt business, which resulted in the increase in related taxes during the current period.

## INVESTMENT INCOME

For the six months ended 30 June 2022, investment income of the Group amounted to RMB345 million, representing an increase of RMB244 million or 241.58% from RMB101 million for the same period in 2021, mainly due to the commenced production of Huayue Nickel Cobalt, an associate, at the end of last year, resulting in a significant year-on-year increase in investment income during the current period.

## GAINS FROM CHANGES IN FAIR VALUE

For the six months ended 30 June 2022, gains from changes in fair value of the Group amounted to RMB-1,129 million, representing an increase of RMB1,722 million or 60.40% from RMB-2,851 million for the same period in 2021, mainly due to a year-on-year increase in changes in fair value of derivative financial instruments of the base metal trading business during the current period.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## INCOME TAX EXPENSES

For the six months ended 30 June 2022, the income tax expenses of the Group amounted to RMB3,094 million, representing an increase of RM1,568 million or 102.75% from RMB1,526 million for the same period in 2021, mainly due to the significant increase in total profits and the year-on-year increase in income tax expenses during the current period.

## FINANCIAL POSITION

For the six months ended 30 June 2022, the total assets of the Group amounted to RMB155,400 million, comprising non-current assets of RMB69,806 million and current assets of RMB85,594 million.

## CURRENT ASSETS

For the six months ended 30 June 2022, the current assets of the Group increased by RMB14,638 million or 20.63% to RMB85,594 million from RMB70,956 million for the year ended 31 December 2021, mainly due to changes in the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared to balance as at the end of last year (%)	Explanation
Derivative financial assets	<b>7,263,705,077.30</b>	1,830,819,434.83	296.75	Increase in fair value of derivative financial assets of the base metal trading business during the current period
Non-current assets due within one year	<b>2,795,877,965.44</b>	573,733,642.62	387.31	Transfer of large long-term certificates of deposit pledged by the Company from other non-current assets to within one year during the current period

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## NON-CURRENT ASSETS

For the six months ended 30 June 2022, the non-current assets of the Group increased by RMB3,312 million or 4.98% to RMB69,806 million from RMB66,494 million for the year ended 31 December 2021, mainly due to changes in the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared to balance as at the end of last year (%)	Explanation
Construction in progress	<b>6,670,766,380.79</b>	3,882,051,384.27	71.84	Increase of investment in construction in progress projects for cobalt steel business

## CURRENT LIABILITIES

For the six months ended 30 June 2022, the current liabilities of the Group decreased by RMB1,725 million or 3.41% to RMB48,935 million from RMB50,660 million for the year ended 31 December 2021.

## NON-CURRENT LIABILITIES

For the six months ended 30 June 2022, the non-current liabilities of the Group increased by RMB11,920 million or 30.94% to RMB50,445 million from RMB38,525 million for the year ended 31 December 2021, mainly due to changes in the following items:

Items	Balance as at the end of the current period (RMB)	Balance as at the end of last year (RMB)	Change in balance as at the end of the current period as compared to balance as at the end of last year (%)	Explanation
Long-term borrowings	<b>20,678,688,680.76</b>	13,610,578,855.09	51.93	Increase of borrowings during the current period
Bonds payable	<b>2,150,000,000.00</b>	1,150,000,000.00	86.96	Issuance of interim notes during the current period

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## GEARING RATIO

The gearing ratio (total liabilities divided by total assets) of the Group decreased to 63.95% for the six months ended 30 June 2022 from 64.89% for the year ended 31 December 2021.

## CAPITAL STRUCTURE AND LIQUIDITY

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

As at 30 June 2022, the equity interests of shareholders of the Company amounted to approximately RMB56 billion, among which the equity attributable to shareholders of the parent company was approximately RMB46.5 billion.

As at 30 June 2022, the Company issued 21,599,240,583 shares, comprising 17,665,772,583 A shares and 3,933,468,000 H shares.

As at 30 June 2022, details of the Group's borrowing are set out in Note V.23, Note V.32 and Note V.34 to the financial statements.

Capital required for daily operations and capital expenses of the Group are financed by self-owned funds of the Company. Meanwhile, the Company manages and controls its cost and risk exposure using various direct and indirect financing instruments with appropriate tenure and instrument type, such as short- and long-term borrowings and bonds. Directors are of the view that the Company has sufficient cash flow for the operations of the Group in the next twelve months, including payment for expected capital expenses and debt repayment.

As at 30 June 2022, details of the Group's issuance of bonds are set out in Note V.32, Note V.33 and Note V.35 to the financial statements.

## CASH FLOW

For the six months ended 30 June 2022, the Group had cash and cash equivalents of RMB26,917 million, representing an increase of RMB14,291 million or 113.19% from RMB12,626 million for the year ended 31 December 2021.

## NET CASH FLOW FROM OPERATING ACTIVITIES

For the six months ended 30 June 2022, net cash flow from operating activities of the Group amounted to RMB8,502 million, representing an increase of RMB7,183 million or 544.58% from RMB1,319 million for the same period of 2021, mainly due to a significant year-on-year increase in net inflow from operating activities of the base metal trading business during the current period.

## NET CASH FLOW FROM FINANCING ACTIVITIES

For the six months ended 30 June 2022, net cash flow from financing activities of the Group amounted to RMB969 million, representing a decrease of RMB2,558 million or 72.53% from RMB3,527 million for the same period of 2021, mainly due to the year-on-year increase in repayment of loans during the current period.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## SCOPE OF RESTRICTED ASSETS

At the end of the reporting period, details of the Company's major restricted assets are set out in Note V of the Notes to the Financial Statements of this report, namely 1. Cash and bank balances, 2. Held-for-trading financial assets, 5. Financing receivables, 8. Inventories, 9. Non-current assets due within one year, 10. Other current assets and 22. Other non-current assets.

## CONTINGENT LIABILITIES

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

## CORE COMPETITIVENESS

### (I) Clear development strategy and development model

The Company's vision is to become a highly respected, modern and world-class resources company. The Company has formed a business model of "mining + trading". In the context of global strategy of carbon neutrality and carbon peaks, to realize the vision and goals, the Company has formulated a "three-step" development path. The first step is to "lay a foundation of low cost and high efficiency" that focuses on system and team building via organization upgrade and a corporate management system that covers global operations and attracts mining talents to get prepared for future growth. The second step is to "ramp up with multiplying production capacity" as we expedite construction and production of the two world-class projects, TFM mixed ore project and KFM Copper and Cobalt Mine project. Along with the increase in production capacity, the team gets tempered in the construction of world-class projects. A modernized governance structure enables effective oversight of subsidiaries and continued improvement of firm-wide governance. The third step is to achieve "stellar growth" towards a world-class company and our vision when new milestones are achieved in business size and cash flows, when teams and project pipelines are more robust, and when we are ready to seek greater growth around our strategic goals in key regions and key products.

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

The Company is a leading cobalt producer and an important copper producer in the world. The TFM Copper and Cobalt Mine operated by the Company in the DRC represents one of the largest reserves and highest-grade copper-cobalt mines in the world, with a mining area that covers over 1,500 sq. km and huge resource potential. Acquired in 2020, the KFM Copper and Cobalt Mine adjacent to TFM mining area is a world-class greenfield project, with rich resources and high average grade of copper and cobalt ore and huge exploration potential. The project further consolidates the Company's position in new energy raw materials, and makes the Company play an important role in the transformation of global green energy industry. The project will be put into production in 2023. The Company holds 30% equity interest of Huayue nickel and cobalt project and has offtake arrangement in place for MHP products on a pro rata basis, initially making presence in nickel metal.

With the presence in energy transformation race through copper, cobalt and nickel resources, the Company will be more closely integrated with the end-use customers of the resources, further consolidating its leading position in the field of energy transformation raw material supply and ensuring a reliable supply of energy transformation metals to meet the global energy transformation demand.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

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

A unique and diversified product portfolio will enable the Company to better resist cyclical fluctuation risks in resource sectors, strengthen its ability to resist risks and fully enjoy the enormous benefits brought by the cyclical changes in prices from various resources.

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

The Company adapted an expansion strategy at low cost against the trend, and successfully acquired a world class mine at the bottom of cycle with competitive mining cost due to open pit mining, large reserve and high grade. The conversion from reserve to production of world class mine at low cost is the baseline for the Company's organic growth. In 2019, the Company set a three-year cost reduction target of US\$500 million and achieved this target ahead of schedule in 2020. The Company continued to carry out cost reduction and efficiency enhancement activities in all operating units, and adopted advanced modern mining technology, process and equipment to continuously consolidate its low-cost operating advantage through centralized procurement, technology improvement, management reform and other means.

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

The Company is fully aware of the importance of sustainability to its access to resources, markets and capital, and has nurtured and actively implemented it as our new core competitiveness. The Company has now established a three-tier governance structure of the Board - Executive Management - Operation Management. Within this governance structure, the Board is responsible for formulating ESG strategy and overseeing its execution. The compliance and sustainability policies comprise the policy framework applicable to all operation units of the Group. The executive sustainability committee provides the executive management platform for cross-departmental collaboration on ESG solutions. The strong environmental, occupational health and safety, human resources and community development teams at all mine sites can ensure the implementation of the Group's approaches and policies.

The Company's compliance and sustainability policies take reference from international best practice, continuously improve the Company's governance framework on sustainability through continuous learning of international corporate good practice. In addition, all of the Company's mining areas are regularly reviewed by third parties to verify their compliance with the requirements of the Environmental, Health and Safety Management Certification System, which includes ISO14001 and ISO45001 certification. These measures have laid a solid policy and practice foundation for future sustainable development.

During the reporting period, the Company formulated the long-term visions and short-term performance objectives for climate change and biodiversity. In January 2022, the aforesaid objectives were discussed and approved by the Board of the Company. Currently, all operating units of the Company are starting to implement relevant proactive energy saving and emission reduction work. In addition, the Company continued to improve its sustainability policy and management framework, conducted ESG reviews on relevant business units, formulated action plans, and strengthened guidance and training to further enhance ESG performance.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

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

The Company continuously invests in technological research. It passed the review of China's high-tech enterprises in December 2020, and was rewarded the Sixth China Industry Award. The Company won the title of "National Enterprise Technology Centre (國家企業技術中心)" jointly awarded by five ministries, including the National Development and Reform Commission and the Ministry of Finance. During the reporting period, the Company's "A Method for Efficient Recovery of Rhenium in Molybdenum Smelting Waste Acid (一種從鉬冶煉廢酸中高效回收銻的方法)" was awarded the 22nd China Patent Excellence Award (第二十二屆中國專利優秀獎), "R&D and Engineering Demonstration of Intelligent Unmanned Technology for Safe Mining in Open-pit Mine under Complex Conditions (複雜條件下露天礦安全開採智能無人化技術研發與工程示範)" was awarded the first class award of the 2nd China Safety Production Science and Technology Achievement (第二屆中國安全生產科技進步一等獎), "Key technologies and applications of ecological mining design and comprehensive utilization of low-grade resources in open-pit metal mines (金屬露天礦生態化開採設計及低品位資源綜合利用關鍵技術與應用)" was awarded the first prize of Science and Technology Progress Award of CNMIA (中國有色金屬工業協會科技進步一等獎), and "Key Technology and Engineering Demonstration of Low-Grade Complex White Tungsten Concentration Associated with Floating Molybdenum Tailings (浮鉬尾礦伴生低品位複雜白鎢選冶關鍵技術及工程示範)" was awarded the second prize of Henan Province Patent. The Company won honorary titles such as "Backbone Enterprise for Comprehensive Utilization of Bulk Solid Waste (大宗固體廢棄物綜合利用骨幹企業)", "Innovation Leading Enterprise in Henan Province (河南省創新龍頭企業)", "2022 Top manufacturing enterprises in Henan Province (二零二二年河南省製造業頭雁企業)" and "Intellectual Property Superior Enterprise in Henan Province (河南省知識產權優勢企業)".

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



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## (VII) A new model of “mining + trading” to create new profit drivers

IXM is an extension of the mining business value chain and will create synergy with and complement the existing mining business in many areas in customer base, marketing and sales, supply chain and logistics, and risk control. IXM makes full use of existing global leading industry research and intelligence advantages, participates in the Company’s resource integration and profit realization at different aspects, such as taking advantages of logistics network to reduce costs, broadening logistics channels and alleviating logistics risks, and leveraging its risk control capabilities to facilitate China operations to set up risk management framework for proprietary business to monitor profits and losses and funding exposures. IXM will continue to give play to the industrial status and network advantages of traders to help the Company expand its business footprint and influence in the resource field. By cooperating with the mining sector and the Company’s investment, financing and research capabilities, it has created a new growth driver, which helps the Company to enhance its global industry competitiveness and influence, thus creating new commercial competitive advantages.

## (VIII) Robust shareholder structure and continuous high percentage of cash dividend

The Company has formed a robust shareholder structure with two major substantial shareholders and investment from large investment institutions, and strategic and industrial investors. Currently, the operating businesses are basically mature projects in production, with stable profitability and strong cash generating capacity of each business segment. Shareholders endorse the Company’s strategy based on industry outlook and work together to support the Company’s development.

The dividend policy is stable and the dividend return is considerable. The Company’s annual average percentage of dividend is over 50% through cash dividend and shares repurchase since the listing of its A Shares.

## POSSIBLE RISKS

1. As the COVID-19 pandemic spreads and the virus mutates on a global scale, and the Russian-Ukrainian war continues, uncertainty about global economic recovery has increased, which could lead to financial and economic risks. The Company continues to pay close attention to the development of the pandemic, strengthen its prevention and control efforts, so as to ensure the safety of life and health of all employees and stable production and operation.
2. The Company has a large number of overseas investment projects, mainly located in the DRC, Brazil, Australia, Switzerland and other countries and regions. As there are major discrepancies in state politics and economy development level among different countries, we may face different state policies, political, legal and community risks.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

3. The Company is mainly engaged in mining processing and mineral trading business, and may face risks such as decline in the grade of mineral resources, safe production, fluctuations in product spot and futures prices as well as natural disasters.
4. The estimated results of mine resources and reserves are related to various factors such as the complexity of the ore deposit geology, the degree of control of the ore body, the selection of technical indicators as well as the selection of norms in different regions, and may be subject to a risk of deviation from the original prediction.
5. The Company's exposure to risks related to foreign exchange rates is primarily arising from assets and liabilities held in foreign currencies other than the functional currency and the international business of IXM B.V. Group. Its assets and liabilities are denominated in functional currencies different from those of the entities and are therefore subject to fluctuation in foreign exchange rates. As the Company manages its exchange rates risks with the principle of matching the currencies of assets/revenue with those of liabilities, the exchange rates risks exposure arising from financing is relatively insignificant. Since currencies used for denominating revenue and cost may be different for certain businesses, the fluctuation in the short-term exchange rates of different settlement currencies may affect the operating results of the Company to a certain extent. The Company pays close attention to the impacts of the fluctuation in exchange rates, and will make use of financial instruments, such as forward foreign exchange contracts, to hedge against foreign exchange rates risks in due course.
6. During the reporting period, the Company continued to communicate with relevant parties in the DRC regarding royalty payment for increase of reserves at TFM. The communication process was complex and dynamic. During the reporting period, TFM maintained normal production and operation. In March 2022, the DRC government issued a communique stating that the issues would be resolved fairly and impartially under the guidance of the DRC government by engaging an internationally recognized third party to conduct an appraisal in accordance with international practice, so as to effectively protect the interests of investors and achieve win-win cooperation. Nevertheless, during the communication process, there will still be individuals who exert pressure through various means to cause nuisance. The Company is committed to protecting the rights and interests of the countries where the projects are located, local communities and all stakeholders, and to resolving differences in a fair and equitable manner through negotiations. At the same time, the Company will also take necessary measures, including legal means, to protect its legitimate rights and interests during the negotiation process. The Company will stabilize the operation of existing projects, accelerate the construction of expansion projects, and actively explore new projects in the context of China-DRC friendship and cooperation.

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

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## BASIC INFORMATION OF MAJOR CONTROLLED SUBSIDIARIES AND INVESTED COMPANIES

Unit: Thousand yuan      Currency: RMB

Company name	Principal business	Shareholding method	Interest held	Operating revenue	Operating profit	Net profit attributable to the parent company	Total assets	Net assets
CMOC Mining Pty Limited	Copper and gold mine assets/business	Indirect	80%	650,317	49,220	24,675	5,412,846	2,734,229
TF Holdings Limited	Copper and cobalt mine assets/business	Indirect	80%	9,915,840	4,867,307	2,755,287	52,716,655	41,542,121
CMOC Brasil	Niobium and phosphates mine assets/business	Indirect	100%	3,708,776	1,596,227	1,104,356	13,469,779	7,049,556
IXM	Trading business	Indirect	100%	86,168,421	773,328	644,104	43,079,526	7,000,572

## MATERIAL EVENTS

1. The mixed ore development project of TFM Copper and Cobalt Mine has been filed and approved by the National Development and Reform Commission and the Ministry of Commerce

On 6 August 2021, the Company held the second extraordinary meeting of the sixth session of the Board to consider and approve the “Resolution on the Mixed Ore Development Project in relation to TFM Copper and Cobalt Mine in the DRC”, agreeing that the Company will invest US\$2.51 billion to develop the mixed ore project of the TFM cooper-cobalt mine.

On 17 May 2022, the Company issued an announcement on the progress of the Mixed Ore Development Project in relation to TFM Copper and Cobalt Mine in the DRC. The project has obtained the filing and approval documents of the National Development and Reform Commission and the Ministry of Commerce on the mixed ore development project in relation to TFM Copper and Cobalt Mine. At present, the construction project is progressing smoothly according to the milestone node plan, and the Company is actively facilitating relevant works of the mixed ore project of TFM Copper and Cobalt Mine. After the commencement of production in the future, it is estimated that the average annual production capacity of copper will be increased by about 200,000 tonnes, and the average annual production capacity of cobalt will be increased by about 17,000 tonnes.

For details, please refer to relevant announcements published on the Company’s website, designated media and the websites of the SSE and the SEHK.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## 2. Completion of implementation of A Share repurchase (phase III)

On 24 May 2022, the Company held the fourth extraordinary meeting of the sixth session of the Board, at which it considered and approved the “Resolution in relation to the Repurchase of A Shares of the Company through Centralized Price Bidding (Phase III)”, and agreed that the Company would use no more than RMB500 million to repurchase certain A shares of the Company at a price of no more than RMB7.25 per share, which will be subsequently used for employee stock ownership or share incentive plan or other purposes as permitted by laws and regulations.

On 8 June 2022, the Company issued an announcement on the completion of implementation of share repurchase (phase III). During the period, the Company repurchased a total of 104,930,443 A shares through centralized price bidding, representing 0.49% of the total share capital of the Company at that time. The highest transaction price was RMB5.00 per share and the lowest transaction price was RMB4.60 per share, with an average repurchase price of RMB4.76 per share and a total transaction amount of RMB499,934,733 (excluding transaction fees).

For details, please refer to relevant announcements published on the Company’s website, designated media and the websites of the SSE and the SEHK.

## 3. KFM Copper and Cobalt project will be put into operation in the first half of 2023

In order to better meet the demand growth for cobalt metal brought by the development of the new energy industry, maintain the sustainable development of the industrial chain, and ensure production expansion capacity of projects, the Company has formed the “Preliminary Design Optimization Scheme” of KFM Copper and Cobalt Mine according to the development strategy and “three-step” development path.

On 30 June 2022, the sixth extraordinary meeting of the sixth session of the Board of the Company considered and approved the “Resolution in relation to Investment and Construction of the KFM Development Project in the DRC”, and agreed to develop the KFM project (phase I) within a proposed budget of no more than US\$1.826 billion. The products of this project are mainly copper cathode, crude cobalt hydroxide and a small amount of copper and cobalt sulfide concentrate. After the commencement of production, the average annual production capacity is converted into about 90,000 tonnes of copper metal and about 30,000 tonnes of cobalt metal. The project has been undergoing preparation since March 2021, and is expected to be put into operation in the first half of 2023.

For details, please refer to relevant announcements published on the Company’s website, designated media and the websites of the SSE and the SEHK.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## EXPLORATION, DEVELOPMENT AND MINING ACTIVITIES

### (1) Exploration

#### ① Copper and Cobalt Mine in the DRC

**TFM Copper and Cobalt Mine:** During the reporting period, exploration work mainly focused on copper-cobalt and limestone deposits. The total drilling was 17,441.9 meters. The main geological exploration and prospecting activities were conducted in DDPN, Fungurume Hill, Mambilima south, Mofya and other areas. In addition, drilling verification activities were completed in MKDC, TENK, FWAL, ZORO, FGME, MUDI, FGVI and other mine dumps.

**KFM Copper and Cobalt Mine:** During the reporting period, the exploration mainly focused on the 3-year mining area for network degree supplemental encryption and production prospecting drill construction with “edge mapping”. 25 drilling holes were designed, with an engineering volume of 3,600 meters, and 20 drilling holes has been completed, with a footage of 2,500 meters. The exploration performed well and all met expectations.

#### ② Niobium and phosphate mine in Brazil

**Niobium:** During the reporting period, diamond drilling (DDH) activities were carried out at the Boa Vista Mine and the Morro do Padre Ore Body to meet the needs of medium- and long-term geological exploration, respectively. At the Boa Vista Mine, a 356.4-meter diamond drill hole was completed to investigate the continuity of niobium mineralization in the northeastern part of the pit based on surface geophysical anomalies (magnetic surveys) and previous drilling results. 4 diamond drill holes were completed in the Morro do Padre Mining Area, for a total of 1,046.4 meters, with the purpose to improve the degree of geological exploration and further identify the distribution and regularity of ore body shape and quality, updating and refining the 3D geological model through geological exploration and ore analysis studies, as well as converting mineral resources from inferred to controlled or proven, and increasing the understanding and confidence of mineral resources. At the same time, a 530.2-meter downhole geophysical survey was performed to determine rock density and provide petrophysical parameters to improve understanding of geological models.

**Phosphate:** During the reporting period, geological exploration activities were carried out in the Chapadão Mine Area to meet the needs of short-term, medium-term and long-term geological exploration respectively. Diamond drilling (DDH), geological description (logging), chemical analysis, technical characteristics description and downhole geophysical surveys were conducted to update and refine 3D geological models and convert resources to reserves, and raise awareness and confidence in mineral resources through geological exploration and ore analysis studies. A total of 23 holes, 2,230 meters of diamond drilling, 2,020 meters of trenching and grid grade control were constructed. In addition, 410.1 meters of downhole geophysical surveys were conducted to determine rock density and provide physical parameters to improve understanding of the geological model.

For greenfield exploration projects, 102.2 km of surface geophysical surveys (magnetic and gamma spectroscopy) were carried out at the Monjolos Target Mine and 36.3 km of surface geophysical surveys (magnetic and gamma spectroscopy) were carried out at the Iraí de Minas Target Zone to delineate anomalies and select target areas for drilling verification.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## ③ Mines in the PRC:

**Sandaozhuang Molybdenum Mine:** During the reporting period, exploration of mines was conducted in the northern, central and southern areas, with drilling work conducted on the surface of the open pit, using core drilling rigs to conduct 63 drill holes to a depth of 8,182 meters. In order to prevent geological disasters and ensure the safety of open-pit mining, mined-out exploration of mines were carried out in the northern and southern areas, with drilling on the surface of the open pit using reverse circulation drill rigs to construct 22 drilling holes, with a depth of 1,534 meters.

**Shangfanggou Molybdenum Mine:** During the reporting period, exploration has been carried out in key production area, and dug drilling has been carried out on the surface of the open pit, using core drilling rigs to conduct 50 drill holes to a depth of 11,475 meters. In order to ensure the production safety, mined-out area exploration were carried out in the horizontal mined-out areas 1,154 meters deep, using the reverses circulation drill rigs to construct 30 exploration holes for mined-out area, with a total footage of 3,271 meters.

**Donggebi Molybdenum Mine in Hami:** No exploration activities were conducted during the reporting period.

**④NPM Copper and Gold Mine in Australia:** During the reporting period, a total of 31 diamond drilling and RC drills were performed on the EL5323 mining rights, with a total footage of 5,575 meters. Underground resource drillings were conducted at the E26 deposit within ML1247 to further evaluate MJH's prospective resources. Exploration and drill testing of near-surface mineralization were completed at the Major Tom prospect at ML1247 and the Rocklands area at ML1367. A deep multi-intercept directional drilling program was undertaken to confirm the relationship between the GRP314 (Lift2) deep resources and the proposed Rocklands tailing storage. In addition, HCOV Global, the consultancy, completed a review of the exploration activities and prospect assessments for the northern exploration mining rights (EL5800) and the general area of the E44 deposit, including EL5323, EL5801 and EL8377 sections.

## (2) Development

### ①Copper and Cobalt Mine in the DRC

**TFM Copper and Cobalt Mine:** During the reporting period, stripping and preparation for exploration were completed at pits Mwan Mixed, Fwal Mixed, Kato3, Kato1 Mixed, Kato2 Mixed, Mudi, Kasa Mixed and Zoro for development and expansion, and the external roadway construction at Kato3, Kato2-Mudi and Kato2-Tenk have been completed; the surface extension and stripping at Kwat, Mamb, Fgme, Mudi and Fwal have been completed, and the earthworks for railway relocation were completed with an amount of 2.45 million cubic meters. Infrastructure works are underway for mixed ore development. 11 dewatering wells have been completed, totaling 1,453 meters. The management of surface water was carried out in the vicinity of the mining area, the dumps and the communities in the mining area. A total of 3,695 meters of protective embankment controlling surface water and 478 meters of roads and drainage culverts were installed to effectively control the impact of water environment and resolve the problem of puddle on roads in the mining area.

**KFM Copper and Cobalt Mine:** No development activities were conducted during the reporting period.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## ② Niobium and Phosphate Mine in Brazil

**Niobium:** During the reporting period, a project to relocate the power grid to expand the mine pit and waste rock stacking was initiated, the water pumping system for mining at the bottom of the mine pit was adjusted, and road dust controlling water was sprayed to reduce dust. In addition, in order to ensure safety and efficient operation, we began infrastructure works such as roads and buildings repairs. In respect of environment, a 160,000 m<sup>2</sup> waste rock slope was revegetated to reduce erosion and dust risks, enhance landscaping and comply with current environmental regulations. In addition, the optimization of transportation distance and blasting perforated design net reduced diesel consumption and operating costs, saving over 1 million liters of diesel in the first half of the year.

**Phosphate:** The strong magnetic tailings of the phosphate concentrator were discharged and stored in the tailings pond for many years. However, during the reporting period, the tailings turned into valuables. In the second half of 2021, the Company sought to cooperate with organic fertilizer research and development units. By adopting a short, inexpensive and fast construction strategy and leasing certain equipment and auxiliary facilities, a 120,000-tonne/year strong magnetic tailings recovery project was completed in the first half of 2022. The project will begin to achieve unplanned sales income from strong magnetic tailings.



**Strong magnetic tailings shipments**

## ③ Mines in China

**Sandaozhuang Molybdenum:** During the reporting period, the ecological restoration work was further strengthened with the area of greening restoration up to 241,600 m<sup>2</sup>. Besides, we have reclaimed the land on the slope control area of the dispatch center with a total area of 890 m<sup>2</sup>; hardened road of 549 meters; and constructed new interception ditches of 2,980 meters.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

**Shangfanggou Molybdenum Mine:** During the reporting period, in accordance with the national green mine construction requirements, the ecological restoration work was further strengthened, with the ecological restoration area of the mine amounted to about 61,500 m<sup>2</sup>. We have reclaimed the land above the 1,365 platform on the southern slope of the mine with an area of 6,200 m<sup>2</sup>; hardened road of 7,085 meters. We also constructed new fixed intercepting and drainage channels of 607.35 meters and temporary drainage channels of 1,742 meters.

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

④ **NPM Copper and Gold Mine in Australia:** The E26L1N block cave mine project completed construction and was put into production from March 2022. Simulation and actual correction were conducted on the grade trend of the E48 Ore Body to provide technical support for the optimized mining and blending of the E48 Ore Body. The 2,800-meter drilling and ore sample analysis of the E22 Ore Body dressing samples (as the ore dressing test samples in the feasibility study stage of the E22 project) were completed. We completed drilling 2,050 meters in the E44 Ore Body and the resource investigation and drilling of the Rockland Tailing Storage Area, and completed drilling 4,500 meters for groundwater in the E44 Ore Body Area. We cooperated with the Rosedale Tailing Storage Phase 3 Elevation Project, and began preparing for the stripping and construction on the upper part of the E31 Open-pit. The 2021 reserve and resource assessment and exploration white paper was completed, and the medium- and long-term exploration plan were re-examined to confirm the potential for future reserve increase. E22 pre-feasibility study and E28NE feasibility study were submitted. At the same time, we were conducting high-level technical and economic evaluations of other ore bodies.

### (3) Mining Activities

	('0,000 tonnes)
<b>Domestic mining activities</b>	
Mining volume of Sandaozhuang Molybdenum and Tungsten Mine	970.48
Mining volume of Shangfanggou Molybdenum Mine	249.15
<b>Overseas mining activities</b>	
Mining volume of TFM Copper and Cobalt Mine in the DRC	726
Mining volume of KFM Copper and Cobalt Mine in the DRC	83
Mining volume of Niobium Mine in Brazil	108.04
Mining volume of Phosphate Mine in Brazil	271.31
Mining volume of NPM Copper and Gold Mine in Australia	386.91



# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## (4) Costs of Exploration, Development and Mining

Projects	Mining costs	Exploration costs	Development costs
<b>Domestic mines</b> (RMB'0,000)			
Sandaozhuang Molybdenum and Tungsten Mine	31,121.90	312.88	692.04
Shangfanggou Molybdenum Mine	11,645.80	462.80	1,085.29
<b>Overseas mines</b> (USD million)			
TFM Copper and Cobalt Mine in the DRC	136.11	6.12	107.82
KFM Copper and Cobalt Mine in the DRC	31.34	0.00	0.00
Niobium Mine in Brazil	12.49	0.24	0.09
Phosphate Mine in Brazil	5.92	0.22	0.00
NPM Copper and Gold Mine in Australia	14.58	2.86	5.69

# DIRECTORS AND SUPERVISORS

As at 30 June 2022, the Board of the Company consisted of the following 8 directors (the “**Directors**”), and the Supervisory Committee consisted of the following 3 supervisors (the “**Supervisors**”). 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	:	Sun Ruiwen, Li Chaochun
Non-executive Directors	:	Yuan Honglin, Guo Yimin, Cheng Yunlei
Independent Non-executive Directors	:	Wang Gerry Yougui, Yan Ye, Li Shuhua
Supervisors	:	Kou Youmin, Zhang Zhenhao, Xu Wenhui

## EMPLOYEES

As of 30 June 2022, the Group had approximately 12,860 full-time employees, classified by functions and departments as follows:

<b>Department</b>	<b>Number of employees</b>	<b>% of total</b>
Production staff	8,302	64.56%
Technical staff	1,062	8.26%
Finance staff	310	2.41%
Administrative staff	1,365	10.61%
Sales and other supporting personnel	1,821	14.16%
Total	12,860	100%

# DIRECTORS AND SUPERVISORS (CONTINUED)

## REMUNERATION POLICY

The remuneration policy for the employees of the Company principally consists of a salary point and performance remuneration system, based on employees' positions and responsibilities and their quantified assessment results. The employees' remuneration is evaluated in line with the Company's operating results and personal performance in order to provide a consistent, fair and equitable remuneration system for all employees. The subsidiaries of the Company domiciled in China have participated in the social insurance contribution plans introduced by China's local governments. In accordance with the laws and regulations regarding the national and local labour and social welfares in China, the Company is required to pay on behalf of its employees a monthly social insurance premium covering pension insurance, health insurance, unemployment insurance, work injury insurance and housing provident fund. Pursuant to current applicable local regulations in China, the percentages of certain insurances are as follows: the pension insurance, health insurance, unemployment insurance, work injury insurance and the contribution to housing provident fund of our Chinese employees represent 16%, 7.5%, 0.7%, 0.4% to 1.90% and 12% of his or her total basic monthly salary respectively.

The overseas employees of the Company participate in pension and healthcare plans under the requirement of the laws in the countries where they reside. In the DRC, the Company pays a monthly social insurance contribution of 13%, and undertakes all medical treatment for employees and their families. At the same time, in line with the local situation in the DRC, a loyalty award has been set up in order to stabilise the workforce in the DRC, such as a loyalty bonus for employees who have worked for five years, construction materials for building their own houses after 10 years of service, a school subsidy for employees' children to help with their children's education, and a retirement grant for employees.

## TRAINING PLAN

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

In China's mining areas, the Company increases training efforts according to the current situation of talents. During the reporting period, the Company adopted innovative thinking to carry out management training in an integrated mode of testing and training with a focus on the pain points of the management echelon, and started the training of trainees at the ministerial level; purchased a professional course recording and broadcasting system, built an examination room, and further optimized the training environment; concentrated on the construction of the talent pool, revised the talent pool standards and carried out talent selection, regular assessment and mentoring training; regularly organized exchange meetings of different groups to enhance talent exchange and sharing; implemented a series of enterprise management knowledge training for management talents, and provided technical talents with different professional and technical training; focusing on improving the skills of employees, skills training and skill level assessment were carried out, meanwhile, craftsmen from major countries were invited to preach the spirit of craftsmanship, which stimulated the enthusiasm of skilled workers to improve their skills and helped skilled workers become talents; in response to the pandemic, we actively carried out various online training and purchased accounts for cemented carbide online production courses. The number of people who have logged in to the online APP has reached 4,328, and the average daily active number of people has reached 1,313; each line, each branch and each subsidiary conducted training on safety and business improvement. As of the end of June 2022, a total of 14,658 staff had been trained.

## DIRECTORS AND SUPERVISORS (CONTINUED)

In the DRC's copper-cobalt mining areas, the Company familiarised the employees with the management mode and system of TFM, promoted employees to quickly integrate into the work and life in a multicultural company, enhanced employees' safety awareness to avoid safety risks, and improved employees' safe work skills in specific positions through relevant training courses according to the safety production needs of the mining area.

- (I) In terms of personnel training, the Company carried out training courses such as personnel entry safety training, special operation safety training and special job qualification training according to the employee's work cycle and work nature. The training courses included the profiles of TFM, corporate culture and the DRC, zero tolerance rules, risk identification and prevention, introduction and prevention of common diseases, environmental governance, instructions for working at heights, instructions for hot work, instructions for working in confined spaces, welding operations and hoisting operations, with an aim to deepening employees' understanding of TFM's management model and rules and regulations, so as to quickly integrate into the work and life in the mining areas of TFM, improve employees' awareness of safety risk prevention, and improve employees' safety operation skills for special operations.
- (II) In terms of equipment operation training, according to the needs of various departments or units, the Company conducted training and operation skill tests on the operation, maintenance, traffic rules and other items of fixed equipment or mobile equipment for employees who need to operate corresponding equipment, so as to ensure the safe operation and driving of equipment in the mining area and avoid traffic or equipment accidents.
- (III) In terms of management training, the Company carried out compliance training, ISO14001\ISO45001 training, human rights training and ESG-related training.

In the first half of 2022, TFM has delivered training to 30,678 employees; in other international mining areas, it has followed the training plans of various mining areas and actively launched training courses on safety, skills and professional development, and promoted the improvement of employees' safety awareness and professional skills to align with the Company's strategic development.

## SHARE CAPITAL AND SHAREHOLDERS

### SHARE CAPITAL

	As at 30 June 2022	
	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

## DIRECTORS AND SUPERVISORS (CONTINUED)

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

To the best knowledge of all Directors and Supervisors, as at 30 June 2022, the persons or companies (other than Directors, the chief executives or Supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company 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. (" <b>LMG</b> ")	5,329,780,425	Beneficial owner	A Share	30.17%
Luoyang Guohong Investment Holdings Group Co., Ltd.	5,329,780,425	Interest in controlled corporation	A Share	30.17%
Cathay Fortune Corporation (" <b>CFC</b> ")	5,030,220,000	Beneficial owner	A Share	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%(L)
Cathay Fortune Investment Limited (" <b>Cathay Hong Kong</b> ") <sup>(1)</sup>	91,518,000(L)	Beneficial owner	H Share	2.33%(L)
Cathay Fortune International Company Limited	211,482,000(L)	Beneficial owner	H Share	5.37%(L)
Yu Yong <sup>(2)</sup>	5,030,220,000	Interest in controlled corporation	A Share	28.47%
	303,000,000(L)	Interest in controlled corporation	H Share	7.70%(L)
Citigroup Inc. <sup>(3)</sup>	404,647,271(L)	Interest in controlled corporation/	H Share	10.29%(L)
	14,335,733(S)	Approved lending agent		0.36%(S)
	394,259,860(P)			10.02%(P)
BlackRock, Inc. <sup>(4)</sup>	356,664,640(L)	Interest in controlled corporation	H Share	9.07%(L)
	1,356,000(S)			0.03%(S)
GIC Private Limited	318,627,729(L)	Investment manager	H Share	8.10%(L)

## DIRECTORS AND SUPERVISORS (CONTINUED)

Notes: (L) - Long position (S) - Short position (P) - Lending pool

- (1) Cathay Hong Kong and Cathay Fortune International Company Limited are wholly-owned subsidiaries of CFC in Hong Kong.
- (2) Mr. Yu Yong holds 99% interest in CFC and is deemed to hold 5,030,220,000 A shares of the Company held directly by CFC. In addition, Mr. Yu Yong is deemed to hold long position of 303,000,000 H shares of the Company. CFC, Cathay Fortune International Company Limited and Cathay Hong Kong, being the controlled corporations, directly or indirectly hold the shares of the Company.
- (3) Citigroup Inc. is deemed to hold a total of long position of 404,647,271 H shares, a short position of 14,335,733 H shares and a lending pool of 394,259,860 H shares of the Company available for lending due to its control rights over a number of companies. Citicorp LLC, Citibank, N.A., Citigroup Global Markets Holdings Inc., Citigroup Financial Products Inc., Citigroup Global Markets 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.
- (4) BlackRock, Inc. is deemed to hold a total of long position of 356,664,640 H shares and a short position of 1,356,000 H shares of the Company due to its control rights over a number of companies. Trident Merger, LLC, BlackRock Investment Management, LLC, BlackRock Holdco 2, Inc., BlackRock Financial Management, Inc., BlackRock Holdco 4, LLC, BlackRock Holdco 6, LLC, BlackRock Delaware Holdings Inc., BlackRock Institutional Trust Company, National Association, BlackRock Fund Advisors, BlackRock Capital Holdings, Inc., BlackRock Advisors, LLC, BlackRock International Holdings, Inc., BR Jersey International Holdings L.P., BlackRock Lux Finco S.à.r.l., BlackRock Japan Holdings GK, BlackRock Japan Co., Ltd., BlackRock Holdco 3, LLC, BlackRock Canada Holdings LP, BlackRock Canada Holdings ULC, BlackRock Asset Management Canada Limited, BlackRock Australia Holdco Pty. Ltd., BlackRock Investment Management (Australia) Limited, BlackRock (Singapore) Holdco Pte. Ltd., BlackRock HK Holdco Limited, BlackRock Asset Management North Asia Limited, BlackRock Cayman 1 LP, BlackRock Cayman West Bay Finco Limited, BlackRock Cayman West Bay IV Limited, BlackRock Group Limited, BlackRock Finance Europe Limited, BlackRock (Netherlands) B.V., BlackRock Advisors (UK) Limited, BlackRock International Limited, BlackRock Group Limited-Luxembourg Branch, BlackRock Luxembourg Holdco S.à.r.l., BlackRock Investment Management Ireland Holdings Limited, BlackRock Asset Management Ireland Limited, BLACKROCK (Luxembourg) S.A., BlackRock Investment Management (UK) Limited, BlackRock Fund Managers Limited, BlackRock Life Limited, BlackRock (Singapore) Limited, BlackRock UK Holdco Limited and BlackRock Asset Management Schweiz AG, being the controlled corporations, directly or indirectly hold the shares of the Company.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any other persons (other than a Director, chief executive or Supervisor of the Company) who had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

# DIRECTORS AND SUPERVISORS (CONTINUED)

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

As at 30 June 2022, details of the shareholdings of A Shares by current Directors, Supervisors and the management of the Company are as follows:

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

Note:

Mr. Yuan Honglin, Mr. Sun Ruiwen and Mr. Li Chaochun, being the incentive participants under the employee share ownership plan of the Company (the “**Employee Share Ownership Plan**”) adopted on 21 May 2021, were deemed to be interested in 8,013,287, 18,000,000 and 7,500,000 A shares of the Company, respectively. As of the date of this report, the A shares under the Employee Share Ownership Plan have not yet vested.

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

Save as disclosed above, so far as was known to the Directors, as at 30 June 2022, none of the Directors, chief executives, senior management and Supervisors of the Company 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 the SEHK to be notified pursuant to Part XV of the SFO or which were required to be entered into the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”).

## DIVIDENDS

At the sixth meeting of the sixth session of the Board held on 19 August 2022, the Board resolved not to declare any interim dividend for the six months ended 30 June 2022 (for the six months ended 30 June 2021: nil).

# DIRECTORS AND SUPERVISORS (CONTINUED)

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

### Repurchase of A shares

On 24 May 2022, the Company held the fourth extraordinary meeting of the sixth session of the Board, deliberated and approved the "Resolution in relation to the Repurchase of A Shares of the Company through Centralized Price Bidding (Phase III)", and agreed that the Company would use no more than RMB500 million to repurchase certain A shares of the Company at a price of no more than RMB7.25 per share. On 8 June 2022, the Company issued an announcement on the completion of the implementation of share repurchase (phase III). During the period, the Company repurchased a total of 104,930,443 A shares through centralized price bidding on the SSE, representing 0.49% of the Company's total share capital at that time. The highest and lowest transaction prices were RMB5.00 per share and RMB4.60 per share, respectively, the average repurchase price was RMB4.76 per share, and the total transaction amount was RMB499,934,733 (excluding transaction costs).

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company or any of its subsidiaries during the six months ended 30 June 2022.

## CORPORATE GOVERNANCE

The Group always strives to uphold high standard of corporate governance to safeguard the interests of shareholders, and to enhance corporate value and accountability. During the six months ended 30 June 2022, the Company has complied with all applicable code provisions of the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules.

## 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. During the six months ended 30 June 2022, the sixth session of the Board convened six 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 sixth session of the Supervisory Committee convened five meetings during the six months ended 30 June 2022 (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 the code of conduct for trading in securities by its own Directors and Supervisors. After specific enquiry made on all Directors and Supervisors, all Directors and Supervisors have confirmed that they have been complied with the required standards set out in the Model Code throughout the six months ended 30 June 2022.



## **DIRECTORS AND SUPERVISORS (CONTINUED)**

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**

#### **Directors/Supervisors/The Board Committee Position**

As of the date of this report, there is no change in any 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 2022 and considered that the statements complied with relevant accounting standards and that the Company has made appropriate and relevant disclosures.

## I. FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

30 June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Closing balance	Opening balance
<b>Current assets:</b>			
Cash and bank balances	V.1	29,654,006,859.44	24,318,024,989.56
Held-for-trading financial assets	V.2	8,593,656,166.22	7,117,297,565.38
Derivative financial assets	V.3	7,263,705,077.30	1,830,819,434.83
Accounts receivable	V.4	796,115,352.72	745,903,478.74
Financing receivables	V.5	576,113,945.12	662,973,657.80
Prepayments	V.6	1,847,246,981.43	1,473,068,744.38
Other receivables	V.7	3,038,261,274.30	2,158,421,687.51
Including: Interest receivable		496,201,585.68	409,454,105.99
Dividends receivable		–	900,000.00
Inventories	V.8	27,045,884,742.74	26,959,964,452.91
Non-current assets due within one year	V.9	2,795,877,965.44	573,733,642.62
Other current assets	V.10	3,983,053,051.02	5,115,673,898.16
<b>Total current assets</b>		<b>85,593,921,415.73</b>	70,955,881,551.89
<b>Non-current assets:</b>			
Long-term equity investment	V.11	1,525,613,004.68	1,249,467,501.47
Other investments in equity instruments	V.12	67,782,443.79	67,772,733.31
Other non-current financial assets	V.13	3,853,744,824.13	3,912,404,655.76
Fixed assets	V.15	26,271,792,773.16	24,959,306,845.68
Construction in progress	V.16	6,670,766,380.79	3,882,051,384.27
Right-of-use assets	V.17	285,633,766.68	358,652,931.81
Intangible assets	V.18	19,605,476,529.33	19,398,989,322.92
Long-term inventory	V.8	6,596,028,452.06	6,111,544,354.19
Goodwill	V.19	407,591,631.99	387,204,155.33
Long-term prepaid expenses	V.20	242,422,007.47	178,843,869.89
Deferred tax assets	V.21	1,069,584,304.54	987,702,345.62
Other non-current assets	V.22	3,209,140,267.51	4,999,950,971.01
<b>Total non-current assets</b>		<b>69,805,576,386.13</b>	66,493,891,071.26
<b>Total assets</b>		<b>155,399,497,801.86</b>	137,449,772,623.15

Item	Notes	Closing balance	Opening balance
<b>Current liabilities:</b>			
Short-term borrowings	V.23	20,613,090,427.94	26,911,899,635.42
Held-for-trading financing liabilities	V.24	3,299,364,798.89	4,402,513,686.53
Derivative financial liabilities	V.25	4,833,620,590.81	2,636,505,095.30
Notes payable	V.26	2,382,327,631.91	2,906,023,727.49
Accounts payable	V.27	1,535,871,325.69	1,260,247,972.87
Contract liabilities	V.28	1,143,208,500.38	637,933,776.57
Employee benefits payable	V.29	792,061,404.56	897,749,900.38
Taxes payable	V.30	2,885,488,452.00	2,704,678,920.67
Other payables	V.31	5,748,653,542.12	2,918,190,968.03
Including: Interest payable		189,545,011.40	161,655,596.08
Dividends payable		1,552,230,396.71	27,885,796.67
Non-current liabilities due within one year	V.32	4,822,457,541.20	4,954,382,332.64
Other current liabilities	V.33	878,491,213.91	429,943,105.54
<b>Total current liabilities</b>		<b>48,934,635,429.41</b>	50,660,069,121.44
<b>Non-current liabilities:</b>			
Long-term borrowings	V.34	20,678,688,680.76	13,610,578,855.09
Bonds payable	V.35	2,150,000,000.00	1,150,000,000.00
Non-current derivative financial liabilities	V.14	265,353,691.99	357,204,494.71
Lease liabilities	V.36	230,393,922.16	233,937,993.67
Long-term employee benefits payable	V.37	347,041,408.50	308,472,990.96
Provisions	V.38	2,962,161,245.30	3,081,821,758.57
Deferred income	V.39	49,408,466.90	53,103,694.70
Deferred tax liabilities	V.21	6,230,503,689.91	6,136,296,210.55
Other non-current liabilities	V.40	17,531,836,022.28	13,594,075,166.39
<b>Total non-current liabilities</b>		<b>50,445,387,127.80</b>	38,525,491,164.64
<b>Total liabilities</b>		<b>99,380,022,557.21</b>	89,185,560,286.08
<b>Owners' equity (or Shareholders' equity):</b>			
Paid-in capital (or share capital)	V.41	4,319,848,116.60	4,319,848,116.60
Capital reserve	V.42	27,654,673,063.39	27,645,855,518.39
Less: treasury share	V.43	1,325,021,131.22	876,357,019.96
Other comprehensive income	V.44	-1,946,197,535.00	-6,406,227,030.65
Special reserve	V.45	1,101,777.78	487,314.82
Surplus reserve	V.46	1,463,370,956.65	1,463,370,956.65
Undistributed profits	V.47	16,321,894,479.97	13,698,308,770.45
Total owners' equity (or Shareholders' equity)		46,489,669,728.17	39,845,286,626.30
attributable to owners of the parent company		9,529,805,516.48	8,418,925,710.77
Minority interests			
<b>Total owners' equity (or Shareholders' equity)</b>		<b>56,019,475,244.65</b>	48,264,212,337.07
<b>Total liabilities and owners' equity (or Shareholders' equity)</b>		<b>155,399,497,801.86</b>	137,449,772,623.15

## THE COMPANY'S BALANCE SHEET

30 June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Closing balance	Opening balance
<b>Current assets:</b>			
Cash and bank balances		<b>7,282,172,833.39</b>	4,469,793,872.22
Held-for-trading financial assets		<b>81,638,865.66</b>	410,125,544.93
Accounts receivable	XIV.1	<b>826,390,597.23</b>	1,070,044,033.56
Financing receivables		<b>9,308,947.50</b>	240,858,253.01
Prepayments		<b>15,954,893.17</b>	20,720,270.18
Other receivables	XIV.2	<b>6,854,809,604.86</b>	3,919,973,681.07
Including: Interest receivable		<b>467,979,389.18</b>	381,051,625.43
Dividends receivable		<b>1,944,742,084.08</b>	584,906,084.08
Inventories		<b>245,996,579.06</b>	178,382,544.92
Non-current assets due within one year		<b>2,085,000,000.00</b>	–
Other current assets		<b>82,244,973.61</b>	74,325,922.85
<b>Total current assets</b>		<b>17,483,517,294.48</b>	10,384,224,122.74
<b>Non-current assets:</b>			
Long-term equity investment	XIV.3	<b>31,890,725,258.78</b>	31,979,838,124.74
Other non-current financial assets		<b>439,787,601.71</b>	486,162,530.44
Fixed assets		<b>2,423,198,550.64</b>	2,072,083,697.93
Construction in progress		<b>101,421,238.04</b>	88,302,811.15
Intangible assets		<b>211,976,602.01</b>	216,321,294.06
Long-term prepaid expenses		<b>81,981,414.95</b>	91,789,648.94
Deferred tax assets		<b>51,736,586.69</b>	56,479,888.36
Other non-current assets		<b>8,028,346.01</b>	2,162,089,457.11
<b>Total non-current assets</b>		<b>35,208,855,598.83</b>	37,153,067,452.73
<b>Total assets</b>		<b>52,692,372,893.31</b>	47,537,291,575.47

Item	Notes	Closing balance	Opening balance
<b>Current liabilities:</b>			
Short-term borrowings		1,100,000,000.00	1,474,477,944.28
Held-for-trading financing liabilities		673,659,752.73	784,146,860.96
Notes payable		29,285,494.50	23,123,459.67
Accounts payable		364,489,219.40	244,876,890.63
Contract liabilities		36,455,751.09	132,755,053.15
Employee benefits payable		86,005,599.43	103,960,665.15
Taxes payable		15,280,523.15	81,032,664.74
Other payables		6,125,350,709.66	3,985,721,071.38
Including: Interest payable		162,488,941.59	113,925,663.99
Dividends payable		1,524,344,600.04	–
Non-current liabilities due within one year		2,235,100,000.00	1,063,200,000.00
Other current liabilities		304,851,737.74	204,146,509.47
<b>Total current liabilities</b>		<b>10,970,478,787.70</b>	8,097,441,119.43
<b>Non-current liabilities:</b>			
Long-term borrowings		4,384,800,000.00	3,483,300,000.00
Bonds payable		2,150,000,000.00	1,150,000,000.00
Non-current derivative financial liabilities		265,353,691.99	357,204,494.71
Provisions		70,339,026.35	68,859,703.55
Deferred income		17,824,031.60	18,016,824.50
Other non-current liabilities		–	17,110,707.00
<b>Total non-current liabilities</b>		<b>6,888,316,749.94</b>	5,094,491,729.76
<b>Total liabilities</b>		<b>17,858,795,537.64</b>	13,191,932,849.19
<b>Owners' equity (or Shareholders' equity):</b>			
Paid-in capital (or share capital)		4,319,848,116.60	4,319,848,116.60
Capital reserve		27,708,112,167.38	27,699,294,622.38
Less: treasury share		1,325,021,131.22	876,357,019.96
Special reserve		366,799.66	373,559.65
Surplus reserve		1,463,370,956.65	1,463,370,956.65
Undistributed profits		2,666,900,446.60	1,738,828,490.96
<b>Total owners' equity (or Shareholders' equity)</b>		<b>34,833,577,355.67</b>	34,345,358,726.28
<b>Total liabilities and owners' equity (or Shareholders' equity)</b>		<b>52,692,372,893.31</b>	47,537,291,575.47

## CONSOLIDATED INCOME STATEMENT

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>I. Total operating income</b>	V.48	<b>91,766,808,748.95</b>	84,815,930,336.26
Including: Operating income		<b>91,766,808,748.95</b>	84,815,930,336.26
<b>II. Total operating costs</b>		<b>83,050,643,333.25</b>	77,686,108,379.70
Including: Operating costs	V.48	<b>80,301,263,497.68</b>	75,816,658,403.88
Taxes and levies	V.49	<b>883,514,183.06</b>	527,866,553.80
Selling expenses	V.50	<b>60,573,118.36</b>	37,415,774.00
Administrative expenses	V.51	<b>827,426,087.60</b>	684,666,806.20
Research and development expenses	V.52	<b>248,344,859.00</b>	64,364,765.73
Financial expenses	V.53	<b>729,521,587.55</b>	555,136,076.09
Including: Interest expense		<b>1,036,938,162.44</b>	891,376,235.11
Interest income		<b>464,986,568.32</b>	354,935,485.05
Add: Other income	V.54	<b>30,493,714.00</b>	19,567,029.71
Investment income (losses are indicated by “-”)	V.55	<b>345,040,340.20</b>	100,644,308.04
Including: Income from investments in associates and joint ventures		<b>251,555,691.22</b>	8,462,846.28
Gains from changes in fair value (losses are indicated by “-”)	V.56	<b>-1,128,527,668.83</b>	-2,851,031,616.92
Credit impairment losses (losses are indicated by “-”)	V.57	<b>-7,304,050.99</b>	-1,501,651.67
Asset impairment losses (losses are indicated by “-”)	V.58	<b>-19,724,927.33</b>	-37,041,130.65
Income from the disposal of assets (losses are indicated by “-”)	V.59	<b>13,307,215.88</b>	-249,973.49
<b>III. Operating profit (losses are indicated by “-”)</b>		<b>7,949,450,038.63</b>	4,360,208,921.58
Add: Non-operating income	V.60	<b>5,427,667.30</b>	18,841,499.16
Less: Non-operating expenses	V.61	<b>43,156,688.14</b>	19,360,877.27
<b>IV. Total profit (total losses are indicated by “-”)</b>		<b>7,911,721,017.79</b>	4,359,689,543.47
Less: Income tax expenses	V.62	<b>3,093,652,219.99</b>	1,526,413,671.96
<b>V. Net profit (net losses are indicated by “-”)</b>		<b>4,818,068,797.80</b>	2,833,275,871.51
(I) Classified by business continuity			
1. Net profit from continuing operations (net losses are indicated by “-”)		<b>4,818,068,797.80</b>	2,833,275,871.51
(II) Classified by ownership			
1. Net profit attributable to owners of the parent company (net losses are indicated by “-”)		<b>4,147,930,309.56</b>	2,408,598,438.70
2. Profit or loss of minority shareholders (net losses are indicated by “-”)		<b>670,138,488.24</b>	424,677,432.81

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>VI. Other comprehensive income, net of tax</b>	V.63	<b>4,900,540,403.43</b>	-2,267,385,789.96
(I) Other comprehensive income attributable to owners of the parent company, net of tax		<b>4,460,029,495.65</b>	-2,185,166,228.12
1. Other comprehensive income that will be reclassified subsequently into the profit or loss		<b>4,460,029,495.65</b>	-2,185,166,228.12
(1) Cash flow hedge reserve		<b>2,756,144,219.88</b>	-1,849,123,160.57
(2) Translation difference of foreign currency financial statements		<b>1,703,885,275.77</b>	-336,043,067.55
(II) Other comprehensive income, net of tax attributable to minority shareholders		<b>440,510,907.78</b>	-82,219,561.84
<b>VII. Total comprehensive income</b>		<b>9,718,609,201.23</b>	565,890,081.55
(I) Attributable to owners of the parent company		<b>8,607,959,805.21</b>	223,432,210.58
(II) Attributable to minority shareholders		<b>1,110,649,396.02</b>	342,457,870.97
<b>VIII. Earnings per share:</b>			
(I) Basic earnings per share (RMB/share)		<b>0.193</b>	0.112
(II) Diluted earnings per share (RMB/share)		<b>0.193</b>	0.112

## THE COMPANY'S INCOME STATEMENT

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>I. Operating income</b>	XIV.4	<b>2,696,302,382.58</b>	1,901,380,409.98
Less: Operating costs	XIV.4	<b>1,388,404,901.52</b>	1,015,684,143.76
Taxes and levies		<b>161,555,361.38</b>	76,721,545.78
Administrative expenses		<b>122,332,349.18</b>	104,037,795.56
Research and development expenses		<b>93,203,919.49</b>	53,971,188.35
Financial expenses		<b>41,630,128.38</b>	-35,091,653.49
Including: Interest expense		<b>245,736,086.28</b>	214,862,548.51
Interest income		<b>256,226,294.16</b>	210,339,520.60
Add: Other income		<b>8,053,827.97</b>	12,644,826.93
Investment income (losses are indicated by “-”)	XIV.5	<b>1,612,971,243.61</b>	686,551,608.03
Including: Income from investments in associates and joint ventures		<b>-33,698,442.67</b>	-4,571,020.21
Gains from changes in fair value (losses are indicated by “-”)		<b>76,120,356.91</b>	-745,403,453.71
Credit impairment losses (losses are indicated by “-”)		<b>-623,875.46</b>	-270,121.49
Asset impairment losses (losses are indicated by “-”)		<b>-</b>	-15,599,493.99
Income from the disposal of assets (losses are indicated by “-”)		<b>46,897.49</b>	114,434.47
<b>II. Operating profit (losses are indicated by “-”)</b>		<b>2,585,744,173.15</b>	624,095,190.26
Add: Non-operating income		<b>3,513,646.30</b>	3,440,639.49
Less: Non-operating expenses		<b>10,173,350.00</b>	17,676,988.28
<b>III. Total profit (total losses are indicated by “-”)</b>		<b>2,579,084,469.45</b>	609,858,841.47
Less: Income tax expenses		<b>126,667,913.77</b>	466,387.17
<b>IV. Net profit (net losses are indicated by “-”)</b>		<b>2,452,416,555.68</b>	609,392,454.30
(I) Net profit from continuing operations (net losses are indicated by “-”)		<b>2,452,416,555.68</b>	609,392,454.30
<b>V. Total comprehensive income</b>		<b>2,452,416,555.68</b>	609,392,454.30



## CONSOLIDATED STATEMENT OF CASH FLOW

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sales of goods and rendering of services		<b>91,463,322,565.65</b>	83,869,453,898.42
Other cash receipts relating to operating activities	V.64.(1)	<b>432,036,588.98</b>	434,207,489.44
Sub-total of cash inflows from operating activities		<b>91,895,359,154.63</b>	84,303,661,387.86
Cash payments for goods purchased and services received		<b>75,553,535,402.69</b>	78,867,055,040.66
Cash payments to and on behalf of employees		<b>1,766,636,277.82</b>	1,553,128,379.24
Payments of various types of taxes		<b>5,619,877,900.98</b>	2,352,455,580.56
Other cash payments relating to operating activities	V.64.(2)	<b>453,804,354.99</b>	212,360,627.67
Sub-total of cash outflows from operating activities		<b>83,393,853,936.48</b>	82,984,999,628.13
Net cash flows from operating activities		<b>8,501,505,218.15</b>	1,318,661,759.73
<b>II. Cash flows from investing activities:</b>			
Cash receipts from recovery of investments	V.64.(3)	<b>5,830,154,743.86</b>	4,115,727,545.54
Cash receipts from investment income		<b>297,112,010.07</b>	111,508,011.79
Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets		<b>3,760,985.96</b>	6,284,951.00
Net cash receipts from the disposal of subsidiaries and other operating units		<b>23,500,000.00</b>	55,505,000.00
Other cash receipts relating to investment activities	V.64.(4)	<b>162,426,203.83</b>	3,773,981,091.30
Sub-total of cash inflows from investing activities		<b>6,316,953,943.72</b>	8,063,006,599.63
Cash payments to acquire or construct fixed assets, intangible assets, and other long-term assets		<b>3,757,458,656.86</b>	1,368,373,680.45
Cash payments to acquire investments	V.64.(5)	<b>5,809,214,944.53</b>	5,951,838,555.85
Other cash payments relating to investing activities	V.64.(6)	<b>469,422,334.28</b>	4,376,787,806.15
Sub-total of cash outflows from investing activities		<b>10,036,095,935.67</b>	11,697,000,042.45
Net cash flows from investing activities		<b>-3,719,141,991.95</b>	-3,633,993,442.82

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>III. Cash flows from financing activities:</b>			
Cash receipts from investment contributions		–	97,026,574.00
Cash receipts from borrowings		<b>59,286,010,814.44</b>	44,774,074,809.78
Other cash receipts relating to financing activities	V.64.(7)	<b>3,943,457,966.50</b>	1,843,520,236.88
Sub-total of cash inflows from financing activities		<b>63,229,468,780.94</b>	46,714,621,620.66
Cash repayments of borrowings		<b>59,650,027,076.41</b>	41,757,711,467.08
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>875,837,947.14</b>	755,251,753.49
Other cash payments relating to financing activities	V.64.(8)	<b>1,734,573,555.37</b>	674,196,485.02
Sub-total of cash outflows from financing activities		<b>62,260,438,578.92</b>	43,187,159,705.59
Net cash flows from financing activities		<b>969,030,202.02</b>	3,527,461,915.07
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>772,934,787.33</b>	-34,851,683.66
<b>V. Net increase in cash and cash equivalents</b>		<b>6,524,328,215.55</b>	1,177,278,548.32
Add: Opening balance of cash and cash equivalents		<b>20,392,690,843.69</b>	11,448,950,438.25
<b>VI. Closing balance of cash and cash equivalents</b>	V.65.(2)	<b>26,917,019,059.24</b>	12,626,228,986.57

## THE COMPANY'S STATEMENT OF CASH FLOW

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>I. Cash flows from operating activities:</b>			
Cash receipts from sales of goods and rendering of services		<b>1,608,010,109.76</b>	2,350,268,446.36
Other cash receipts relating to operating activities		<b>4,499,060,969.49</b>	2,752,077,478.09
Sub-total of cash inflows from operating activities		<b>6,107,071,079.25</b>	5,102,345,924.45
Cash payments for goods purchased and services received		<b>553,782,020.00</b>	320,173,059.24
Cash payments to and on behalf of employees		<b>238,155,692.93</b>	240,649,228.74
Payments of various types of taxes		<b>609,672,188.40</b>	215,817,420.10
Other cash payments relating to operating activities		<b>2,745,897,133.39</b>	2,704,902,524.30
Sub-total of cash outflows from operating activities		<b>4,147,507,034.72</b>	3,481,542,232.38
Net cash flows from operating activities		<b>1,959,564,044.53</b>	1,620,803,692.07
<b>II. Cash flows from investing activities:</b>			
Cash receipts from disposal of investments		<b>2,218,108,086.02</b>	1,720,000,000.00
Cash receipts from investment income		<b>79,920,074.49</b>	491,455,576.50
Net cash receipts from the disposal of fixed assets, intangible assets, and other long-term assets		–	6,284,951.00
Net cash receipts from the disposal of subsidiaries and other operating units		<b>23,500,000.00</b>	55,505,000.00
Other cash receipts relating to investment activities		<b>8,599,094,192.85</b>	5,975,358,873.88
Sub-total of cash inflows from investing activities		<b>10,920,622,353.36</b>	8,248,604,401.38
Cash payments to acquire or construct fixed assets, intangible assets, and other long-term assets		<b>35,033,809.33</b>	79,554,046.71
Cash payments to acquire investments		<b>1,711,510,000.00</b>	3,770,703,338.49
Other cash payments relating to investing activities		<b>10,872,014,307.62</b>	5,577,987,234.38
Sub-total of cash outflows from investing activities		<b>12,618,558,116.95</b>	9,428,244,619.58
Net cash flows from investing activities		<b>-1,697,935,763.59</b>	-1,179,640,218.20

Item	Notes	Jan. – Jun. 2022	Jan. – Jun. 2021
<b>III. Cash flows from financing activities:</b>			
Cash receipts from capital contributions		–	97,026,574.00
Cash receipts from borrowings		<b>12,096,494,444.45</b>	16,020,854,500.00
Other cash receipts relating to financing activities		<b>7,566,343,237.10</b>	3,530,638,075.68
Sub-total of cash inflows from financing activities		<b>19,662,837,681.55</b>	19,648,519,149.68
Cash repayments of borrowings		<b>9,251,636,205.50</b>	16,652,842,992.35
Cash payments for distribution of dividends or profits or settlement of interest expenses		<b>161,773,843.34</b>	244,901,110.23
Other cash payments relating to financing activities		<b>7,567,889,347.98</b>	2,540,564,545.98
Sub-total of cash outflows from financing activities		<b>16,981,299,396.82</b>	19,438,308,648.56
Net cash flows from financing activities		<b>2,681,538,284.73</b>	210,210,501.12
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>-11,179,518.48</b>	1,806,244.11
<b>V. Net increase in cash and cash equivalents</b>		<b>2,931,987,047.19</b>	653,180,219.10
Add: Opening balance of cash and cash equivalents		<b>4,208,336,354.31</b>	4,948,637,106.52
<b>VI. Closing balance of cash and cash equivalents</b>		<b>7,140,323,401.50</b>	5,601,817,325.62

# CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Jan. – Jun. 2022

Item	Attributable to owners of the parent company										Total owners' equity
	Paid in capital (or share capital)	Capital reserve	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total	Minority interests		
I. Balance at 31 December 2021	4,319,846,116.60	27,645,855,518.39	876,357,019.96	-6,406,227,030.65	487,314.82	1,463,370,956.65	13,698,308,770.45	39,845,286,626.30	8,418,925,710.77	48,264,212,337.07	
II. Balance at 1 January 2022	4,319,846,116.60	27,645,855,518.39	876,357,019.96	-6,406,227,030.65	487,314.82	1,463,370,956.65	13,698,308,770.45	39,845,286,626.30	8,418,925,710.77	48,264,212,337.07	
III. Changes in the current period (decrease is indicated by "-")	-	8,817,545.00	448,664,111.26	4,460,029,495.65	614,482.96	-	2,623,595,709.52	6,644,393,101.87	1,110,879,805.71	7,755,262,907.59	
(I) Total comprehensive income	-	-	-	4,460,029,495.65	-	-	4,147,930,309.56	8,607,959,805.21	1,110,649,396.02	9,718,609,201.23	
(II) Owners' contribution and reduction in capital	-	8,817,545.00	448,664,111.26	-	-	-	-	-439,846,566.26	-	-439,846,566.26	
1. Ordinary share invested by owners	-	22,447,195.19	-	-	-	-	-	22,447,195.19	-	22,447,195.19	
2. Share-based payment recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	
3. Repurchase of treasury share	-	-13,629,650.19	-51,335,885.06	-	-	-	-	37,706,234.87	-	37,706,234.87	
(III) Profit distribution	-	-	499,999,996.32	-	-	-	-	-499,999,996.32	-	-499,999,996.32	
1. Distribution to owners (or shareholders)	-	-	-	-	-	-	-1,524,344,600.04	-1,524,344,600.04	-	-1,524,344,600.04	
(IV) Special reserve	-	-	-	-	614,482.96	-	-1,524,344,600.04	-1,524,344,600.04	230,409.69	-1,524,344,600.04	
1. Transfer to special reserve in the period	-	-	-	-	64,856,517.89	-	-	64,856,517.89	783,515.64	65,640,033.53	
2. Amount utilized in the period	-	-	-	-	64,242,054.93	-	-	64,242,054.93	553,105.95	64,795,160.88	
IV. Balance at 30 June 2022	4,319,846,116.60	27,654,673,063.39	1,325,021,131.22	-1,946,197,535.00	1,101,777.78	1,463,370,956.65	16,321,894,479.97	46,489,669,728.17	9,529,805,516.48	56,019,475,244.65	

Jan. - Jun. 2021

Attributable to owners of the parent company

Item	Other										Total owners' equity
	Paid-in capital (or share capital)	Capital reserve	Treasury share	Less: treasury share	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Sub-total	Minority interests	
<b>I. Balance at 31 December 2020</b>	4,319,848,116.60	27,682,794,983.23	193,640,466.48	-3,565,680,161.76	230,899.06	1,295,599,051.54	9,472,838,365.96	38,891,790,788.15	8,443,074,215.26	47,334,855,003.41	
<b>II. Balance at 1 January 2021</b>	4,319,848,116.60	27,682,794,983.23	193,640,466.48	-3,565,680,161.76	230,899.06	1,295,599,051.54	9,472,838,365.96	38,891,790,788.15	8,443,074,215.26	47,334,855,003.41	
<b>III. Changes in the current period (decrease is indicated by "-")</b>											
(I) Total comprehensive income	-	-87,805,244.60	-1,600,938.47	-2,156,689,182.43	525,038.85	-	1,695,823,499.46	-546,554,960.25	177,342,555.88	-989,212,394.37	
(II) Owners' contribution and reduction in capital	-	-	-	-2,185,168,228.12	-	-	2,408,598,438.70	223,492,210.58	342,457,870.97	565,890,081.55	
1. Share-based payment recognized in owners' equity	-	-87,805,244.60	-1,600,938.47	28,467,045.69	-	-	-	-57,737,260.44	-	-57,737,260.44	
2. Cash flow hedge reserve transferred to fixed assets	-	-	-1,600,938.47	-	-	-	-	-86,204,306.13	-	-86,204,306.13	
(III) Profit distribution	-	-	-	28,467,045.69	-	-	-	28,467,045.69	-	28,467,045.69	
1. Distribution to owners (or shareholders)	-	-	-	-	-	-	-712,774,939.24	-712,774,939.24	-165,417,320.60	-878,192,259.84	
(IV) Special reserve	-	-	-	-	525,038.85	-	-	525,038.85	302,005.51	827,044.36	
1. Transfer to special reserve in the period	-	-	-	-	62,710,928.52	-	-	62,710,928.52	693,784.87	63,404,713.39	
2. Amount utilized in the period	-	-	-	-	62,185,889.67	-	-	62,185,889.67	391,779.36	62,577,669.03	
<b>IV. Balance at 30 June 2021</b>	4,319,848,116.60	27,494,989,738.63	192,239,528.01	-5,742,389,344.19	755,937.91	1,295,599,051.54	11,168,661,865.42	38,345,225,837.90	8,620,416,771.14	46,965,642,609.04	

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

January – June 2022

Unit: Yuan Currency: RMB Unaudited

Item	Jan. – Jun. 2022						
	Paid-in capital (or share capital)	Capital reserve	Less: treasury share	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at 31 December 2021	4,319,848,116.60	27,699,294,622.38	876,357,019.96	373,559.65	1,463,370,956.65	1,738,828,490.96	34,345,358,726.28
II. Balance at 1 January 2022	4,319,848,116.60	27,699,294,622.38	876,357,019.96	373,559.65	1,463,370,956.65	1,738,828,490.96	34,345,358,726.28
III. Changes in the current period (decrease is indicated by "-")							
(I) Total comprehensive income	-	8,817,545.00	448,664,111.26	-6,759.99	-	928,071,955.64	488,218,629.39
(II) Owners' contribution and reduction in capital	-	8,817,545.00	448,664,111.26	-	-	-	-439,846,566.26
1. Ordinary share invested by owners	-	22,447,195.19	-	-	-	-	22,447,195.19
2. Share-based payment recognized in owners' equity	-	-13,629,650.19	-51,335,885.06	-	-	-	37,706,234.87
3. Repurchase of treasury share	-	-	499,999,996.32	-	-	-	-499,999,996.32
(III) Profit distribution	-	-	-	-	-	-1,524,344,600.04	-1,524,344,600.04
1. Distribution to owners (or shareholders)	-	-	-	-	-	-1,524,344,600.04	-1,524,344,600.04
(IV) Special reserve	-	-	-	-6,759.99	-	-	-6,759.99
1. Transfer to special reserve in the period	-	-	-	58,021,480.47	-	-	58,021,480.47
2. Amount utilized in the period	-	-	-	58,028,240.46	-	-	58,028,240.46
IV. Balance at 30 June 2022	4,319,848,116.60	27,708,112,167.38	1,325,021,131.22	366,799.66	1,463,370,956.65	2,666,900,446.60	34,833,577,355.67

Item	Jan. – Jun. 2021						
	Paid-in capital (or share capital)	Capital reserve	Less: treasury share	Special reserve	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at 31 December 2020	4,319,848,116.60	27,633,234,087.22	193,840,466.48	230,899.06	1,295,599,051.54	935,570,598.19	33,990,642,286.13
II. Balance at 1 January 2021	4,319,848,116.60	27,633,234,087.22	193,840,466.48	230,899.06	1,295,599,051.54	935,570,598.19	33,990,642,286.13
III. Changes in the current period (decrease is indicated by "-")							
(I) Total comprehensive income	-	-87,805,244.60	-1,600,938.47	227,887.27	-	-103,382,484.94	-189,358,903.80
(II) Owners' contribution and reduction in capital	-	-87,805,244.60	-1,600,938.47	-	-	-	-86,204,306.13
1. Share-based payment recognized in owners' equity	-	-87,805,244.60	-1,600,938.47	-	-	-	-86,204,306.13
(III) Profit distribution	-	-	-	-	-	-712,774,939.24	-712,774,939.24
1. Distribution to owners (or shareholders)	-	-	-	-	-	-712,774,939.24	-712,774,939.24
(IV) Special reserve	-	-	-	227,887.27	-	-	227,887.27
1. Transfer to special reserve in the period	-	-	-	57,995,006.19	-	-	57,995,006.19
2. Amount utilized in the period	-	-	-	57,767,118.92	-	-	57,767,118.92
IV. Balance at 30 June 2021	4,319,848,116.60	27,545,428,842.62	192,239,528.01	458,786.33	1,295,599,051.54	832,188,113.25	33,801,283,382.33

## II. PREPARATION BASIS OF THE FINANCIAL STATEMENTS

### 1. Preparation basis

The Group implements the Accounting Standards for Business Enterprises and related regulations promulgated by the Ministry of Finance. The Group also disclosed relevant financial information in accordance with the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public – General Provisions on Financial Reporting (Revised in 2014). In addition, the financial statements also include relevant disclosures required in accordance with the Hong Kong Companies Ordinance and the Listing Rules of Hong Kong Stock Exchange.

### 2. Going concern

The Group has assessed its ability to continue as a going concern for next 12 months from 30 June 2022, and didn't notice any events or circumstances that may cast significant doubts on its ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

### 3. Basis of accounting and principle of measurement

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

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and disclosure purposes in these financial statements is determined on such a basis.

In measuring non-financial assets at fair value, the Group considers the ability of market participants to use the assets for their best purpose to generate economic benefits, or the ability to sell the assets to other market participants who can use the assets for their best purpose to generate economic benefits.

For the financial assets whose fair value is the transaction price in their initial recognition and the valuation technique involving unobservable inputs is used in the subsequent measurement of fair value, the valuation technique will be corrected in the valuation process so as to make the initial recognition result determined by the valuation technique equal to the transaction price.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



### III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The significant accounting policies and accounting estimates adopted by the Group in the preparation of the financial statements for the six months ended 30 June 2022 are consistent with those described in the audited financial report for the year ended 31 December 2021.

### IV. TAXATION

#### 1. Major categories of taxes and tax rates

Category of tax	Basis of tax assessment	Tax rate
Value-added tax ("VAT")	The Company is a general taxpayer in China. VAT payable is the balance of output VAT less deductible input VAT.	13%, 9%
City maintenance and construction tax	Actual turnover tax in China.	For city urban area, tax rate is 7%; For county town, tax rate is 5%; For others, tax rate is 1%.
Enterprise income tax	Taxable income: the amount of taxable income is computed on basis of adjusted pre-tax accounting profit of the period in accordance with the relevant provisions of the tax law multiplying the statutory tax rate.	Note 3
Chinese resource tax	Sales volume of concentrate	6.5%, 8% collection on ad valorem basis (Note 1)
Chinese educational surtax and surcharge	Actual turnover tax	3%
Chinese regional educational surtax and surcharge	Actual turnover tax	2%
Australia goods and services tax ("GST")	Amount of the income from rendering of goods and services in Australia less the deductible purchase cost. It is not required to pay goods and services tax for export goods and the refund policy of goods and services tax is also applicable.	10% of the sales price of goods or services
Australia mining royalty	Royalty of mineral resources can be levied by volume or by price. If levied by volume, the royalty will be levied per the unit of exploited minerals. If levied by price, it will be levied per 4% of the total value or the sales price of exploited minerals.	4% of ex-mine value

## IV. TAXATION (CONTINUED)

### 1. Major categories of taxes and tax rates (continued)

Category of tax	Basis of tax assessment	Tax rate
Brazil social contribution tax and goods circulation tax	Brazil local social contribution tax (PIS & CONFINS) and the goods circulation tax (ICMS) are applicable to CMOC Brazil, of which the tax basis is the balance of income from rendering of goods and services in Brazil less the deductible costs. It is not required to pay social contribution tax and goods circulation tax for export goods.	The social contribution tax is 9.25% of the sales price of goods or services. The goods circulation tax is 4%-25% of the sales price of goods or services. The tax rates imposed by the local states of Brazil are different.
Congo (DRC) VAT	VAT of the Democratic Republic of the Congo ("DRC") is applicable to CMOC Kisanfu Mining S.A.R.L ("KFM") and TFM.	The output VAT is calculated at 16% of the sales amount calculated in accordance with the relevant tax provisions.
Royalties of mining rights in Congo (DRC)	Sales of related products	Note 2
Congo (DRC) exchange tax	The amount of foreign currency paid to or received from countries other than Congo (DRC).	0.2%

*Note 1:* According to the Law of People's Republic of China on Resources Tax, the resources tax is price-based or quantity-based. Since 1 September 2020, the taxes on Tungsten and Molybdenum resources are price-based and are calculated at 6.5% and 8% respectively.

*Note 2:* In accordance with the new mining act of Congo (DRC), the Group calculated and paid royalties of mining rights at 3.5% and 10% respectively in respect of the revenue from sales of products relating to copper and cobalt business in Congo (DRC).

*Note 3:* Applicable tax rates:

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

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

CMOC Mining Pty Limited ("CMOC Mining") and CMOC Mining Services Pty. Limited ("CMOC Mining Services") were incorporated in Australia, and were subject to the enterprise income tax rate of 30%.

CMOC UK Limited ("CMOC UK") was incorporated in the United Kingdom, and was subject to the income tax rate of 19%.

CMOC Brazil Mineração, Indústria e Participações Ltda. ("CMOC Brazil") was incorporated in Brazil, and was subject to the income tax rate of 34%.

There's no enterprise income tax for the subsidiaries of the Group established in Bermuda and the British Virgin Islands ("BVI").

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

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

## IV. TAXATION (CONTINUED)

### 2. Tax incentive

According to the Law of the People's Republic of China on Enterprise Income Tax and the Implementation Provisions, the revenue from products satisfying the state industrial policy produced by comprehensive utilization of resources may be partially deducted when calculating the taxable income. Such deduction represents that the enterprise's revenue from using the resources included in the Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources as the main raw material to produce the products that are neither restricted nor forbidden by the state and satisfy the national and industrial standards is included in taxable income at 90%. The proportion of the aforesaid raw material to the total materials used to produce the product shall not be lower than the standards specified in the Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources. However, the Company's powdered Tungsten (scheelite concentrates) is still within the scope of Catalogue of Preferential Enterprise Income Tax for Comprehensive Utilization of Resources. The Company still recognized 90% of sales of powdered Tungsten (scheelite concentrates) in taxable income during January to June 2022.

The Resource Tax Law of the People's Republic of China ("New Resource Tax Law") was approved by voting at the Twelfth Meeting of the Standing Committee of the Thirteenth National People's Congress on 26 August 2019 and comes into force as at 1 September 2020. The New Resource Tax Law stipulates that the resource tax rate for molybdenum minerals will be reduced from 11% to 8%, and the exemption or reduction of resource tax for associated mines will be decided by the provincial people's congresses; in accordance with the decision of the Nineteenth Meeting of the Standing Committee of the Thirteenth People's Congress of Henan Province on 31 July 2020, associated mines are exempt from resource tax. The Company's tungsten, iron and other associated mines continue to be exempt from resource tax as at 1 September 2020.

On 9 September 2020, the Company received a "high-tech enterprise certificate", No. GR202041000074, which was jointly issued by the Henan Science and Technology Department, the Henan Finance Department, and the Henan Provincial Tax Service, State Taxation Administration. The issuance of the high-tech enterprise certificate is a re-recognition after the expiration of the previous certificate, which is valid for 3 years. The Company will enjoy a preferential enterprise income tax from 1 January 2020 to 31 December 2022 and the applicable enterprise income rate during above period is 15%.

## V. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Cash and bank balances

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Cash on hand	<b>4,108,663.87</b>	1,322,107.51
Bank deposits	<b>26,912,910,395.37</b>	20,391,368,736.18
Other cash and bank balances	<b>2,736,987,800.20</b>	3,925,334,145.87
<b>Total</b>	<b>29,654,006,859.44</b>	24,318,024,989.56
Including: Total amount deposited abroad	<b>17,836,895,135.24</b>	14,633,643,450.92

Note: At the end of the current period, other cash and bank balances which are restricted for use mainly include deposits for mines, deposits for loan interest, and certificates of deposit pledged for obtaining bills and financial derivatives, deposits for derivative financial instruments, deposit for bills, deposit for cash pool and other deposits, amounting to RMB49,905,671.42, RMB726,127,359.59, RMB289,000,000.00, RMB73.48, RMB1,543,130,188.07, RMB100,499,685.17 and RMB28,324,822.47 (31 December 2021: RMB49,678,315.20, RMB640,705,792.41, RMB675,600,000.00, RMB73.31, RMB2,525,168,260.87, RMB0.00 and RMB34,181,704.08) respectively.

### 2. Held-for-trading financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including:		
Receivables (Note 1)	<b>7,914,660,772.74</b>	6,110,112,384.81
Structured deposits (Note 2)	<b>648,410,902.97</b>	938,636,794.54
Wealth management products	<b>10,105,479.47</b>	48,186,385.22
Fund products of financial institutions	<b>20,479,011.04</b>	20,362,000.81
<b>Total</b>	<b>8,593,656,166.22</b>	7,117,297,565.38

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

### 2. Held-for-trading financial assets (continued)

*Note 1:* The major products of the Group are copper, lead and zinc concentrates and cobaltous hydroxide etc., selling price of which is provisionally determined according to the market price upon delivery. Generally, the price is finally determined according to the monthly average spot price quoted by the London Metals Exchange (LME) or other agreed pricing methods within a specified period or a period subsequent to the delivery. The Group classifies the accounts receivable generated from relevant business as financial assets at FVTPL.

As at 30 June 2022, held-for-trading financial assets with a book value of USD369,421,592.77 (equivalent to RMB2,479,336,077.71) were pledged to obtain short-term borrowings.

*Note 2:* They are the RMB structured deposits purchased by the Group from domestic financial institutions in the current year, of which the yield is linked to exchange rate, interest rate, gold price, stock index, etc. The Group classifies such deposits as financial assets at fair value through profit and loss.

### 3. Derivative financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Derivative financial instruments of which hedging relationship is not designated ( <i>Note 1</i> )		
Forward commodity contracts	<b>1,800,341,567.97</b>	1,335,447,376.63
Forward foreign exchange contracts	<b>55,557,358.23</b>	58,414,462.37
Commodity futures contracts	<b>3,344,879,650.41</b>	436,957,595.83
Commodity option contracts	<b>7,163,261.78</b>	–
Derivative financial instruments of which hedging relationship is designated		
Forward foreign exchange and exchange rate option contracts ( <i>Note 2</i> )	<b>9,369,025.61</b>	–
Commodity futures contracts ( <i>Note 3</i> )	<b>2,046,394,213.30</b>	–
<b>Total</b>	<b>7,263,705,077.30</b>	1,830,819,434.83

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

### 3. Derivative financial assets (continued)

*Note 1:* The Group uses commodity (copper, lead, zinc concentrates, refined metals etc.) futures contracts, forward commodity contracts and commodity option contracts to manage the risk of commodity purchases and future sales so as to avoid bearing the risk of significant changes in the price of relevant products arising from the fluctuation of the market price. Besides, the Group uses forward foreign exchange contracts for risk management to avoid the Group's exchange rate risk.

The above forward commodity contracts, forward foreign exchange contracts, commodity futures contracts and commodity option contracts are not designated as hedging instruments. The gains or losses arising from changes in fair value of these contracts shall be directly recorded into profit or loss. See Note V 56.

*Note 2:* The forward foreign exchange and exchange rate option contracts purchased by the Group are used to hedge the cash flow risk of capital expenditure of Brazil subsidiary. The Group accounts the above hedging instruments and corresponding hedged items according to hedge accounting. See Note V 67.

*Note 3:* The commodity futures contracts purchased by the Group are used to hedge the fair value risk caused by price fluctuations of some copper products of the Group or the cash flow risk caused by expected sales. The Group accounts the above hedging instruments and corresponding hedged items according to hedge accounting. See Note V 67.

### 4. Accounts receivable

#### (1). Disclosure by aging

Unit: Yuan Currency: RMB

Aging	Closing balance
Within 1 year	<b>792,879,899.96</b>
1 – 2 years	<b>600,098.14</b>
2 – 3 years	<b>20,580,793.58</b>
Over 3 years	<b>26,646,340.18</b>
Total	<b>840,707,131.86</b>

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

### 4. Accounts receivable (continued)

#### (2). *Bad debt provision assessed based on ECL model*

As the Group has a long-term and stable transaction relationship with the customers with high credit rating in respect of the niobium business in Brazil, acid business and quicklime business in Congo (DRC), and metal trading business in Switzerland, the management believes that the credit risk is low. The Group measures internal credit rating for the customers on the basis of their aging at the balance sheet date and historical repayments in respect of the tungsten and molybdenum business in China and phosphorus business in Brazil, and recognizes expected loss rate of accounts receivable in all ratings. At the balance sheet date, the Group recognizes the expected credit loss allowance for accounts receivables based on provision matrix.

Unit: Yuan Currency: RMB

Internal credit rating	30 June 2022				31 December 2021			
	Expected average loss rate	Book balance	Loss allowance	Book value	Expected average loss rate	Book balance	Loss allowance	Book value
Low risk	0.08%	601,144,111.70	485,121.80	600,658,989.90	0.04%	623,785,238.20	263,044.42	623,522,193.78
Normal	5.62%	174,242,343.41	9,798,575.50	164,443,767.91	2.54%	49,637,331.37	1,260,825.22	48,376,506.15
Attention	7.71%	10,087,143.62	778,067.07	9,309,076.55	6.45%	69,601,340.76	4,488,581.80	65,112,758.96
Doubtful (impaired)	37.16%	34,536,578.43	12,833,060.07	21,703,518.36	51.24%	18,236,556.11	9,344,536.26	8,892,019.85
Loss (impaired)	100.00%	20,696,954.70	20,696,954.70	-	100.00%	20,670,171.90	20,670,171.90	-
Total	/	840,707,131.86	44,591,779.14	796,115,352.72	/	781,930,638.34	36,027,159.60	745,903,478.74

The expected average loss rate is measured based on historical actual impairment rate, taking into account the current situation and prediction on future economy. The evaluation approach and significant assumptions of the Group remain unchanged during the reporting period.

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

### 4. Accounts receivable (continued)

#### (3). Changes in provision for expected credit loss on accounts receivable

Unit: Yuan Currency: RMB

	<b>Lifetime ECL</b>
1 January 2022	36,027,159.60
Book balance of accounts receivable at 1 January 2022 transferred in the current period	
Transfer to credit-impaired	–
Transfer from credit-impaired	–
Provision of ECL for the period	18,674,479.20
Reversal of ECL for the period	-11,370,255.59
Changes in exchange rate	1,260,395.93
30 June 2022	44,591,779.14

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

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance	Proportion of the amount to the total accounts receivable (%)	Closing balance of bad debt provision
30 June 2022				
Company A	Third party	99,554,313.02	11.84	115,704.41
Company B	Third party	56,070,722.71	6.67	65,166.74
Company C	Third party	44,735,617.62	5.32	51,992.81
Company D	Third party	31,314,000.00	3.72	36,393.88
Company E	Third party	30,588,338.65	3.64	35,550.50
Total	/	262,262,992.00	31.19	304,808.34



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

### 5. Financing receivables

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Notes receivable		
Including: Bank acceptances	<b>576,113,945.12</b>	662,544,587.40
Others	-	429,070.40
<b>Total</b>	<b>576,113,945.12</b>	662,973,657.80

Part of notes receivable are endorsed or discounted by the Group according to its daily funds demand. Therefore, relevant notes receivable are classified as financial assets at fair value through other comprehensive income.

#### *Bad debt provision assessed based on ECL model:*

At 30 June 2022, the Group measures bad debt provision at lifetime ECL. The Group considers that there is minor possibility of significant loss arising from the default of banks, therefore it has no significant credit risk on bank acceptances.

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

Unit: Yuan Currency: RMB

Category	Amount derecognized as at the end of the period	Amount derecognized as at 31 December 2021
Bank acceptances	<b>2,380,773,692.16</b>	1,511,576,931.98
<b>Total</b>	<b>2,380,773,692.16</b>	1,511,576,931.98

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

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

### 5. Financing receivables (continued)

*Bad debt provision assessed based on ECL model: (continued)*

- (2) At 30 June 2022, the Group's financing receivables of RMB503,235,382.80 (31 December 2021: RMB430,703,171.04) were pledged for issue of notes payable.
- (3) At the end of the current period and the end of the previous year, the Group had no notes converted into accounts receivable due to the drawer's inability to perform obligations:

### 6. Prepayments

(1). *Disclosure of prepayments by aging*

Unit: Yuan Currency: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,834,168,158.64	99.29	1,456,806,903.44	98.90
1 – 2 years	12,806,368.11	0.70	12,735,523.50	0.86
2 – 3 years	404.81	0.00	298,364.08	0.02
Over 3 years	272,049.87	0.01	3,227,953.36	0.22
Total	1,847,246,981.43	100.00	1,473,068,744.38	100.00

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

Unit: Yuan Currency: RMB

Name of entity	Relationship with the Company	Closing balance	Proportion to total prepayments at the end of the period (%)
30 June 2022			
Company F	Third party	135,394,270.65	7.33
Company G	Third party	129,128,076.60	6.99
Company H	Third party	121,697,748.08	6.59
Company I	Third party	111,624,004.80	6.04
Company J	Third party	104,099,428.09	5.64
Total	–	601,943,528.22	32.59

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

### 7. Other receivables

#### Presentation of items

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable	496,201,585.68	409,454,105.99
Dividends receivable	–	900,000.00
Other receivables	2,542,059,688.62	1,748,067,581.52
Total	3,038,261,274.30	2,158,421,687.51

#### Interest receivable

##### (1). Categories of Interest receivable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest receivable on bank deposits	391,739,446.77	323,841,461.91
Interest receivable from related parties (Note X 6)	80,468,657.34	65,183,288.85
Interest receivable from third parties	23,993,481.57	20,429,355.23
Total	496,201,585.68	409,454,105.99

#### Dividends receivable

##### (1). List of dividends receivable

Unit: Yuan Currency: RMB

Item (or investee)	Closing balance	Opening balance
Luoyang Shenyu Molybdenum Co., Ltd.	–	900,000.00
Total	–	900,000.00

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

### 7. Other receivables (continued)

#### Other receivables

- (1). Disclosure of other receivables by nature

Unit: Yuan Currency: RMB

Nature of other receivables	Closing balance	Opening balance
Deductible Brazil social contribution tax (Note 1)	429,159,949.24	214,598,313.48
Congo (DRC) VAT refunds receivable (Note 2)	1,204,046,966.61	1,130,647,232.15
Deposits	132,894,597.87	75,375,019.22
Gains in close position (Note 3)	213,381,835.31	66,570,087.57
Advances receivable	156,561,785.11	–
Others	434,426,270.70	289,676,044.11
<b>Total</b>	<b>2,570,471,404.84</b>	<b>1,776,866,696.53</b>

Note 1: Details are set out in Note 3 of Note V 22.

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

Note 3: This represents the gains to be received upon settlement after the period in respect of the closing position part of forward commodity contracts of the Group.

- (2). Credit risk on other receivables

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

Unit: Yuan Currency: RMB

	30 June 2022			31 December 2021		
	Book balance	Loss allowance	Book value	Book balance	Loss allowance	Book value
Other receivables for which the loss allowance has been recognized based on ECL	937,264,488.99	28,411,716.22	908,852,772.77	1,776,866,696.53	28,799,115.01	1,748,067,581.52

At 30 June 2022, the management of the Group believes that there's no significant ECL on other receivables as their credit risk has not been increased significantly since the initial recognition, except for the receivables of RMB28,411,716.22 (31 December 2021: RMB28,799,115.01) that have become credit-impaired and for which impairment has been provided in full amount.

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

### 7. Other receivables (continued)

*Other receivables (continued)*

(3). Bad debt provision for other receivables

Unit: Yuan Currency: RMB

Jan to Jun 2022

Category	Opening balance	Provision	Changes for the period		Other changes	Closing balance
			Recovery or reversal	Write-off or elimination		
Impairment provision	28,799,115.01	314.50	-	387,713.29	-	28,411,716.22
<b>Total</b>	<b>28,799,115.01</b>	<b>314.50</b>	<b>-</b>	<b>387,713.29</b>	<b>-</b>	<b>28,411,716.22</b>

2021

Category	Opening balance	Provision	Changes for the period		Other changes	Closing balance
			Recovery or reversal	Write-off or elimination		
Impairment provision	28,938,592.24	-	35,000.00	104,477.23	-	28,799,115.01
<b>Total</b>	<b>28,938,592.24</b>	<b>-</b>	<b>35,000.00</b>	<b>104,477.23</b>	<b>-</b>	<b>28,799,115.01</b>

Note: The provision for expected credit loss on other receivables has been made based on the other receivables that have become credit-impaired.

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

Unit: Yuan Currency: RMB

Name of entity	Nature of other receivables	Closing balance	Aging	Proportion to total other Receivables at the end of the period (%)	Closing balance of bad debt provision
Congo (DRC) government	Local tax authority	1,204,046,966.61	Within 4 year	46.84	-
Federal government of Brazil	Local government	429,159,949.24	Within 2 year	16.70	-
Company K	Third party	156,561,793.56	Within 3 year	6.09	-
Company L	Third party	85,686,321.31	Within 1 year	3.33	-
Company M	Third party	56,678,464.27	Within 1 year	2.20	-
<b>Total</b>	<b>-</b>	<b>1,932,133,494.99</b>	<b>-</b>	<b>75.16</b>	<b>-</b>

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

### 8. Inventories

Unit: Yuan Currency: RMB

Item	30 June 2022 Book value	31 December 2021 Book value
Inventories:		
– measured at cost	<b>16,462,879,253.88</b>	15,104,113,469.50
– measured at fair value	<b>17,179,033,940.92</b>	17,967,395,337.60
Total	<b>33,641,913,194.80</b>	33,071,508,807.10

Note: As at 30 June 2022, the book value of the inventories measured at fair value, which were pledged by the Group to obtain short-term borrowings, was USD2,649,528,407.23, equivalent to RMB17,782,044,952.29 (31 December 2021: USD2,605,557,836.09, equivalent to RMB16,612,255,095.55).

As at 30 June 2022, the Group pledged warehouse receipts with a book value of RMB0.00 (31 December 2021: RMB45,177,672.00), which is measured at cost, to acquire futures trading quotas.

#### *Inventories measured at cost*

##### (1) Categories of inventories

Current:

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value	Book value	Book balance	Provision for decline in value	Book value
Raw materials	<b>2,969,131,852.40</b>	<b>24,994,255.43</b>	<b>2,944,137,596.97</b>	2,527,285,925.10	20,505,753.59	2,506,780,171.51
Work-in-progress	<b>3,604,485,793.73</b>	<b>478,023.41</b>	<b>3,604,007,770.32</b>	3,254,749,545.80	670,344.70	3,254,079,201.10
Goods on hand	<b>1,856,306,765.69</b>	<b>448,821.49</b>	<b>1,855,857,944.20</b>	1,419,548,028.89	727,496.39	1,418,820,532.50
Trading inventories	<b>1,515,686,971.93</b>	<b>-</b>	<b>1,515,686,971.93</b>	1,858,533,615.54	<b>-</b>	1,858,533,615.54
Total	<b>9,945,611,383.75</b>	<b>25,921,100.33</b>	<b>9,919,690,283.42</b>	9,060,117,115.33	21,903,594.68	9,038,213,520.65

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

### 8. Inventories (continued)

*Inventories measured at cost (continued)*

#### (1) Categories of inventories (continued)

Non-current:

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for decline in value	Book value	Book balance	Provision for decline in value	Book value
Raw materials (note)	6,560,575,038.60	17,386,068.14	6,543,188,970.46	6,083,949,455.96	18,049,507.11	6,065,899,948.85
Total	6,560,575,038.60	17,386,068.14	6,543,188,970.46	6,083,949,455.96	18,049,507.11	6,065,899,948.85

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

#### (2) Provision for decline in value of inventories

Current:

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period			Decrease in the current period	Closing balance
		Provision	Others	Reversal or write-off		
Raw materials	20,505,753.59	3,383,478.96	1,105,022.88	-	24,994,255.43	
Work-in-progress	670,344.70	-	12,473.42	204,794.71	478,023.41	
Goods on hand	727,496.39	1,648,703.09	-	1,927,377.99	448,821.49	
Total	21,903,594.68	5,032,182.05	1,117,496.30	2,132,172.70	25,921,100.33	

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

### 8. Inventories (continued)

#### *Inventories measured at cost (continued)*

#### (2) Provision for decline in value of inventories (continued)

Non-current:

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period	Closing balance
		Provision	Others	Reversal or write-off	
Raw materials	18,049,507.11	-	576.27	664,015.24	<b>17,386,068.14</b>
Total	18,049,507.11	-	576.27	664,015.24	<b>17,386,068.14</b>

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

#### *Inventories measured at fair value*

#### (1). Categories of inventories

Unit: Yuan Currency: RMB

Item	30 June 2022 Book value	31 December 2021 Book value
Current: Trading inventories outside of the PRC	<b>17,126,194,459.32</b>	17,921,750,932.26
Non-current: Consumable biological assets	<b>52,839,481.60</b>	45,644,405.34
Total	<b>17,179,033,940.92</b>	17,967,395,337.60

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

Unit: Yuan Currency: RMB

Item	Quantity	1 January 2022	Increase in the period		Utilized	Decrease in the period	Translation differences of financial statements denominated in foreign currencies	30 June 2022
			Transfer from construction in progress	Changes in fair value				
Eucalyptus forest in Brazil	2,321 hectares	45,644,405.34	-	6,264,332.01	1,592,412.94	2,523,157.19	52,839,481.60	



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

### 9. Non-current assets due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Loans receivable from SNEL (Note V 22)	107,651,917.14	126,688,005.30
Loans to suppliers (Note V 22)	19,776,257.21	39,254,087.39
Loans to related parties (Note V 22)	383,449,791.09	407,791,549.93
Certificate of deposit due within one year (Note V 22)	2,285,000,000.00	–
Total	2,795,877,965.44	573,733,642.62

### 10. Other current assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Derivative financial instruments deposits (Note 1)	3,348,293,674.69	4,475,288,356.94
Prepayment of VAT/input VAT to be deducted (Note 2)	546,076,153.29	499,275,024.08
Prepayment of enterprise income tax	30,350,136.89	54,751,711.56
Prepaid insurance expenses (Note 3)	19,878,095.57	59,461,725.83
Prepayment of other taxes	11,287,187.38	–
Others	27,167,803.20	26,897,079.75
Total	3,983,053,051.02	5,115,673,898.16

The Group accounts for the provision for expected credit loss on relevant financial assets in other current assets using ECL model. At 30 June 2022, the Group's management believes that the credit risk on relevant financial assets is low.

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

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

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

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

### 11. Long-term equity investment

Unit: Yuan Currency: RMB

Investee	Notes	Opening balance	Additional investment	Changes in the current period			Closing balance
				Investment income (loss) recognized under equity method	Declared distribution of cash dividends or profit	Others	
<b>I. Joint venture</b>							
Xuzhou Huanyu Molybdenum Co., Ltd. ("Huan Yu")	Note 1	663,880,936.06	-	-70,949,252.24	-	-	592,931,683.82
Sub-total		663,880,936.06	-	-70,949,252.24	-	-	592,931,683.82
<b>II. Associates</b>							
Luoyang Yulu Mining Co., Ltd. ("Yulu Mining")	Note 2	74,533,921.32	-	37,099,737.94	-41,750,000.00	-	69,883,659.26
Caly Nanomoly Development, Inc. ("Nanomoly Development")	Note 3	-	-	-	-	-	-
Luoyang Shenyu Molybdenum Co., Ltd. ("Luoyang Shenyu")	Note 4	2,901,884.19	-	151,071.63	-	-	3,052,955.82
Natural Resources Investment Fund	Note 5	-	-	-	-	-	-
Zhejiang Youqing Trade Co., Ltd ("You Qing")	Note 6	3,197,145.02	-	-3,197,145.02	-	-	-
Walvis Bay Cargo Terminal Pty. Ltd ("Walvis Bay")	Note 7	9,877,417.55	-	2,576,741.71	-	309,308.01	12,763,467.27
PT.Huayue Nickel Cobalt ("Huayue Nickel Cobalt")	Note 8	493,987,595.03	-	315,985,172.39	-	34,115,352.81	844,088,120.23
Beijing Youhong Yongsheng Science & Technology Co., Ltd. ("Beijing Youhong")	Note 9	871,828.50	-	532,887.09	-	-	1,404,715.59
Tongxiang Huaang Trade Co., Ltd. ("Tongxiang Huaang")	Note 10	-	-	1,237,535.45	-	-	1,237,535.45
ENERLOG SA	Note 11	216,773.80	-	-	-	11,413.80	228,187.60
Hong Kong CBC Investment Limited ("CBC")	Note 12	-	22,181.20	-	-	498.44	22,679.64
Sub-total		585,586,565.41	22,181.20	354,386,001.19	-41,750,000.00	34,436,573.06	932,681,320.86
Total		1,249,467,501.47	22,181.20	283,436,748.95	-41,750,000.00	34,436,573.06	1,525,613,004.68

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

### 11. Long-term equity investment (continued)

- Note 1:* Huan Yu, a joint venture of the Group (holding 50% equity in the joint venture), holds 90% of equity in Luoyang Fuchuan Mining Co., Ltd. ("Fu Chuan Mining"). Meanwhile, the Group holds 10% of equity in Fu Chuan Mining directly. According to the agreement with local government, the local government has the right to 8% dividends of Fu Chuan Mining, therefore the Group is entitled to 47% profit or loss of Fu Chuan Mining under equity method.
- Note 2:* According to the resolution of Yulu Mining's 2007 annual general meeting of shareholders, both investors would share the net profit at the ratio of 1:1 since year 2008. Therefore, the Group holds 40% equity interest in Yulu Mining but recognizes investment income at 50% out of its net profit.
- Note 3:* The Group holds 40% equity in Nanomoly Development and accounts for the investment therein using equity method. In accordance with Articles of Association of Nanomoly Development, the Group does not assume any additional liabilities for excess loss. As at the end of the period, the Group has written down its investment in Nanomoly Development to zero.
- Note 4:* On 7 April 2016, the Company entered into a collaboration agreement with a third party to establish Luoyang Shenyu, with capital contribution of RMB1.5 million by way of intangible assets from the Company and RMB8.5 million in cash from the counterparty respectively. Meanwhile, the Company assigned a director and a supervisor to Luoyang Shenyu. Therefore, the Company has significant influence over Luoyang Shenyu and accounts for it as an associate.
- Note 5:* The Group, as a limited partner, holds 45% shares of Natural Resources Investment Fund and has significant influence on the operating decision of relevant investment entities. The relevant investments are accounted for using equity method.
- Note 6:* On 11 October 2019, the Company signed an equity transfer agreement with a third party. According to the agreement, the Company purchases 30% equity of You Qing held by the third party at cash consideration of RMB1.5 million. Meanwhile, the Company assigns two directors and one supervisor to You Qing. Therefore, the Company has significant influence over You Qing and accounted for it as an associate.
- Note 7:* Walvis Bay is an associate of IXM Holding, a wholly-owned subsidiary of the Company.
- Note 8:* In November 2019, the Group's wholly-owned subsidiary Luoyang Molybdenum Holding signed an equity transfer agreement with Newstride Limited. According to the agreement, Luoyang Molybdenum Holding acquires 100% equity of W-Source Holding Limited ("W-Source Holding") at the consideration of USD1,125.87 so as to indirectly acquire 21% share of PT.Huayue Nickel Cobalt held by W-Source Holding. On 25 July 2020, Luoyang Molybdenum Holding increased its equity in Huayue Nickel Cobalt to 30% through subscription of the additional registered capital of Huayue Nickel Cobalt via W-Source Holding. W-Source Holding assigns a director and a supervisor to Huayue Nickel Cobalt. Therefore, the Group has significant influence over Huayue Nickel Cobalt and accounts for it as an associate.
- Note 9:* Beijing Youhong was incorporated on 27 August 2020. On 22 October 2020, the Company, as the shareholder holding 30% equity, made a cash contribution of RMB900,000 and assigned one director and one supervisor. Therefore, the Company has significant influence over Beijing Youhong and accounts for it as an associate.
- Note 10:* Tongxiang Huaang was incorporated on 31 August 2019. On 22 October 2020, the Company, as the shareholder holding 30% of the shares, made a cash contribution of RMB600,000 and assigned one director and one supervisor. Therefore, the Company has significant influence over Tongxiang Huaang and accounts for it as an associate. According to the articles of association of Tongxiang Huaang, the group has no additional obligations for excess losses. As of the end of the current period, the Group's investment in Tongxiang Huaang has been written down to zero.

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

### 11. Long-term equity investment (continued)

*Note 11:* On 14 July 2021, the Company, as the shareholder holding 34% equity, made a cash contribution of USD34,000. As the Company has significant influence, it is accounted for as an associate.

*Note 12:* On November 15, 2021, Hong Kong CBC Investment Limited was established. On March 24, 2022, the Company, as a shareholder holding 34% of the shares, contributed USD3,400 in cash and assigned a director. As the Company has significant influence, it is accounted for as an associate.

In respect of the Group's long-term equity investments, there is no restriction on transfer of funds to the investees.

In respect of the Group's long-term equity investments, the investees are non-listed companies.

### 12. Other investments in equity instruments

#### (1). Details of other investments in equity instruments

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Equity Z	<b>61,792,733.00</b>	61,792,733.00
Equity AA	<b>5,795,576.24</b>	5,795,576.24
Equity AB	<b>194,134.55</b>	184,424.07
Total	<b>67,782,443.79</b>	67,772,733.31

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

Unit: Yuan Currency: RMB

Item	Opening balance	Changes in fair value	Translation differences of financial statements denominated in foreign currencies	Closing balance
Equity Z	61,792,733.00	–	–	<b>61,792,733.00</b>
Equity AA	5,795,576.24	–	–	<b>5,795,576.24</b>
Equity AB	184,424.07	–	9,710.48	<b>194,134.55</b>
Total	67,772,733.31	–	9,710.48	<b>67,782,443.79</b>

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

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

### 13. Other non-current financial assets

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Entrusted wealth management products of banking financial institutions ( <i>Note 1</i> )	<b>89,185,763.30</b>	135,500,909.61
Fund trust ( <i>Note 2</i> )	<b>350,596,910.41</b>	350,656,692.83
AC Partnership shares	<b>793,168,564.22</b>	1,042,698,709.16
AD Partnership shares	<b>250,705,231.62</b>	250,705,231.62
AE Partnership shares	<b>109,302,305.80</b>	104,497,907.15
AF Fund shares	<b>337,498,527.60</b>	328,222,632.93
Target asset management plans ( <i>Note 3</i> )	<b>1,091,057,728.86</b>	1,016,523,101.98
AI company equity	<b>1,738,341.08</b>	6,951,096.76
AJ company equity	<b>144,170,708.37</b>	137,833,664.06
AK Fund shares	<b>459,714,109.77</b>	402,066,617.71
AL Partnership	<b>222,304,759.37</b>	127,500,000.00
AM company equity	<b>4,296,945.73</b>	9,243,163.95
Others	<b>4,928.00</b>	4,928.00
Total	<b>3,853,744,824.13</b>	3,912,404,655.76

*Note 1:* This represents the non-principle preservation wealth management product with floating yield purchased by the Group from domestic banking financial institutions, with an expected yield of 5.00% over a period of 5 years.

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

*Note 3:* This represents the Group's target asset management plans, which mainly include shares and fund investments.

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

### 14. Non-current derivative financial liabilities

Unit: Yuan Currency: RMB

Item	30 June 2022	31 December 2021
Non-current derivative financial liabilities – Interest rate swaps contracts ( <i>note</i> )	<b>265,353,691.99</b>	357,204,494.71
Total	<b>265,353,691.99</b>	357,204,494.71

*Note:* This represents the forward interest rate swaps contracts purchased by the Group, which are used to hedge the cash flow risk due to a part of loans with floating interest rate on the balance sheet of the Group. The Group accounted for the above hedging instrument and corresponding hedged items according to hedge accounting. Refer to Note V 67 for details.

### 15. Fixed assets

#### *Presentation of items*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Fixed assets	<b>26,271,792,773.16</b>	24,959,306,845.68
Total	<b>26,271,792,773.16</b>	24,959,306,845.68

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

### 15. Fixed assets (continued)

#### Fixed assets

##### (1). Details of fixed assets

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Electronic equipment, fixture and furniture	Transportation devices	Total
I. Original carrying amount					
1. Opening balance	16,710,577,422.48	22,227,594,090.61	246,449,585.21	86,325,420.71	39,270,946,519.01
2. Increase in the current period	2,025,911,145.27	1,186,678,210.87	6,853,898.74	16,697,638.15	3,236,140,893.03
(1) Purchase	640,074,391.75	32,596,709.82	5,653,819.95	15,931,247.54	694,256,169.06
(2) Transfer from construction in progress	1,065,029,178.50	98,885,099.06	685,932.10	-	1,164,600,209.66
(3) Revaluation of rehabilitation and asset disposal cost (Note 1)	-187,130,042.92	-	-	-	-187,130,042.92
(4) Translation differences of financial statements denominated in foreign currencies	507,937,617.94	1,055,196,401.99	514,146.69	766,390.61	1,564,414,557.23
3. Decrease in the current period	-	53,971,343.36	169,964.32	1,610,926.92	55,752,234.60
(1) Disposal or retirement	-	53,971,343.36	169,964.32	1,610,926.92	55,752,234.60
4. Closing balance	18,736,488,567.75	23,360,300,958.12	253,133,519.63	101,412,131.94	42,451,335,177.44
II. Accumulated depreciation					
1. Opening balance	6,212,994,836.89	7,814,007,913.54	187,210,178.09	42,351,462.98	14,256,564,391.50
2. Increase in the current period	693,399,138.70	1,164,571,189.53	13,843,403.77	6,369,625.73	1,878,183,357.73
(1) Provision	535,322,080.38	800,538,770.38	13,576,511.10	6,166,436.98	1,355,603,798.84
(2) Translation differences of financial statements denominated in foreign currencies	158,077,058.32	364,032,419.15	266,892.67	203,188.75	522,579,558.89
3. Decrease in the current period	-	24,152,769.90	74,768.15	1,436,974.12	25,664,512.17
(1) Disposal or retirement	-	24,152,769.90	74,768.15	1,436,974.12	25,664,512.17
4. Closing balance	6,906,393,975.59	8,954,426,333.17	200,978,813.71	47,284,114.59	16,109,083,237.06
III. Impairment provision					
1. Opening balance	27,200,779.13	26,895,149.79	973,691.94	5,660.97	55,075,281.83
2. Increase in the current period	-	15,456,371.96	332,024.61	1,604.00	15,790,000.57
(1) Provision	-	14,563,911.38	332,024.61	1,604.00	14,897,539.99
(2) Translation differences of financial statements denominated in foreign currencies	-	892,460.58	-	-	892,460.58
3. Decrease in the current period	-	406,115.18	-	-	406,115.18
(1) Disposal or retirement	-	406,115.18	-	-	406,115.18
4. Closing balance	27,200,779.13	41,945,406.57	1,305,716.55	7,264.97	70,459,167.22
IV. Carrying amount					
1. Closing carrying amount	11,802,893,813.03	14,363,929,218.38	50,848,989.37	54,120,752.38	26,271,792,773.16
2. Opening carrying amount	10,470,381,806.46	14,386,691,027.28	58,265,715.18	43,968,296.76	24,959,306,845.68

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

### 15. Fixed assets (continued)

#### Fixed assets (continued)

(1). Details of fixed assets (continued)

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

At the end of the period, the Group had no fixed assets pledged as collaterals.

(2). At the end of the period, the Group had no fixed assets held under finance lease.

(3). At the end of the period, the Group had no fixed assets leased out under operating lease.

(4). Details of the fixed assets without certificate of titles

Unit: Yuan Currency: RMB

Item	Carrying amount	Reason why the certificates of titles are not obtained
High-pressure roller mill workshop	21,587,477.70	Completed and settled, asset right transaction is in progress
High-pressure roller mill slope retaining	7,194,855.67	Completed and settled, asset right transaction is in progress
Tungsten and molybdenum extraction and separation workshop	5,392,312.51	Completed and settled, asset right transaction is in progress
Main decomposition workshop	5,326,495.76	Completed and settled, asset right transaction is in progress
Main extraction workshop	5,235,623.11	Completed and settled, asset right transaction is in progress
Office staff dining hall	4,803,694.76	Completed and settled, asset right transaction is in progress
Main crystallization workshop	4,391,140.45	Completed and settled, asset right transaction is in progress
Others	18,215,873.08	Completed and settled, asset right transaction is in progress
<b>Total</b>	<b>72,147,473.04</b>	



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

### 16. Construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Construction in progress	<b>6,670,766,380.79</b>	3,882,051,384.27
Total	<b>6,670,766,380.79</b>	3,882,051,384.27

#### Construction in progress

##### (1). Details of construction in progress

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Northparkes E26 underground mine development project	2,020,049.15	-	2,020,049.15	759,416,521.10	-	759,416,521.10
Northparkes E48 mine northern extension project	-	-	-	4,960,181.11	-	4,960,181.11
KFM early works	938,820,489.88	-	938,820,489.88	390,191,940.88	-	390,191,940.88
TFM Kwatebala KT2 tailings pond project Phase I	501,381,032.29	-	501,381,032.29	454,829,806.01	-	454,829,806.01
TFM mixed ore development upfront expenses	1,311,992,331.13	-	1,311,992,331.13	174,334,158.89	-	174,334,158.89
TFM dehydration equipment installation project	55,299,858.49	-	55,299,858.49	34,284,736.73	-	34,284,736.73
TFM mine transportation road repair and construction project	48,492,223.25	-	48,492,223.25	24,100,940.87	-	24,100,940.87
TFM mine power supply project	18,548,123.83	-	18,548,123.83	13,007,794.81	-	13,007,794.81
TFM production process optimization research	48,948,326.57	-	48,948,326.57	3,344,458.30	-	3,344,458.30
Copebras phosphorus production plant maintenance project	322,769,874.30	-	322,769,874.30	302,375,137.79	-	302,375,137.79
Copebras phosphorus production process improvement project	71,988,107.61	-	71,988,107.61	21,931,325.84	-	21,931,325.84
Niobras Niobium production plant maintenance project	132,446,143.97	-	132,446,143.97	112,194,731.75	-	112,194,731.75
Niobras tailings dam heightening project	30,580,134.77	-	30,580,134.77	7,734,331.19	-	7,734,331.19
KFM development upfront expenses	2,278,727,438.77	-	2,278,727,438.77	380,527,999.72	-	380,527,999.72
Quicklime Plant	17,574,224.26	-	17,574,224.26	11,660,876.17	-	11,660,876.17
Building acquisition and decoration project	-	-	-	220,546,701.82	-	220,546,701.82
Molybdenum mine project in East Gobi of Hami of Xinjiang	92,027,473.24	31,615,388.19	60,412,085.05	92,027,473.24	31,615,388.19	60,412,085.05
Project replacing Xuansan Tailing	41,179,924.78	-	41,179,924.78	40,179,924.78	-	40,179,924.78
Others	789,586,012.69	-	789,586,012.69	866,017,731.46	-	866,017,731.46
Total	<b>6,702,381,768.98</b>	<b>31,615,388.19</b>	<b>6,670,766,380.79</b>	3,913,666,772.46	31,615,388.19	3,882,051,384.27

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

### 16. Construction in progress (continued)

#### *Construction in progress (continued)*

#### (2). Change in significant construction in progress in the current period

Unit: Yuan Currency: RMB

Project name	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Transfer to long-term prepaid expenses	Other decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance	Proportion of project investment to budget amount (%)	Accumulated capitalization of interest	Including: interest capitalization for the current period	Capitalization rate for the current period (%)	Source of funds
Northparkes E26 underground mine development project	1,296,989,040.43	759,416,521.10	59,526,908.77	834,280,708.98	-	-	-	17,357,328.26	2,020,049.15	96.00	-	-	-	Funds in hand
Northparkes E48 mine northern extension project	159,176,699.84	4,960,181.11	10,115.60	5,101,227.67	-	-	-	130,930.96	-	89.00	-	-	-	Funds in hand
KFM early works	969,108,984.59	390,191,940.88	514,174,849.48	-	-	-	-	34,453,699.52	938,820,489.88	97.00	278,565,860.97	175,897,004.82	5.00	Funds in hand/ self-raised funds
TFM Kwatabala KT2 tailings pond project Phase I	793,287,480.00	454,829,806.01	22,037,758.08	-	-	-	-	24,513,468.20	501,381,032.29	64.00	-	-	-	Funds in hand
TFM mixed ore development upfront expenses	16,845,614,000.00	174,334,158.89	1,100,256,045.40	-	-	-	-	37,402,126.84	1,311,992,331.13	13.00	-	-	-	Funds in hand
TFM dehydration equipment installation project	178,872,232.8 0	34,284,736.7 3	27,078,498.00	8,349,006.14	-	-	-	2,265,629.90	55,299,858.49	77.00	-	-	-	Funds in hand
TFM mine transportation road repair and construction project	61,006,626.00	24,100,940.87	22,546,329.46	-	-	-	-	1,844,952.92	48,492,223.25	79.00	-	-	-	Funds in hand
TFM mine power supply project	95,677,718.40	13,007,794.81	4,731,680.07	-	-	-	-	808,648.95	18,548,123.83	95.00	-	-	-	Funds in hand
TFM production process optimization research	2,083,084,380.00	3,344,458.30	44,291,638.10	-	-	-	-	1,312,230.17	48,948,326.57	99.00	-	-	-	Funds in hand
Copobras phosphorus production plant maintenance project	848,101,933.06	302,375,137.79	56,480,015.66	52,106,524.15	-	-	11,613.30	16,032,658.3	322,769,874.30	44.36	-	-	-	Funds in hand

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

### 16. Construction in progress (continued)

#### Construction in progress (continued)

#### (2). Change in significant construction in progress in the current period (continued)

Project name	Budget	Opening balance	Increase in the current period	Transfer to fixed assets	Transfer to intangible assets	Transfer to long-term prepaid expenses	Other decreases	Translation differences of financial statements denominated in foreign currencies	Closing balance	Proportion of project investment to budget amount (%)	Accumulated capitalization of interest	Including: interest capitalization for the current period	Capitalization rate for the current period (%)	Source of funds
Copebras phosphorus production process improvement project	180,731,649.53	21,931,325.84	49,652,528.69	973,522.34	-	-	-	2,377,775.42	71,988,107.61	40.38	-	-	-	Funds in hand
Niobras Niobium production plant maintenance project	411,806,024.88	112,194,731.75	35,074,092.17	21,053,063.60	35,749.64	-	-	6,286,133.29	132,446,143.97	37.41	-	-	-	Funds in hand
Niobras tailings dam heightening project	144,335,343.84	7,734,331.19	21,917,454.91	40,068.90	-	-	-	968,417.57	30,580,134.77	21.22	-	-	-	Funds in hand
KFM development upfront expenses	7,826,914,024.45	380,527,999.72	1,831,892,903.65	-	-	-	-	66,306,535.40	2,278,727,438.77	35.00	264,248,960.19	168,999,083.00	5.00	Funds in hand/ self-raised funds
Quicklime Plant	268,456,000.00	11,660,876.17	5,166,831.97	-	-	-	-	746,516.12	17,574,224.26	78.00	-	-	-	Funds in hand
Building acquisition and decoration project	250,000,000.00	220,546,701.82	17,051,966.93	159,683,378.92	-	77,915,289.83	-	-	-	100.00	-	-	-	Funds in hand
Molybdenum mine project in East Gobi of Hami of Xinjiang	2,849,000,000.00	60,412,085.05	-	-	-	-	-	-	60,412,085.05	3.00	-	-	-	Funds in hand
Project replacing Xuansan Tailing	348,730,000.00	40,179,924.78	1,000,000.00	-	-	-	-	-	41,179,924.78	12.00	-	-	-	Funds in hand
Others	N/A	866,017,731.46	210,228,014.24	83,012,708.96	3,848,855.46	-	218,760,854.60	18,982,686.01	789,586,012.69	-	-	-	-	Funds in hand
<b>Total</b>	<b>35,590,892,117.82</b>	<b>3,882,051,384.27</b>	<b>4,022,117,631.18</b>	<b>1,164,600,209.66</b>	<b>3,884,605.10</b>	<b>77,915,289.83</b>	<b>218,772,467.90</b>	<b>231,769,937.83</b>	<b>6,670,766,380.79</b>		<b>537,814,821.16</b>	<b>344,896,067.82</b>	<b>10.00</b>	

At 30 June 2022, the balance of impairment provision for the Group's construction in progress was RMB31,615,388.19 (31 December 2021: RMB31,615,388.19)

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

### 17. Right-of-use assets

Unit: Yuan Currency: RMB

Item	Buildings	Machinery equipment	Transportation devices	Total
<b>I. Original carrying amount</b>				
1. Opening balance	343,929,796.58	478,808,107.83	1,282,865.12	824,020,769.53
2. Increase in the current period	43,177,131.75	15,787,219.43	67,546.55	59,031,897.73
(1) Leased in	24,973,209.10	-	-	24,973,209.10
(2) Purchase	7,889,898.64	-	-	7,889,898.64
(3) Translation differences of financial statements denominated in foreign currencies	10,314,024.01	15,787,219.43	67,546.55	26,168,789.99
3. Decrease in the current period	2,974,419.79	366,451,786.85	-	369,426,206.64
4. Closing balance	384,132,508.54	128,143,540.41	1,350,411.67	513,626,460.62
<b>II. Accumulated depreciation</b>				
1. Opening balance	95,293,255.49	369,112,433.16	962,149.07	465,367,837.72
2. Increase in the current period	34,425,977.00	90,183,519.65	219,462.23	124,828,958.88
(1) Provision	30,771,980.85	78,034,762.45	164,579.84	108,971,323.14
(2) Translation differences of financial statements denominated in foreign currencies	3,653,996.15	12,148,757.20	54,882.39	15,857,635.74
3. Decrease in the current period	1,041,047.64	361,163,055.02	-	362,204,102.66
(1) Disposal	1,041,047.64	361,163,055.02	-	362,204,102.66
4. Closing balance	128,678,184.85	98,132,897.79	1,181,611.30	227,992,693.94
<b>III. Impairment provision</b>				
1. Opening balance	-	-	-	-
2. Increase in the current period	-	-	-	-
(1) Provision	-	-	-	-
3. Decrease in the current period	-	-	-	-
(1) Disposal	-	-	-	-
4. Closing balance	-	-	-	-
<b>IV. Carrying amount</b>				
1. Closing carrying amount	255,454,323.69	30,010,642.62	168,800.37	285,633,766.68
2. Opening carrying amount	248,636,541.09	109,695,674.67	320,716.05	358,652,931.81

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

### 18. Intangible assets

#### (1). Details of Intangible assets

Unit: Yuan Currency: RMB

Item	Land use rights	Exploration and mining rights (note 2)	Rights to a copper off-take contract (note 1)	Supplier relationship (note 1)	Others	Total
<b>I. Original carrying amount</b>						
1. Opening balance	599,212,389.45	26,374,964,099.98	122,283,508.14	261,403,700.00	265,381,522.76	27,623,245,220.33
2. Increase in the current period	8,320,000.00	1,309,050,163.67	6,438,598.69	13,763,700.00	19,614,580.47	1,357,187,042.83
(1) Purchase	8,320,000.00	-	-	-	5,261,811.20	13,581,811.20
(2) Transfer from construction in progress	-	-	-	-	3,884,605.10	3,884,605.10
(3) Translation differences of financial statements denominated in foreign currencies	-	1,309,050,163.67	6,438,598.69	13,763,700.00	10,468,164.17	1,339,720,626.53
3. Decrease in the current period	30,449,835.18	-	-	-	-	30,449,835.18
(1) Disposal	30,449,835.18	-	-	-	-	30,449,835.18
4. Closing balance	577,082,554.27	27,684,014,263.65	128,722,106.83	275,167,400.00	284,996,103.23	28,949,982,427.98
<b>II. Accumulated amortization</b>						
1. Opening balance	145,184,019.06	7,893,244,026.19	28,309,416.74	42,115,040.73	115,403,394.69	8,224,255,897.41
2. Increase in the current period	6,825,216.45	1,075,554,121.39	9,602,674.62	11,389,731.62	17,363,900.66	1,120,735,644.74
(1) Provision	6,825,216.45	664,634,359.18	7,909,216.70	8,942,851.62	13,590,391.51	701,902,035.46

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

### 18. Intangible assets (continued)

(1). Details of Intangible assets (continued)

Item	Land use rights	Exploration and mining rights (note 2)	Rights to a copper off-take contract (note 1)	Supplier relationship (note 1)	Others	Total
(2) Translation differences of financial statements denominated in foreign currencies	-	410,919,762.21	1,693,457.92	2,446,880.00	3,773,509.15	418,833,609.28
3. Decrease in the current period	485,643.50	-	-	-	-	485,643.50
(1) Disposal	485,643.50	-	-	-	-	485,643.50
4. Closing balance	151,523,592.01	8,968,798,147.58	37,912,091.36	53,504,772.35	132,767,295.35	9,344,505,898.65
<b>III. Impairment provision</b>						
1. Opening balance	-	-	-	-	-	-
2. Increase in the current period	-	-	-	-	-	-
(1) Provision	-	-	-	-	-	-
3. Decrease in the current period	-	-	-	-	-	-
(1) Disposal	-	-	-	-	-	-
4. Closing balance	-	-	-	-	-	-
<b>IV. Carrying amount</b>						
1. Closing carrying amount	425,558,962.26	18,715,216,116.07	90,810,015.47	221,662,627.65	152,228,807.88	19,605,476,529.33
2. Opening carrying amount	454,028,370.39	18,481,720,073.79	93,974,091.40	219,288,659.27	149,978,128.07	19,398,989,322.92

At the end of the period, neither the land use rights nor mining rights was pledged as collateral. The land use rights were acquired with a lease term of 50 years and were situated in the PRC.

Note 1: The rights to a copper off-take contract and supplier relationship were obtained through acquisition of IXM.

Note 2: It includes the exploration rights of lead ores in Wangfugou, Luanchuan County, Henan Province obtained by the Group through acquisition of the 100% equity of Junlong Mining on 20 December 2021.

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

### 19. Goodwill

(1). Original carrying amount of goodwill

Unit: Yuan Currency: RMB

Name of investee or events generating goodwill	Opening balance	Increase Translation differences of financial statements denominated in foreign currencies	Decrease Disposal	Closing balance
Brazil phosphorus business	602,702,102.46	31,734,099.13	–	<b>634,436,201.59</b>
Total	602,702,102.46	31,734,099.13	–	<b>634,436,201.59</b>

(2). Provision for impairment of goodwill

Unit: Yuan Currency: RMB

Name of investee or events generating goodwill	Opening balance	Increase Translation differences of financial statements denominated in foreign currencies	Decrease Disposal	Closing balance
Brazil phosphorus business	215,497,947.13	– 11,346,622.47	–	<b>226,844,569.60</b>
Total	215,497,947.13	– 11,346,622.47	–	<b>226,844,569.60</b>

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

### 19. Goodwill (continued)

#### (3). Information about the asset group or the portfolio of asset groups to which goodwill belongs

For the purpose of impairment test, the Group allocates the goodwill to asset group. At 30 June 2022, the book value of goodwill allocated to asset group is as follows:

Unit: Yuan Currency: RMB

	Cost	Translation differences of financial statements denominated in foreign currencies	Impairment provision	30 June 2022
Asset group – Brazil phosphorus business	850,671,685.12	-214,912,217.91	-228,167,835.22	<b>407,591,631.99</b>

The recoverable amount of the asset group of Brazil phosphorus business is determined according to the present value of the expected future cash flows. Future cash flows are determined based on the financial budget of the next five years approved by the management and the production life of available reserves and future mining plans, and discount rate of 9.58% is used. As the sale of the products in phosphorus business is priced in USD and settled in BRL, the management believes that the inflation risk faced with by the relevant business in the operation process mainly comes from the inflation risk in the environment denominated in USD. Therefore, the inflation rate used to infer the cash flow from the asset group after 5 years is 3.25% (based on the USD environment).

The key assumptions for calculating the present value of future cash flows for the above asset group as at 30 June 2022 are as follows:

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

The data of key assumptions of the sales price, discount rate, raw material price inflation used in the above asset group are consistent with the external information. According to the above impairment test, the management believed that the recoverable amount of the asset group of Brazil phosphorus business was below its book value and made impairment provision of RMB228,167,835.22 in 2020. On the basis of the price of phosphorus and market performance in the current period, the management believes that there is no indication of further impairment in the current period.



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

### 20. Long-term prepaid expenses

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the current period	Amortization for the current period	Closing balance
Relocation compensation (note 1)	59,687,552.42	647,218.12	4,147,450.16	56,187,320.38
Geological Museum project (note 2)	24,600,000.00	–	300,000.00	24,300,000.00
Decoration	48,717,598.50	79,099,335.94	6,412,695.51	121,404,238.93
Others	45,838,718.97	2,411,982.24	7,720,253.05	40,530,448.16
<b>Total</b>	<b>178,843,869.89</b>	<b>82,158,536.30</b>	<b>18,580,398.72</b>	<b>242,422,007.47</b>

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

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

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

### 21. Deferred tax assets/deferred tax liabilities

(1). *Deferred tax assets before offsetting*

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for asset impairment	361,539,219.57	102,243,801.14	446,701,657.29	130,063,927.78
Deductible losses ( <i>note 1</i> )	1,159,081,302.36	244,063,198.12	885,834,704.85	262,379,793.48
Differences in inventory costs	196,272,396.30	58,881,718.91	174,936,807.26	52,481,042.18
Unrealized gross margin	4,345,624,391.94	779,527,374.77	4,556,653,135.90	703,304,347.37
Deferred income from government grants	48,178,466.84	10,262,213.55	51,873,694.70	11,166,741.23
Profit or loss from changes in fair value	303,747,969.64	51,374,913.72	331,869,272.56	48,888,109.95
Outstanding expenses – net	2,012,152,441.87	520,423,670.83	2,069,580,467.26	557,202,430.38
Retirement of fixed assets without filing	21,611,375.27	3,241,706.29	21,611,375.27	3,241,706.29
Equity incentives not yet unlocked	56,775,517.76	14,193,879.44	63,060,535.16	15,765,133.79
Differences in depreciation of fixed assets	190,064,828.55	51,750,438.17	32,136,711.74	5,891,538.56
Others	61,849,578.49	10,118,160.43	65,333,607.79	11,592,483.52
<b>Total</b>	<b>8,756,897,488.59</b>	<b>1,846,081,075.37</b>	8,699,591,969.78	1,801,977,254.53

*Note 1:* The actual amount of deductible losses that the Group may eventually deduct from the income tax in 2022 is subject to final assessment of the local taxation authority. The details of deductible losses arising from a part of subsidiaries for business in Brazil in the current period are set out in note 2.

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

### 21. Deferred tax assets/deferred tax liabilities (continued)

#### (2). Deferred tax liabilities before offsetting

Unit: Yuan Currency: RMB

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Accrued interest income	576,202,605.72	100,221,108.39	486,532,551.13	85,589,874.17
Effect of exchange rate of non-monetary items (note 2)	1,670,142,497.39	561,349,716.29	1,952,067,349.18	659,714,885.11
Differences in depreciation of fixed assets	8,542,815,078.92	2,563,232,259.04	8,490,717,870.79	2,546,276,932.22
Profit or loss from changes in fair value	1,735,016,649.45	287,540,096.83	1,105,424,268.80	173,149,039.09
Additional provision under Switzerland tax laws (note 3)	2,902,907,453.27	406,116,752.71	2,757,705,851.21	385,803,048.58
Asset valuation appreciation in respect of business combination not involving enterprises under common control (note 4)	10,364,890,298.61	3,083,186,822.84	10,374,559,197.28	3,092,488,836.94
Others	31,684,829.02	5,353,704.64	41,174,996.19	7,548,503.35
<b>Total</b>	<b>25,823,659,412.38</b>	<b>7,007,000,460.74</b>	25,208,182,084.58	6,950,571,119.46

Note 2: Certain enterprises of the Group's business in Brazil adopt USD as functional currency, while make tax declaration and annual filing in BRL for the operating activities in Brazil in accordance with local tax regulations in Brazil. Management recognizes tax losses in the related financial statements denominated in BRL as a deferred tax assets and takes it as a tax reconciliation item. In the meanwhile, the non-monetary items including inventories and fixed assets of such enterprises on the balance sheet are recognized and subsequently measured using historical exchange rate, resulting in temporary differences between their tax bases and carrying amounts upon tax accounting. Accordingly, the Company recognizes the relevant temporary difference as deferred tax asset/liability, and takes it as a tax reconciliation item.

Note 3: It represents the taxable temporary differences arising from additional provision made to certain extent based on the carrying amount of inventories under Switzerland tax laws.

Note 4: Asset valuation appreciation in respect of business combination not involving enterprises under common control mainly represents the deferred tax liabilities arising from the adjustments on fair values of assets in the acquisitions of Congo (DRC) business in 2016, Brazil business in 2016 and Switzerland metal trading platform business in 2019.

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

### 21. Deferred tax assets/deferred tax liabilities (continued)

#### (2). *Deferred tax liabilities before offsetting (continued)*

In the course of Brazil business combination not involving enterprises under common control in 2016, identifiable net assets of the acquiree was recorded at the fair value at the acquisition date, and deferred tax liability was recognized in accordance with the differences between the fair value and tax base of the related assets on the date of acquisition. In 2020, the Group combined the three legal entities of niobium phosphorus business in Brazil through restructuring, and reassessed the tax base of for the recorded assets and liabilities and adjusted above deferred tax liabilities.

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

Unit: Yuan Currency: RMB

Item	Closing set-off amount of deferred tax assets and deferred tax liabilities	Closing balance of deferred tax assets and deferred tax liabilities after offsetting	Opening set-off amount of deferred tax assets and deferred tax liabilities	Opening balance of deferred tax assets and deferred tax liabilities after offsetting
Deferred tax assets	776,496,770.83	1,069,584,304.54	814,274,908.91	987,702,345.62
Deferred tax liabilities	776,496,770.83	6,230,503,689.91	814,274,908.91	6,136,296,210.55

#### (4). *Details of unrecognized deferred tax assets*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	90,108,774.33	86,013,887.77
Deductible losses	275,256,858.99	265,205,948.25
Total	365,365,633.32	351,219,836.02

Note: As it is not certain whether sufficient taxable income will be available in the future, no deferred tax asset is recognized.

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

### 21. Deferred tax assets/deferred tax liabilities (continued)

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

Unit: Yuan Currency: RMB

Year	Closing balance	Opening balance	Note
2022	–	70,104,046.10	
2023	<b>72,141,085.76</b>	31,976,951.05	
2024	<b>31,989,763.15</b>	45,771,778.60	
2025	<b>45,310,841.61</b>	65,478,809.45	
2026	<b>73,735,133.31</b>	51,874,363.05	
2027	<b>52,080,035.16</b>	–	
Total	<b>275,256,858.99</b>	265,205,948.25	–

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

### 22. Other non-current assets

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Loans receivable from SNEL (note 1)	1,160,989,046.49	-	1,160,989,046.49	1,103,697,787.80	-	1,103,697,787.80
Amount due from TFM minority shareholders (note 2)	408,259,113.00	-	408,259,113.00	375,468,898.71	-	375,468,898.71
Deductible Brazil social contribution tax (note 3)	111,409,275.84	-	111,409,275.84	100,034,853.82	-	100,034,853.82
Prepayments for water charges (note 4)	63,000,000.00	-	63,000,000.00	63,000,000.00	-	63,000,000.00
Prepayments for farmland occupation tax (note 5)	8,028,346.01	-	8,028,346.01	8,028,346.01	-	8,028,346.01
Prepayments for land (note 6)	8,659,900.00	-	8,659,900.00	8,659,900.00	-	8,659,900.00
Compensatory assets (note 7)	117,393,914.44	-	117,393,914.44	105,992,620.25	-	105,992,620.25
Litigation deposits (note 8)	37,875,135.70	-	37,875,135.70	26,023,124.51	-	26,023,124.51
Loans to suppliers (note 9)	70,245,985.21	-	70,245,985.21	101,920,134.99	-	101,920,134.99
Loans to related parties (note 10)	383,449,791.09	-	383,449,791.09	407,791,549.93	-	407,791,549.93
Purchases of tailings pond (note 11)	-	-	-	514,061,111.10	-	514,061,111.10
Certificate of deposit due over one year (note 12)	2,955,000,000.00	-	2,955,000,000.00	2,455,000,000.00	-	2,455,000,000.00
Others	680,707,725.17	-	680,707,725.17	304,006,286.51	-	304,006,286.51
Less: Non-current assets due within one year	-2,795,877,965.44	-	-2,795,877,965.44	-573,733,642.62	-	-573,733,642.62
Total	3,209,140,267.51	-	3,209,140,267.51	4,999,950,971.01	-	4,999,950,971.01

The Group recognizes ECL provision of relevant financial assets in the other non-current assets on the basis of ECL. At 30 June 2022, the management of the Group believes that the credit risk of the relevant financial assets has not increased significantly since initial recognition, and has no significant ECL.

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

### 22. Other non-current assets (continued)

*Note 1:* This represents The Congo (DRC) subsidiary's loans receivable from SNEL. The applicable interest rate for the loan is determined at 6-months Libor interest rate plus 3%, which will be charged against electricity charges payable in the future. The details of the portion expected to be deductible within one year are set out in Note (V).9.

*Note 2:* This represents the Congo (DRC) subsidiary's loans receivable from La Générale des Carrières et des Mines ("Gécamines"). At 30 June 2022, the principal and interest receivable were USD30,000,000.00 (equivalent to RMB201,342,000.00) and USD30,830,693.00 (equivalent to RMB206,917,113.00). The applicable interest rate for the loan is determined at 1-year Libor interest rate plus 6%. The amount will be charged against dividends for Gécamines in the future.

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

*Note 4:* This represents the prepayments for water charges of Xinjiang Luomu.

*Note 5:* This represents the land occupation tax related to the land to be used by the tailings pond of the mine.

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

*Note 7:* Based on the agreement entered into between the Group and Anglo American in the course of the acquisition of the Brazilian Niobium Phosphorus business, if CMOC's Brazilian subsidiaries have incurred cash outflows in the course of the business due to tax-related contingencies, compensation will be provided by Anglo American. The Group recognized a liability for CMOC's Brazilian subsidiaries related contingencies at fair value (Note (V).38), accordingly recognized the right to relevant tax related compensation as non-current assets.

*Note 8:* CMOC Brazil have some disputes and litigation arising from some of the tax, labor and civil related legal proceedings in the course of business. Some of these proceedings require the submission of litigation deposit at the request of the court. The deposit is restricted for use and the interest is calculated at the Brazilian benchmark interest rate during this period. At the end of the litigation, the Company may call back the deposit or settle the litigation by the deposit according to the results of the litigation.

*Note 9:* It represents loans that IXM provided to its suppliers. As at 30 June 2022, balance of loans to suppliers amounted to USD10,466,666.45, equivalent to RMB70,245,985.21, representing the loan provided to third party suppliers B and C by the Group, with interest rate of 6.24% per annum. Therein, the details of the portion due within 1 year are set out in Note (V).9.

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

### 22. Other non-current assets (continued)

*Note 10:* It represents the shareholder loan provided by the Group to Huayue Nickel Cobalt. The loans are due within one year. Details are set out in Note (V).9.

*Note 11:* It represents the amount prepaid by the Group for acquisition of the tailings pond. The acquisition has been settled and completed in 2022.

*Note 12:* At 30 June 2022, the Group pledged the certificates of deposit due after one year with carrying amount of RMB2,955,000,000.00, including certificate of deposit of RMB2,155,000,000.00 pledged for obtaining long-term borrowings and certificate of deposit of RMB800,000,000.00 pledged to obtain long-term borrowings for the Group's joint venture Luoyang Fuchuan Mining Co., Ltd. Details of Certificate of deposit due over one year are set out in Note (V).9.

### 23. Short-term borrowings

#### (1). Categories of short-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Pledge loan	<b>15,228,238,801.02</b>	17,001,509,299.17
Credit loan	<b>5,384,851,626.92</b>	9,910,390,336.25
Total	<b>20,613,090,427.94</b>	26,911,899,635.42

*Note:* Details of the pledge loans are set out in Note (V).2 and 8.

#### (2). Outstanding overdue short-term borrowings

At the end of the period, the Group had no outstanding overdue short-term borrowings.



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

### 24. Held-for-trading financing liabilities

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Translation differences of financial statements denominated in foreign currencies	Closing balance
Liabilities from forward commodity contracts and gold lease measured at fair value (note 1)	784,146,860.96	674,774,291.77	785,261,400.00	-	<b>673,659,752.73</b>
Payables at fair value through profit or loss (note 2)	3,618,366,825.57	-	1,153,588,845.81	160,927,066.40	<b>2,625,705,046.16</b>
<b>Total</b>	<b>4,402,513,686.53</b>	<b>674,774,291.77</b>	<b>1,938,850,245.81</b>	<b>160,927,066.40</b>	<b>3,299,364,798.89</b>

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

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

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

### 25. Derivative financial liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Derivative financial instrument of which hedge relationship is not designated <i>(note)</i>		
Commodity futures contracts	<b>3,571,188,656.54</b>	1,195,523,537.04
Forward foreign exchange contracts and exchange rate option contracts	<b>111,311,727.42</b>	44,653,094.98
Commodity option contracts	-	153,019,465.55
Forward commodity contracts	<b>1,150,168,778.99</b>	891,529,749.28
Derivative financial instrument of which hedge relationship is designated		
Forward foreign exchange contracts and exchange rate option contracts <i>(note)</i>	-	267,840.22
Commodity futures contracts <i>(note)</i>	<b>951,427.86</b>	351,511,408.23
Total	<b>4,833,620,590.81</b>	2,636,505,095.30

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

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

### 26. Notes payable

Unit: Yuan Currency: RMB

Categories	Closing balance	Opening balance
Bank acceptances	15,602,229.26	13,359,485.01
Commercial acceptances	2,366,725,402.65	2,892,664,242.48
Total	2,382,327,631.91	2,906,023,727.49

Note: For details, please refer to Note (V).5 (2).

### 27. Accounts payable

#### (1). Details of accounts payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Payables for purchase of goods	1,065,385,418.59	847,805,823.01
Others	470,485,907.10	412,442,149.86
Total	1,535,871,325.69	1,260,247,972.87

#### (2). The aging analysis of accounts payable is follows:

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Within 1 year	1,521,149,833.73	1,242,547,179.00
1 – 2 years	6,170,331.30	5,200,210.69
Over 2 years	8,551,160.66	12,500,583.18
Total	1,535,871,325.69	1,260,247,972.87

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

### 28. Contract liabilities

(1). *Derails of contract liabilities*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Receipts in advance for sales of goods (note 1)	<b>1,080,831,442.69</b>	606,592,452.63
Metal streaming transaction contract liabilities (note 2)	<b>62,377,057.69</b>	31,341,323.94
<b>Total</b>	<b>1,143,208,500.38</b>	637,933,776.57

*Note 1:* The Group accounts for the receipts in advance collected on a basis of commodity sales contract as contract liabilities which are recognized as sales income when the control over the goods are transferred to the customers.

The receipts in advance for goods at the beginning of period have been recognized as income in the current period. At the end of period, the contract liabilities with book value of RMB1,079,697,918.57 are expected to be recognized as income in current year, and the contract liabilities with book value of RMB1,133,524.12 are expected to be recognized as income in 2023 or subsequent years

*Note 2:* On 10 July 2020, the Group entered into the metal purchase and sales agreement ("Metal Streaming Agreement") with Triple Flag Mining Finance Bermuda Ltd. (collectively called "Triple Flag"), a wholly-owned subsidiary of Triple Flag Precious Metals Corp., by which Triple Flag prepaid the Group USD550,000,000.00 in cash and makes additional payments for goods upon delivery at 10% of the spot price of gold/silver per ounce in respect of the gold/silver delivered according to the Metal Streaming Agreement.

In accordance with the Metal Streaming Agreement, the volume of deliveries promised by the Group to Triple Flag is as follows: (1) the Group deliveries 54% of the gold output of Northparkes' copper and gold mine and shall deliver 27% of the goods after the cumulative delivery volume reaches 630,000 ounces; (2) the Group deliveries 80% of the silver output of Northparkes' copper and gold mine and shall deliver 40% of the goods after the cumulative delivery volume reaches 9,000,000 ounces. There is no stipulation as to the minimum delivery volume for these metal streaming transactions.

Receipts in advance are firstly recognized as liabilities when received by the Group and will be transferred to revenue when relevant performance obligations are satisfied, i.e. the control over goods is transferred to the customers. The amount of contract liabilities is estimated by the Group based on the volume expected to be delivered in the next 12 months, and the remaining amount is classified as other non-current liabilities (Note (V). 40)

These contracts of metal streaming transactions contain significant financing components. Thus, when signing a metal streaming contract, the Group determines the transaction price based on the assumption that the amount payable is paid in cash by the customers when obtaining control over the goods. The difference between the transaction price and the contract consideration will be amortized over the contract term, using the effective interest method.

Meanwhile, there is variable consideration in the contracts of metal streaming transactions. When the mineral reserves or the expected delivery time and quantity of goods change, the Group will adjust revenue during the reporting period in which the changes occur.

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

### 29. Employee benefits payable

#### (1). Employee benefits payable

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Including: Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Short-term benefits	845,661,209.34	1,687,009,522.11	1,791,779,553.54	31,051,808.93	<b>740,891,177.91</b>
II. Post-employment benefits – defined contribution plan	1,309,106.44	67,516,664.94	67,697,034.19	-988.72	<b>1,128,737.19</b>
III. Others	50,779,584.60	12,143,555.27	12,881,650.41	376,693.52	<b>50,041,489.46</b>
Total	897,749,900.38	1,766,669,742.32	1,872,358,238.14	31,427,513.73	<b>792,061,404.56</b>

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

#### (2). Details of short-term benefits

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Including: Translation differences of financial statements denominated in foreign currencies	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	799,114,449.59	1,484,092,666.01	1,623,256,707.33	27,848,952.72	<b>659,950,408.27</b>
II. Staff welfare	118,277.46	14,722,810.86	14,566,550.99	6,227.67	<b>274,537.33</b>
III. Social security contributions	35,469,230.11	139,326,275.54	104,151,141.01	3,196,599.14	<b>70,644,364.64</b>
Including: Medical insurance	28,624,711.36	89,390,069.01	55,473,908.38	2,271,542.97	<b>62,540,871.99</b>
Work injury insurance	6,844,518.75	49,936,206.53	48,677,232.63	925,056.17	<b>8,103,492.65</b>
IV. Housing funds	372,810.10	40,789,341.54	40,321,573.62	-	<b>840,578.02</b>
V. Union running costs and employee education costs	10,586,442.08	8,078,428.16	9,483,580.59	29.40	<b>9,181,289.65</b>
Total	845,661,209.34	1,687,009,522.11	1,791,779,553.54	31,051,808.93	<b>740,891,177.91</b>

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

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

### 29. Employee benefits payable (continued)

#### (3). Defined contribution plan

Unit: Yuan Currency: RMB

Item	Opening balance	Increase	Decrease	Including:	Closing balance
				Translation differences of financial statements denominated in foreign currencies	
1. Basic pension insurance	1,268,020.89	65,069,007.02	65,225,602.60	-988.72	<b>1,111,425.31</b>
2. Unemployment insurance	41,085.55	2,447,657.92	2,471,431.59	-	<b>17,311.88</b>
<b>Total</b>	<b>1,309,106.44</b>	<b>67,516,664.94</b>	<b>67,697,034.19</b>	<b>-988.72</b>	<b>1,128,737.19</b>

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

In this period, the Group should contribute RMB65,069,007.02 and RMB2,447,657.92 (Jan to Jun 2021: RMB99,948,944.16 and RMB2,836,231.92) to pension insurance and unemployment insurance plans respectively. As at 30 June 2022, the Group has contributions payable of RMB1,111,425.31 and RMB17,311.88 (31 December 2021: RMB1,268,020.89 and RMB41,085.55) which are due in this reporting period but not yet paid to pension insurance and unemployment plans respectively. The relevant contributions have been paid after the reporting period.

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

### 30. Taxes payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
VAT	50,344,097.97	101,130,456.91
Individual income tax	32,934,956.04	33,664,065.61
Urban maintenance and construction tax	369,635.21	3,693,256.74
PRC Enterprise income tax	157,823,940.63	88,266,328.63
Australia enterprise income tax	–	45,062,296.15
Brazil enterprise income tax	471,095,764.69	23,770,730.09
Congo (DRC) enterprise income tax	2,002,950,207.07	2,236,075,973.99
UK enterprise income tax	5,052,062.39	4,799,361.41
Enterprise income tax of IXM and its subsidiaries	123,984,498.01	81,042,448.64
Resource tax and royalties of mineral rights	10,943,064.14	32,952,408.35
Education surcharges	314,808.79	3,443,004.48
Congo (DRC) exchange tax	1,637,259.32	4,512,064.78
Others	28,038,157.74	46,266,524.89
<b>Total</b>	<b>2,885,488,452.00</b>	<b>2,704,678,920.67</b>

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

### 31. Other payables

*Presentation of items*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable	<b>189,545,011.40</b>	161,655,596.08
Dividends payable	<b>1,552,230,396.71</b>	27,885,796.67
Other payables	<b>4,006,878,134.01</b>	2,728,649,575.28
Total	<b>5,748,653,542.12</b>	2,918,190,968.03

*Interest payable*

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Interest payable on bank borrowings	<b>140,757,340.23</b>	93,480,564.20
Interest payable Medium-term note with interest repaid on periodic basis and principal repaid on maturity (Note (V) 35)	<b>23,576,712.36</b>	27,793,561.66
Interest payable on corporate bonds in USD (Note (V) 35)	–	36,394,620.94
Interest payable on corporate bonds in RMB (Note (V) 35)	<b>25,210,958.81</b>	3,986,849.28
Total	<b>189,545,011.40</b>	161,655,596.08



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

### 31. Other payables (continued)

#### Dividends payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Dividends of ordinary shares	<b>1,524,344,600.04</b>	–
Luanchuan Taifeng Industry and Trading Co., Ltd. (note)	<b>6,623,109.24</b>	6,623,109.24
Luanchuan Hongji Mining Co., Ltd. (note)	<b>15,943,017.89</b>	15,943,017.89
Luanchuan Chengzhi Mining Co., Ltd. (note)	<b>5,319,669.54</b>	5,319,669.54
Total	<b>1,552,230,396.71</b>	27,885,796.67

Note: The minority shareholders of the subsidiaries of the Group.

#### Other payables

##### (1). Other payables presented by nature

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Project and equipment funds	<b>1,254,585,799.08</b>	855,993,735.27
Loyalties	<b>113,648,553.84</b>	154,455,200.70
Service and transportation expenses	<b>140,938,012.73</b>	142,093,141.69
Deposits and advances	<b>1,283,033,005.47</b>	385,757,531.02
Service fees payable	<b>63,360,328.03</b>	67,220,240.36
Resource expenses payable	<b>21,422,131.49</b>	13,796,344.78
Land compensation	–	55,000.00
Obligation of repurchasing restricted stock	<b>68,643,782.18</b>	97,026,574.00
Earnest payment for equity transfer (note 1)	<b>907,533,000.00</b>	907,533,000.00
Others	<b>153,713,521.19</b>	104,718,807.46
Total	<b>4,006,878,134.01</b>	2,728,649,575.28

Note 1: On 10 April 2021, the Group's wholly-owned subsidiary and Hongkong Brunp and CATL Co., Limited ("Brunp and CATL") signed the Share Subscription Agreement. According to the agreement, Brunp and CATL should pay the earnest money for equity transfer amounting to USD137,500,000.00 (equivalent to RMB907,533,000.00) to the Group to obtain 25% equity of KFM Holding Limited, a subsidiary of the Group. The payment has been received on 2021.

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

### 32. Non-current liabilities due within one year

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	<b>3,736,978,909.19</b>	2,217,577,948.23
Bonds payable due within one year	<b>1,000,000,000.00</b>	2,593,925,000.00
Lease liabilities due within one year	<b>85,478,632.01</b>	142,879,384.41
Total	<b>4,822,457,541.20</b>	4,954,382,332.64

Note 1: Please refer to Note (V) 34, 35 and 36.

### 33. Other current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Other accrued expenses	<b>341,243,643.91</b>	238,640,227.04
Convertible financial instruments (note)	<b>537,247,570.00</b>	191,302,878.50
Total	<b>878,491,213.91</b>	429,943,105.54

Note: The Group's subsidiary CMOC Limited signed a series of agreements with an independent third party on 30 December 2021, specifying that the Group should make relevant repayments within one year after the withdrawal date. Meanwhile, the agreements also specify that if the criteria of subscription are satisfied within the term of the agreements, the independent third party may convert its obligatory rights to the preferred shares or perpetual bonds issued by the subsidiary of the Group. Therefore, the Group's receipts under these agreements may be converted to financial instruments for accounting. As of 30 June 2022, the Group has withdrawn USD80,000,000.00 (equivalent to RMB536,912,000.00).

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

### 34. Long-term borrowings

#### (1). Categories of long-term borrowings

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Secured borrowings	<b>10,555,418,669.60</b>	6,828,600,840.63
Credit borrowings	<b>13,860,248,920.35</b>	8,999,555,962.69
Less: Long-term borrowings due within one year (Note V.32)	<b>-3,736,978,909.19</b>	-2,217,577,948.23
Total	<b>20,678,688,680.76</b>	13,610,578,855.09

Note of categories of long-term borrowings:

Secured borrowings are bank borrowings obtained by the group by pledging assets such as certificates of deposit, interests of export contracts and interests of subsidiaries. The details of pledged assets are set out in Note (V).22. The Group pledged the 100% equity interest in CMOC Congo (DRC) to the bank and provide a joint guarantee.

#### (2). The maturity analysis of long-term borrowings due over one year is as follows:

Unit: Yuan Currency: RMB

Maturity	Closing balance	Opening balance
1 – 2 years	<b>11,980,427,403.15</b>	9,653,053,493.77
2 – 5 years	<b>8,698,261,277.61</b>	3,957,525,361.32
Total	<b>20,678,688,680.76</b>	13,610,578,855.09

As at 30 June 2022, the annual interest rate for the above borrowings range from 1.1900% to 4.0000% (31 December 2021: 1.8483% to 4.0000%).

As at 30 June 2022, the Group has no long-term borrowing that has been due but not yet repaid. According to the borrowing agreement entered into between the Group and some banks, the Group is required to satisfy a series of specified financial indicators and requirements. Where the Group violates relevant terms, the banks may request for early repayment from the Company. As of 30 June 2022, the Group has no breach of relevant terms.

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

### 35. Bonds payable

#### (1). Bonds payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Medium-term note	2,150,000,000.00	1,150,000,000.00
Corporate bonds in RMB	1,000,000,000.00	1,000,000,000.00
Corporate bonds in USD	-	1,593,925,000.00
Less: Bonds payable due within one year (Note V.32)	-1,000,000,000.00	-2,593,925,000.00
<b>Total</b>	<b>2,150,000,000.00</b>	<b>1,150,000,000.00</b>

#### (2). Changes in bonds payable (exclusive of other financial instruments such as preferred shares and perpetual bonds classified as financial Liabilities)

Unit: Yuan Currency: RMB

Name	Par value	Issue date	Term	Issue amount	Opening balance	Issued amount for the period	Interest accrued based on par value	Translation differences of financial statements denominated in foreign currencies	Amount due within one year	Repayment in the year	Closing balance
19 CMOG 01 (note 1)	100	28 November 2019	3 years	1,000,000,000.00	1,000,000,000.00	-	21,224,109.58		1,000,000,000.00	-	-
CMOC CAP B2202 (note 2)	USD	1 February 2019	3 years	2,010,750,000.00	1,593,925,000.00	-	7,277,668.29	-275,000.00	-	1,593,650,000.00	-
20 Luanchuan Molybdenum MTN001 (note 3)	200,000	28 May 2020	5 years	1,000,000,000.00	1,000,000,000.00	-	20,827,397.26		-	-	1,000,000,000.00
21 Luanchuan Molybdenum MTN001 (Green) (note 4)	100	16 July 2021	3 years	150,000,000.00	150,000,000.00	-	2,900,958.92		-	-	150,000,000.00
22 Luanchuan Molybdenum MTN001 (sustainably linked) (note 5)	100	16 February 2022	3 years	1,000,000,000.00	-	1,000,000,000.00	14,054,794.52		-	-	1,000,000,000.00
<b>Total</b>	/	/	/	5,160,750,000.00	3,743,925,000.00	1,000,000,000.00	66,284,928.57	-275,000.00	1,000,000,000.00	1,593,650,000.00	2,150,000,000.00

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

### 35. Bonds payable (continued)

(2). *Changes in bonds payable (exclusive of other financial instruments such as preferred shares and perpetual bonds classified as financial Liabilities) (continued)*

*Note 1:* On 28 November 2019, the Company issued corporate bonds with a total par value of RMB1,000,000,000.00 ("19 CMOC 01"), which are traded in Shanghai Stock Exchange. The proceeds from issuing the corporate bonds are allocated to the Company and subsidiaries as the working capital and for repayment of bank borrowings. The interest on the issued corporate bonds is accrued at the fixed annual interest rate of 4.28% and paid once a year over the term of 3 years. The details of interest payable are set out in Note (V) 31.

*Note 2:* On 1 February 2019, the Company's subsidiary CMOC Capital Limited issued USD bonds with a total par value of USD300,000,000.00 ("CMOC CAP B2202") at HK Stock Exchange. The proceeds from issuing the corporate bonds are used to satisfy the general operation demands, including but not limited to, repayment of part of the existing debt of the Company. The interest on the USD bonds is accrued at the fixed annual interest rate of 5.48% and paid twice a year over the term of 3 years. An early repayment of USD50,000,000.00 has been made in prior period. The details of interest payable are set out in Note (V) 31.

*Note 3:* On 28 May 2020, the Company issued medium-term notes with a total par value of RMB1,000,000,000.00 (herein after referred to as 20 Luanchuan Molybdenum MTN001), which are traded and circulated in the National Inter-bank Bond Market. The proceeds from the issue of the medium-term financing bonds were used to fund the Company's and its subsidiaries' working capital and repayment of bank borrowings. The interest of the medium-term notes is accrued at a fixed rate of 4.20%, with a term of 5 years, and paid once a year over the lifetime. The details of interest payable are set out in Note (V).31.

*Note 4:* On 16 July 2021, the Company issued green medium-term notes with a total par value of RMB150,000,000.00 ("21 Luanchuan Molybdenum MTN001 (Green)"), which are traded and circulated in the National Inter-bank Bond Market. The proceeds from issuing the green medium-term green financing bill are used in construction of low-carbon industrial transformation project. The interest on the issued medium-term notes is accrued at the fixed rate of 3.90%, with a term of 3 years, and paid once a year over the lifetime. The details of interest payable are set out in Note (V).31.

*Note 5:* On 16 February 2022, the Company issued sustainably linked medium-term notes with a total par value of RMB1,000,000,000.00 ("22 Luanchuan Molybdenum MTN001 (sustainably linked)"), which are traded and circulated in the National Inter-bank Bond Market. The bonds take the energy efficiency improvement of the product of mining process unit of Sandaozhuang Mine as the key performance indicator, with annual interest rate of 3.80%. If the energy consumption of the product of mining process unit of Sandaozhuang Mine fails to meet the defined sustainable development performance targets, the coupon rate for the last interest bearing period of the bonds (2024-2025) will be increase by 20BP. The term of the medium-term notes is 3 years, with interest paid once a year over the life time. The details of interest payable are set out in Note (V).31.

*Note 6:* Par value refers to the amount of single bond.

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

### 36. Lease liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Operating lease payables	<b>315,872,554.17</b>	376,817,378.08
Less: Lease liabilities included in non-current liabilities due within one year (Note V.32)	<b>85,478,632.01</b>	142,879,384.41
Total	<b>230,393,922.16</b>	233,937,993.67

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

The maturity analysis of lease liabilities due over one year is as follows:

Unit: Yuan Currency: RMB

Maturity	30 June 2022	31 December 2021
1 – 2 year	<b>36,708,146.48</b>	53,158,693.06
2 – 5 years	<b>144,432,090.54</b>	126,272,273.97
Over 5 years	<b>49,253,685.14</b>	54,507,026.64
Total	<b>230,393,922.16</b>	233,937,993.67

### 37. Long-term employee benefits payable

#### (1) Long-term employee benefits payable

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
I. Post-employment benefits – net liability from defined benefit plan	<b>331,594,488.31</b>	294,597,726.68
II. Other long-term benefits		
Including: Long service leave (note)	<b>15,446,920.19</b>	11,867,288.57
Others	–	2,007,975.71
Total	<b>347,041,408.50</b>	308,472,990.96

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

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

### 38. Provisions

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance
Pending litigation (note 1)	336,285,942.50	232,637,401.35
Rehabilitation and asset abandonment cost (note 2)	2,745,535,816.07	2,729,523,843.95
Total	3,081,821,758.57	2,962,161,245.30

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

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

### 39. Deferred income

Details of deferred income

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Refunds of land-transferring fees (note 1)	13,816,824.50	–	192,792.90	13,624,031.60
Subsidy for R&D expenses (note 2)	3,000,000.00	–	–	3,000,000.00
Demonstration base project subsidies (note 2)	33,856,870.20	–	3,502,434.90	30,354,435.30
Comprehensive tax and industrialization award for large-scale tungsten associated copper rhenium	1,200,000.00	–	–	1,200,000.00
Subsidy for the closure of Luchanggou Tailing	1,230,000.00	–	–	1,230,000.00
Total	53,103,694.70	–	3,695,227.80	49,408,466.90

Note 1: It represents the refunds of land-transferring fees received by the Group, which is included in deferred income, and amortized using straight-line method over the useful life of the land.

Note 2: It represents the special funds for major science and technology of Henan Province, the special funds for mineral resources conservation and comprehensive utilization and the subsidies for the central mineral resources comprehensive utilization demonstration base received by the Group, which are planned to be used for the study of key technologies for molybdenum-tungsten dressing and deep processing and included in deferred income, and will be recognized as other income in the future when related technology research costs are incurred.

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

### 39. Deferred income (continued)

*Details of deferred income (continued)*

Projects related to government grants:

Unit: Yuan Currency: RMB

Item of liabilities	Opening balance	Amount included in other income in the period	Closing balance	Related to asset/ income
Deferred income-subsidies for low-grade scheelite demonstration project	33,856,870.20	3,502,434.90	<b>30,354,435.30</b>	Related to asset
Refund of Nannihu land-transferring fee	13,816,824.50	192,792.90	<b>13,624,031.60</b>	Related to asset
Special funds for comprehensive utilization of 3,000 tons/day Molybdenum selection tailings	3,000,000.00	–	<b>3,000,000.00</b>	Related to asset
Comprehensive tax and industrialization award for large-scale tungsten associated copper rhenium	1,200,000.00	–	<b>1,200,000.00</b>	Related to asset
Subsidy for closing Luchanggou Tailing	1,230,000.00	–	<b>1,230,000.00</b>	Related to asset
Total	53,103,694.70	3,695,227.80	<b>49,408,466.90</b>	

Note: For the government grants to be received by the Company, it will be classified into asset-related government grants and income-related government grants according to the definition and requirements by the government. If it is not clearly specified in the government documents, the Company classifies the government grants on the basis of whether they can form assets.



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

### 40. Other non-current liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Principal, interest and others payable to third parties	<b>106,774.01</b>	380,831.85
Production progress fees payable to Gécamines (note 1)	<b>33,557,000.00</b>	31,878,500.00
Share-based payments (note 2)	<b>51,809,730.64</b>	142,115,117.19
Metal streaming transaction contract liabilities (note 3)	<b>3,580,494,916.43</b>	3,435,245,078.39
Contract liabilities	<b>13,865,752,400.00</b>	9,984,346,200.00
Others	<b>115,201.20</b>	109,438.96
<b>Total</b>	<b>17,531,836,022.28</b>	13,594,075,166.39

Other descriptions:

*Note 1:* In accordance with the mining agreement entered into between the Group and Gécamines, Gécamines needs to charge TFM production progress fees. As at 30 June 2022, the outstanding payment is USD5 million, which is expected to be paid after 2023 according to TFM's production plan.

*Note 2:* Since 2018, IXM announced a cash-settled share-based payment plan (Phantom Equity Retention Plan, "PERP") which will be exercised in five years and a cash-settled share-based payment plan (Phantom Equity Participant Plan, "PEPP") which will be exercised in four years, respectively. Both PERP and PEPP vested 25% per annum during the period from 2020 to 2023, and will be expired in 2029. Vesting conditions of PERP are mainly related to the net assets of IXM and employees' personal performance, while requiring continuing employment with IXM; Vesting conditions of PEPP are mainly related to requirement of continuing employment with IXM. Both PERP and PEPP calculate the amounts payable on the basis of the value of equity of IXM. In this period, the Group recognized other non-current liabilities relating to PERP and PEPP amounting to RMB5,093,690.41 and RMB46,716,040.23 respectively.

*Note 3:* It represents the receipts in advance under metal streaming transaction. Refer to Note (V).28 for details.

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

### 41. Share capital

Unit: Yuan Currency: RMB

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

### 42. Capital reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium (share capital premium)	27,582,794,983.23	22,447,195.19	-	27,605,242,178.42
Including: capital contribution from investors	27,580,672,943.23	22,447,195.19	-	27,603,120,138.42
Others	2,122,040.00	-	-	2,122,040.00
Other capital reserve	63,060,535.16	33,371,576.71	47,001,226.90	49,430,884.97
Total	27,645,855,518.39	55,818,771.90	47,001,226.90	27,654,673,063.39

Notes of the increase and decrease of the current period and the reasons for the change:

Note: Other capital reserve represents the cost of incentives allocated from the restricted stock incentive plan.

The decrease of other capital reserves in the current period was due to the proposal on achievement of performance appraisal indicators in the first equity distribution period of the first phase of the 2021 employee stock ownership plan approved by the fifth interim meeting of the sixth board of directors of the company on June 10, 2022, which recognized that the unlocking conditions of the first unlocking period of the first phase of the 2021 employee stock ownership plan were reached. It is agreed that the unlocked shares and affiliated rights and interests in the first equity distribution period shall be attributed to the incentive object individual. The total number of shares unlocked this time is 30% of the total number of stock ownership plans granted, that is, 12,303,986 shares granted to 4 incentive objects are unlocked, and the RMB47,001,226.90 included in other capital reserves is transferred into the capital stock premium.

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

### 43. Treasury shares

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Repurchase of treasury shares	876,357,019.96	500,406,027.86	51,741,916.60	<b>1,325,021,131.22</b>
Total	876,357,019.96	500,406,027.86	51,741,916.60	<b>1,325,021,131.22</b>

Note 1: Details are set out in Note (I).1.

The decrease in the current period was mainly due to the fulfillment of the unlocking conditions of the first unlocking period of the Company's Phase I Employee Stock Ownership Plan for 2021 and the unlocking of 12,303,986 shares listed in circulation. The treasury shares was revised RMB49,162,003.91.

The Company's repurchase of A-share ordinary shares by way of centralized competitive bidding transactions in this period is as follows:

Unit: Yuan Currency: RMB

Month	Quantity	Transaction price		Average transaction price
		Highest price	Lowest price	
May	76,275,541	4.81	4.60	4.69
June	28,654,902	5.00	4.72	4.82
Total	104,930,443	5.00	4.60	4.76

If the Company fails to use the repurchased shares within 36 months after the completion of the share repurchase, the repurchased shares that have not been used will be cancelled. The Company's subsidiaries have no purchase, disposal or redemption of any listed shares of the Company during this period.

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

### 44. Other comprehensive income

Unit: Yuan Currency: RMB

Item	Opening balance	Amount incurred in the current period					Closing balance
		Pre-tax amount incurred in the current period	Less: Amount included in other comprehensive income in prior period and transferred to profit or loss in the current period	Less: Income tax expenses	After-tax amount attributable to the parent company	After-tax amount attributable to minority shareholders	
<b>I. Other comprehensive income that will not be reclassified to profit or loss</b>							
Including: Remeasurement of changes in defined benefit plans	-35,245,198.95	-	-	-	-	-	-35,245,198.95
Changes in fair value of other investments in equity instruments	1,897,538.37	-	-	-	-	-	1,897,538.37
	-37,142,737.32	-	-	-	-	-	-37,142,737.32
<b>II. Other comprehensive income that may be reclassified subsequently to profit or loss</b>							
Including: Cash flow hedge reserve	-6,370,981,831.70	4,155,158,301.03	-770,088,278.01	24,706,175.61	4,460,029,495.65	440,510,907.78	-1,910,952,336.05
Translation differences of financial statements denominated in foreign currencies	-3,441,871,979.37	2,010,762,117.48	-770,088,278.01	24,706,175.61	2,756,144,219.88	-	-685,727,759.49
	-2,929,109,852.33	2,144,396,183.55	-	-	1,703,885,275.77	440,510,907.78	-1,225,224,576.56
<b>Total other comprehensive income</b>	<b>-6,406,227,030.65</b>	<b>4,155,158,301.03</b>	<b>-770,088,278.01</b>	<b>24,706,175.61</b>	<b>4,460,029,495.65</b>	<b>440,510,907.78</b>	<b>-1,946,197,535.00</b>

### 45. Special reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Safety production expense	487,314.82	64,856,517.89	64,242,054.93	<b>1,101,777.78</b>
<b>Total</b>	<b>487,314.82</b>	<b>64,856,517.89</b>	<b>64,242,054.93</b>	<b>1,101,777.78</b>

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

### 46. Surplus reserve

Unit: Yuan Currency: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	1,463,370,956.65	–	–	<b>1,463,370,956.65</b>
Total	1,463,370,956.65	–	–	<b>1,463,370,956.65</b>

### 47. Undistributed profits

Unit: Yuan Currency: RMB

Item	Current period	Prior year
Undistributed profits at the end of prior period (before adjustment)	<b>13,698,308,770.45</b>	9,472,838,365.96
Adjustment of total undistributed profits at the beginning of the current period (Add +, Less -)	–	–
Undistributed profits at the beginning of the current period (after adjustment)	<b>13,698,308,770.45</b>	9,472,838,365.96
Add: Net profit attributable to owners of the parent company for the period	<b>4,147,930,309.56</b>	5,106,017,249.81
Less: Appropriation to statutory surplus reserve	–	167,771,905.11
Dividends of ordinary shares payable	<b>1,524,344,600.04</b>	712,774,940.21
Undistributed profits at the end of the current period	<b>16,321,894,479.97</b>	13,698,308,770.45

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

### 48. Operating income and operating costs

#### (1). Details of operating income and operating costs

Unit: Yuan Currency: RMB

Item	Amount for the current period		Amount for the prior period	
	Income	Cost	Income	Cost
Principal operating activities	91,606,370,830.50	80,158,061,516.78	84,561,041,358.36	75,584,674,373.03
Other operating activities	160,437,918.45	143,201,980.90	254,888,977.90	231,984,030.85
Total	91,766,808,748.95	80,301,263,497.68	84,815,930,336.26	75,816,658,403.88

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

Unit: Yuan Currency: RMB

Name of product	Amount for the current period		Amount for the prior year	
	Operating income	Operating costs	Operating income	Operating costs
Molybdenum, tungsten and related products	3,503,009,757.08	1,871,512,023.30	2,596,501,361.11	1,694,165,707.33
Phosphorus related products	3,583,578,140.38	1,779,168,396.96	2,545,728,713.68	1,760,798,404.00
Copper, cobalt and related products	9,567,204,934.90	4,189,234,918.75	6,060,092,487.90	2,997,323,163.93
Copper, gold and related products	640,161,963.36	509,313,605.48	658,495,921.53	442,130,457.27
Concentrates metal trading	20,144,186,055.46	19,533,402,572.87	21,944,753,057.21	21,238,150,142.79
Refined metal trading	54,168,143,817.88	52,275,348,388.65	50,755,428,736.21	47,452,064,670.90
Others	86,161.44	81,610.77	41,080.72	41,826.81
Total	91,606,370,830.50	80,158,061,516.78	84,561,041,358.36	75,584,674,373.03

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

### 48. Operating income and operating costs (continued)

#### (2). Performance obligations

Sales of goods and metal trading:

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

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

Income from hotel services:

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

Other income:

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

### 49. Taxes and levies

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Urban maintenance and construction tax	14,304,077.45	8,180,130.20
Education surcharges	13,772,727.77	7,146,909.70
Resource tax	777,284,761.39	460,329,617.85
Others	78,152,616.45	52,209,896.05
Total	883,514,183.06	527,866,553.80

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

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

### 50. Selling expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	8,786,332.20	10,448,377.27
Business entertainment expenditure	629,094.39	504,552.87
Traveling expenses	602,881.21	237,391.77
Market consulting fee	41,419,263.55	21,709,717.13
Others	9,135,547.01	4,515,734.96
Total	60,573,118.36	37,415,774.00

### 51. Administrative expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Salary, bonus and allowances	457,480,438.12	330,512,618.60
Depreciation and amortization	92,266,460.93	95,979,146.16
Consulting and agency fees	89,896,023.18	73,972,422.37
Business entertainment expenditure	7,373,114.77	8,991,572.71
Insurance costs	52,908,914.00	23,677,349.37
Others	127,501,136.60	151,533,696.99
Total	827,426,087.60	684,666,806.20

### 52. Research and development expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Technical R&D expenses	248,344,859.00	64,364,765.73
Total	248,344,859.00	64,364,765.73



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

### 53. Financial expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Interest expenses on bonds	78,621,648.71	113,773,350.95
Discount interest of notes receivables	–	15,497,533.62
Bank loans interest expenses	897,613,350.29	695,474,804.62
Metal streaming financing costs	55,032,553.61	54,659,822.39
Interest expenses on lease liabilities	5,670,609.83	11,970,723.53
Less: Interest income	-464,986,568.32	-354,935,485.05
Exchange differences	93,352,602.72	-41,211,672.91
Gold lease charges	6,061,177.07	20,190,043.86
Others	58,156,213.64	39,716,955.08
Total	729,521,587.55	555,136,076.09

### 54. 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	3,513,228.08	3,502,434.90
R&D rewards	1,456,000.00	7,001,600.00
Tax refunds	15,522,777.00	5,972,656.14
Special rewards and subsidy	1,871,000.00	–
Special manufacturing development fund	6,450,000.00	–
Others	1,487,916.02	2,897,545.77
Total	30,493,714.00	19,567,029.71

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

### 55. Investment income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Gains on long-term equity investment under equity method	251,555,691.22	8,462,846.28
Investment income from holding held-for-trading financial assets	57,727,685.28	6,703,857.19
Investment income from disposal of other non-current financial assets	-	-4,814,764.48
Investment income from holding other non-current financial assets	52,755,231.00	88,948,532.60
Investment income from disposal of subsidiaries	451,007.15	1,343,836.45
Discounting interest of derecognized notes	-17,449,274.45	-
<b>Total</b>	<b>345,040,340.20</b>	<b>100,644,308.04</b>

There are no significant restrictions on remittance of investment income.

Investment income for both current and prior periods is generated from the unlisted investment.

### 56. Gains from changes in fair value

Unit: Yuan Currency: RMB

Sources resulting in gains from changes in fair values	Amount for the current period	Amount for the prior period
Gains from changes in fair value of derivative financial instruments	-901,742,181.64	-3,227,312,280.37
Losses from changes in fair values of gold lease and forward contract measured at fair value (Note V.24)	-3,091,325.27	-2,068,040.61
Losses (gains) from changes in fair value of consumable biological assets (Note V.8)	6,264,332.01	-4,933,877.47
Gains from the changes in the fair value of other non-current financial assets at FVTPL	-213,624,192.12	375,444,645.34
Gains from the changes in the fair value of other held-for-trading financial assets	-16,334,301.81	7,837,936.19
<b>Total</b>	<b>-1,128,527,668.83</b>	<b>-2,851,031,616.92</b>

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

### 57. Losses from credit impairment

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Losses from bad debt of notes receivable	487.12	690,696.98
Losses from bad debt of accounts receivable	-7,304,223.61	-2,083,010.91
Losses from bad debt of other receivables	-314.50	-109,337.74
Total	-7,304,050.99	-1,501,651.67

### 58. Losses from assets impairment

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
I. Losses from decline in value of inventories and impairment loss of contract performance cost	-4,827,387.34	-20,067,675.71
II. Impairment loss of fixed assets	-14,897,539.99	-16,973,454.94
Total	-19,724,927.33	-37,041,130.65

### 59. Gains from disposal of assets

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Gains from disposal of fixed assets	13,307,215.88	-249,973.49
Total	13,307,215.88	-249,973.49

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

### 60. Non-operating income

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Others	5,427,667.30	18,841,499.16	5,427,667.30
Total	5,427,667.30	18,841,499.16	5,427,667.30

### 61. Non-operating expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period	Amount included in non-recurring profit or loss for the period
Losses from retirement of fixed assets	29,289,246.38	–	29,289,246.38
External donations	7,389,233.77	8,742,795.89	7,389,233.77
Others	6,478,207.99	10,618,081.38	6,478,207.99
Total	43,156,688.14	19,360,877.27	43,156,688.14

### 62. Income tax expenses

#### (1) Statement of Income tax expenses

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Current tax expenses	3,341,990,560.99	1,722,669,660.59
Deferred tax expenses	-278,263,447.99	-242,750,651.46
Differences arising on settlement of income tax for the prior year	29,925,106.99	46,494,662.83
Total	3,093,652,219.99	1,526,413,671.96

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

### 62. Income tax expenses (continued)

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

Unit: Yuan Currency: RMB

Item	Amount for the current period
Accounting profit	7,911,721,017.79
Income tax expenses calculated at statutory/applicable tax rate	1,186,758,152.93
Impact of different tax rate in subsidiaries in other jurisdictions	2,087,105,066.42
Impact of adjustment of income tax for previous periods	29,925,106.99
Impact of tax free income	-368,075,401.06
Impact of non-deductible cost, expenses and losses	157,982,924.81
Impact of utilizing deductible losses for which deferred tax assets were not recognized in prior period	273,125.25
Impact of deductible losses and deductible temporary differences for which deferred tax assets are not recognized	25,410,565.91
Impact of non-currency monetary items	-57,901,189.00
Deductible losses generated from tax reports	60,529,705.16
Tax for registered capital (note)	6,179,170.13
Changes in deferred income tax due to changes in tax rate	-34,998,518.41
Others	463,510.86
Income tax expenses	3,093,652,219.99

Note: It is the income tax paid by IXM, a subsidiary of the group, according to the established proportion of the registered capital under the Swiss tax law.

### 63. Other comprehensive income

Details are set out in Notes(V). 44.

### 64. Items in the cash flow statements

(1) Other cash receipts relating to operating activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Receipts of compensation and penalty	13,567.00	1,679,684.99
Receipts of interest income	222,295,022.15	220,552,845.71
Receipts of subsidy income	8,857,742.10	8,996,355.83
Others	200,870,257.73	202,978,602.91
Total	432,036,588.98	434,207,489.44

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

### 64. Items in the cash flow statements (continued)

#### (2). Other cash payments relating to operating activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Payments for consulting fee, technology development fee and transportation fee, etc.	204,068,053.26	156,542,013.33
Payments of donations and penalty, etc.	114,784,209.04	–
Payments of bank charges, etc.	7,385,354.04	2,689,251.11
IXM's payments of deposit for derivative financial instruments	17,380,016.87	–
Others	110,186,721.78	53,129,363.23
<b>Total</b>	<b>453,804,354.99</b>	212,360,627.67

#### (3). Cash receipts from disposals and recovery of investments

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from recovery of bank structured deposits and investments in financial products of other financial institutions	5,828,881,655.44	2,988,314,717.41
Cash receipts from recovery of non-current financial assets	1,273,088.42	1,127,412,828.13
<b>Total</b>	<b>5,830,154,743.86</b>	4,115,727,545.54

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

### 64. Items in the cash flow statements (continued)

#### (4). Other cash receipts relating to investing activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from repayments of third Parties and related parties	147,307,666.38	133,757,988.91
Cash receipts from guarantee deposits	–	2,701,017,210.22
Cash receipts from intention payment for equity transfer	–	907,533,000.00
Others	15,118,537.45	31,672,892.17
<b>Total</b>	<b>162,426,203.83</b>	<b>3,773,981,091.30</b>

#### (5). Cash payments to acquire investments

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash payments to acquire bank structured deposits and financial products of other financial institutions	5,602,946,774.17	4,504,830,128.53
Cash payments to acquire non-current financial assets	102,935,746.45	187,371,964.24
Settlement of derivative financial instruments	103,300,242.71	1,259,636,463.08
Investments in joint venture or associates	22,181.20	–
Others	10,000.00	–
<b>Total</b>	<b>5,809,214,944.53</b>	<b>5,951,838,555.85</b>

#### (6). Other cash payments relating to investing activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash payments for loans to third parties	–	673,875,630.49
Payments for guarantee deposits	465,771,910.96	3,679,573,231.18
Others	3,650,423.32	23,338,944.48
<b>Total</b>	<b>469,422,334.28</b>	<b>4,376,787,806.15</b>

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

### 64. Items in the cash flow statements (continued)

#### (7). Other cash receipts relating to financing activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash receipts from gold lease business	671,682,966.50	1,777,772,000.00
Receipts in advance for goods	3,271,775,000.00	–
Others	–	65,748,236.88
<b>Total</b>	<b>3,943,457,966.50</b>	<b>1,843,520,236.88</b>

#### (8). Other cash payments relating to financing activities

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
Cash repayments for gold leasing business	785,261,400.00	550,101,400.00
Commission charge related to gold leasing business	8,980,008.82	26,614,934.66
Borrowing guarantee deposit and arrangement fee	50,663,016.72	858,466.77
Cash payments for repurchase of shares	499,999,996.32	–
Cash repayments to third parties	296,405,350.53	–
Others	93,263,782.98	96,621,683.59
<b>Total</b>	<b>1,734,573,555.37</b>	<b>674,196,485.02</b>



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

### 65. Supplementary information to the cash flow statement

(1) *Supplementary information to the cash flow statement*

Unit: Yuan Currency: RMB

Supplementary information	Amount for the current period	Amount for the prior period
<b>1. Reconciliation of net profit to cash flow from operating activities:</b>		
Net profit	4,818,068,797.80	2,833,275,871.51
Add: Provision for impairment on assets	19,724,927.33	37,041,130.65
Credit impairment loss	7,304,050.99	1,501,651.67
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of bearer biological assets	1,355,603,798.84	1,090,372,177.35
Amortization of right-of-use assets	108,971,323.14	129,807,851.36
Amortization of intangible assets	701,902,035.46	858,731,402.28
Amortization of long-term prepaid expenses	18,580,398.72	17,166,056.56
Losses on disposal of fixed assets, intangible assets and other long-term assets (gains are indicated by "-")	-13,307,215.88	249,973.49
Losses on retirement of fixed assets (gains are indicated by "-")	29,289,246.38	35,110.64
Losses on changes in fair values (gains are indicated by "-")	1,128,527,668.83	2,851,031,616.92
Financial expenses (income is indicated by "-")	1,077,335,144.82	759,433,825.51
Investment loss (income is indicated by "-")	-345,040,340.20	-100,644,308.04
Decrease in deferred tax assets (increase is indicated by "-")	-81,823,100.49	-273,604,667.57
Increase in deferred tax liabilities (decrease is indicated by "-")	94,207,479.33	-165,981,114.19
Decrease in inventories (increase is indicated by "-")	-575,121,989.69	-3,237,161,564.03
Decrease in operating receivables (increase is indicated by "-")	-3,056,110,056.10	-5,352,309,682.37
Increase in operating payables (decrease is indicated by "-")	2,413,013,958.99	1,856,259,581.54
Increase in provisions	-	16,720,368.72
Others	800,379,089.88	-3,263,522.27
Including: Amortization of deferred income	-3,695,227.80	-3,788,561.12
Increase in special reserve (decrease is indicated by "-")	614,462.96	525,038.85
Amortization of equity incentive expenses	33,371,576.71	-
Other comprehensive income transferred to current profit and loss	770,088,278.01	-
Net cash flows from operating activities	8,501,505,218.15	1,318,661,759.73

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

### 65. Supplementary information to the cash flow statement (continued)

(1) *Supplementary information to the cash flow statement (continued)*

Supplementary information	Amount for the current period	Amount for the prior period
<b>2. Significant investing and financing activities that do not involve cash receipts and payments:</b>		
Conversion of debt into capital	-	-
Convertible bonds due within one year	-	-
Fixed assets held under finance lease	-	-
<b>3. Net changes in cash and cash equivalents:</b>		
Closing balance of cash	<b>26,917,019,059.24</b>	12,626,228,986.57
Less: Opening balance of cash	<b>20,392,690,843.69</b>	11,448,950,438.25
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase in cash and cash equivalents	<b>6,524,328,215.55</b>	1,177,278,548.32

(2) *Constitution of cash and cash equivalents*

*Unit: Yuan Currency: RMB*

Item	Closing balance	Opening balance
I. Cash	<b>26,917,019,059.24</b>	20,392,690,843.69
Including: Cash on hand	<b>4,108,663.87</b>	1,322,107.51
Bank deposits that are readily available for payments	<b>26,912,910,395.37</b>	20,391,368,736.18
II. Closing balance of cash and cash equivalents	<b>26,917,019,059.24</b>	20,392,690,843.69

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

### 66. 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
Cash and bank balances			
Including: USD	67,845,860.82	6.7114	455,340,710.30
EUR	543,907.00	7.0084	3,811,917.80
HKD	4,070,887.45	0.8552	3,481,422.95
RMB	2,567,140.35	1	2,567,140.35
CAD	1,207,239.31	5.2058	6,284,646.38
AUD	43,187,012.11	4.6145	199,286,467.40
BRL	1,154,335,018.49	1.2304	1,420,293,806.75
GBP	76,924.26	8.1365	625,894.22
CDF	1,504,231,472.73	0.0033	4,963,963.86
ZAR	20,831,573.58	0.4133	8,609,689.36
SGD	197,190.80	4.817	949,868.07
AED	2,583.75	1.8274	4,721.54
CHF	114,411.24	7.0299	804,299.61
CLP	30,382,097.22	0.0072	218,751.10
MXN	115,416,403.84	0.3332	38,456,745.76
NAD	122,510.93	0.4127	50,560.26
PEN	1,166,821.53	1.7793	2,076,125.55
TRY	2,133.30	0.3997	852.68
Rp	19,239,160.00	0.0005	9,619.58
Short-term borrowings			
Including: EUR	1,361.65	7.0084	9,543.01
MXN	335,765,967.75	0.3332	111,865,873.52
PEN	114,339,790.10	1.7793	203,444,788.53
Non-current liabilities due within one year			
Including: PEN	2,404,141.05	1.7793	4,277,688.17
Long-term borrowings			
Including: PEN	403,624.16	1.7793	718,168.46

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

### 66. Foreign currency monetary items (continued)

- (2). *Description of overseas operations (for significant overseas operations, the main place of operation, functional currency and basis for determining the functional currency, and the reason for change of functional currency (if applicable) should be disclosed)*

<b>Name of subsidiary</b>	<b>Main place of operation</b>	<b>Functional currency</b>	<b>Basis for determining the functional currency</b>
COMC Brazil	Brazil	USD	Determined based on the primary economic environment in which it operates
CMOC Mining	Australia	USD	Determined based on the primary economic environment in which it operates
CMOC Mining Services	Australia	AUD	Determined based on the primary economic environment in which it operates
TFM and KFM	Congo (DRC)	USD	Determined based on the primary economic environment in which it operates
Purveyors South Africa Mine Services CMOC ("CMOC South Africa")	Republic of South Africa	USD	Determined based on the primary economic environment in which it operates
IXM Holding SA	Switzerland	USD	Determined based on the primary economic environment in which it operates

### 67. Hedges

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

#### *Cash flow hedges*

Interest rate swap contracts

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

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

### 67. Hedges (continued)

#### *Cash flow hedges (continued)*

Interest rate swap contracts (continued)

At the balance sheet date, the income arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB91,850,802.72 (Jan. – Jun. 2021: RMB17,881,019.78), and is expected to be transferred gradually to the income statement within 17 months after the balance sheet date.

In this period, the amount transferred from other comprehensive income to profit or loss by the Group is RMB-39,331,731.52 (Jan. – Jun. 2021: RMB-60,141,702.46).

Forward foreign exchange contracts and foreign exchange option contracts

The Group uses forward foreign exchange contracts and foreign exchange option contracts to reduce the cash flow risks of fluctuation of foreign exchange on capital expenditure of Brazil subsidiary. In 2021, the Group designated some of the acquired forward foreign exchange contracts and foreign exchange option contracts denominated in BRL as hedging instrument. The Group used ratio analysis method to assess effectiveness of hedges and believed that it was highly effective. The amount of invalid hedges recognized in the current year was not significant.

At the balance sheet date, the loss arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB21,310,221.25 (Jan. – Jun. 2021: RMB-40,849,323.57).

In the current period, the amounts of cash flow hedge reserve recognized in other comprehensive to profit or loss and fixed assets are RMB11,900,620.49 (Jan. – Jun. 2021: RMB-3,645,231.28) and RMB0.00 (Jan. – Jun. 2021: RMB-28,467,045.69) respectively.

Commodity futures contract

The Group is engaged in mining and sales business of copper products and expects that the copper products sold will be exposed to cash flow risks arising from changes in copper prices. Therefore, the Group adopts the futures contract of copper to reduce cash flow risks arising from changes in prices of commodities expected to be sold. The refined copper produced and sold by the Group is the same as the corresponding refined copper in the futures contract of copper, the Group determines that the proportion of hedging instruments and hedged items is 1:1 through qualitative analysis and believes that it is highly effective.

As of the balance sheet date, the loss arising from the changes in fair value of cash flow hedging instruments recognized in the other comprehensive income is RMB1,886,672,538.31 (Jan. – Jun. 2021: RMB-2,166,906,894.64). In the current period, the amount reclassified from other comprehensive income to profit or loss by the Group is RMB-742,657,166.99 (Jan. – Jun. 2021: RMB-106,404,933.06).

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

### 67. Hedges (continued)

#### *Cash flow hedges (continued)*

##### Fair value hedges

The Group adopts futures contracts of refined copper to hedge risks of fluctuation in prices of refined copper stocks. The Group determines that the proportion of hedging instruments and hedged items is 1:1 through qualitative analysis and believes that it is highly effective. As of the balance sheet date, inventories include fair value changes of RMB951,427.86 (31 December 2021: RMB3,246,551.07) regarded as hedged item.

Main information of the Group's hedging instruments is as follows:

Unit: Yuan Currency: RMB

	30 June 2022		Line items of balance sheet containing hedging instruments
	Book value of hedging instrument Assets	Liabilities	
<i>Cash flow hedges</i>			
Interest rate risk – Interest rate swaps contracts	–	265,353,691.99	Non-current derivative financial liabilities
Exchange risk – forward foreign exchange contracts and exchange rate option	9,369,025.61	–	Derivative financial assets
Commodity price risk – commodity futures contracts	2,046,394,213.30	–	Derivative financial assets
<i>Fair value hedges</i>			
Commodity price risk – commodity futures contracts	–	951,427.86	Derivative financial liabilities

## VI. CHANGES IN SCOPE OF CONSOLIDATION

### 1. Disposal of subsidiaries

Unit: Yuan Currency: RMB

Name of subsidiary	Equity disposal consideration	Equity disposal proportion (%)	Equity disposal approach	Time point of losing control	Determination basis for time point of losing control	Difference between disposal consideration and shares of corresponding net assets of the subsidiary at consolidated level
Luoyang Xinchu Equipment Technology Co., Ltd.	47,000,000.00	100	Transfer as agreed	28 February 2022	Completing registration of changes in equity and not participating in the Company's operating decisions and management	451,007.15

### 2. Changes in scope of consolidation due to other reasons

For details, refer to Note (VII) 1.

## VII. INTERESTS IN OTHER ENTITIES

### 1. Interests in subsidiaries

#### (1) Constitution of the Group

Name of the subsidiary	Main business site	Place of incorporation	Paid-in capital	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
China Molybdenum Metal Material Company Limited ("Metal Material")	China	Luoyang, Henan	RMB650,000,000.00	Processing and sales of mineral products	100	-	Investment establishment
China Molybdenum Tungsten Co., Ltd. ("Wu Ye")	China	Luanchuan, Henan	RMB100,000,000.00	Refining and sales of mineral products	100	-	Investment establishment
Luanchuan Fu Kai Trading Co., Ltd. ("Fu Kai")	China	Luanchuan, Henan	RMB100,000.00	Trading of molybdenum and tungstenic products	100	-	Investment establishment
China Molybdenum Refining Co., Ltd. ("Ye Lian")	China	Luanchuan, Henan	RMB5,638,250.27	Refining and sales of mineral products	100	-	Investment establishment
Luanchuan Furun Mining Co., Ltd. ("Fu Run")	China	Luanchuan, Henan	RMB1,000,000.00	Refining and sales of mineral products	100	-	Investment establishment
China Molybdenum (Hong Kong) Company Limited ("CMOC HK")	Hong Kong, China	Hong Kong, China	HKD2,148,552,236.38	Sales of mineral products	100	-	Investment establishment
Luoyang Mudu International Hotel Co., Ltd. ("International Hotel")	China	Luoyang, Henan	RMB290,000,000.00	Hotel	100	-	Investment establishment
Xinjiang Luomu Mining Co., Ltd. ("Xinjiang Luo Mu")	China	Xinjiang	RMB1,400,000,000.00	Selection and sales of mineral products	65.1	-	Investment establishment
Luanchuan County Jiuyang Mining Co., Ltd. ("Jiu Yang")	China	Luanchuan, Henan	RMB33,390,000.00	Refining and sales of mineral products	51	-	Investment establishment
Luanchuan County Sanqiang Molybdenum Tungsten Co., Ltd. ("San Qiang")	China	Luanchuan, Henan	RMB55,480,000.00	Refining and sales of mineral products	51	-	Investment establishment
Luanchuan County Dadongpo Tungsten Molybdenum Co., Ltd. ("Da Dong Po")	China	Luanchuan, Henan	RMB65,654,411.50	Refining and sales of mineral products	51	-	Investment establishment
Luanchuan Qixing Mining Company Limited ("Qi Xing")	China	Luanchuan, Henan	RMB6,000,000.00	Refining and sales of mineral products	90	-	Investment establishment
China Molybdenum Sales Co., Ltd. ("Sales Company")	China	Luanchuan, Henan	RMB50,000,000.00	Sales of mineral products	100	-	Investment establishment
CMOC Holding Limited ("CMOC Limited")	Hong Kong, China	Hong Kong, China	USD3,731,449,582.10	Investment holding	100	-	Investment establishment
Schmoke (Shanghai) International Trading Co., Ltd. ("Schmoke")	China	Shanghai	RMB660,000,000.00	Import and export of goods and technology	100	-	Investment establishment
Beijing Yongbo Resources Investment Holding Co., Ltd. ("Beijing Yongbo")	China	Beijing	RMB267,800,000.00	Consulting, asset management and sales	100	-	Investment establishment



## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (continued)

#### (1) Constitution of the Group (continued)

Name of the subsidiary	Main business site	Place of incorporation	Paid-in capital	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd. ("High-tech")	China	Luoyang, Henan	RMB270,000,000.00	Production, processing and sales of metal products	100	-	Business combinations not involving enterprises under common control
Luanchuan Junlong Mining Co., Ltd. ("Luanchuan Junlong")	China	Luanchuan, Henan	RMB10,000,000.00	Sales of mineral products	100	-	Business combinations not involving enterprises under common control
Upnorth Investment Limited	China	BVI	-	Investment holding	-	100	Investment establishment
CMOC Mining Pty Limited	Australia	Australia	USD346,000,000.00	Production, processing and sales of mineral products	-	100	Investment establishment
CMOC Mining USA LTD	USA	USA	USD34,624,839.00	Consulting	-	100	Investment establishment
CMOC DRC Limited	Hong Kong, China	Hong Kong, China	-	Mining services	-	100	Investment establishment
CMOC UK Limited	UK	UK	USD1.30	Mining services and sales	-	100	Investment establishment
CMOC Luxembourg S.A.R.L	Luxembourg	Luxembourg	USD600,020,000.00	Investment holding	-	100	Investment establishment
CMOC Capital Limited	BVI	BVI	-	Investment holding	-	100	Investment establishment
Oriental Red Investment Limited	BVI	BVI	-	Investment holding	-	100	Investment establishment
CMOC Congo	Congo (DRC)	Congo (DRC)	USD928.11	Consulting services	-	100	Investment establishment
CMOC BHR Limited	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
Shanghai Ruichao Investment Co., Ltd. ("Rui Chao")	China	Shanghai	RMB250,000,000.00	Consulting, enterprise planning and management	-	100	Investment establishment
Tibet Schmocke Investment Co., Ltd. ("Tibet Schmocke")	China	Tibet	RMB10,000,000.00	Consulting, asset management and sales	-	100	Investment establishment

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (continued)

#### (1) Constitution of the Group (continued)

Name of the subsidiary	Main business site	Place of incorporation	Paid-in capital	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanghai Donghe Trading Co., Ltd.	China	Shanghai	-	Sales of metal materials and mineral products	-	100	Investment establishment
Shanghai Hongmo Technical Service Co., Ltd.	China	Shanghai	-	Technology services	-	100	Investment establishment
CMOC Metals Holding Limited	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
Natural Resource Elite Investment Limited	Hong Kong, China	Hong Kong, China	USD212,400,000.00	Investment holding	-	100	Investment establishment
W-Source Holding Limited	Hong Kong, China	Hong Kong, China	USD1,125.87	Investment holding	-	100	Business combinations not involving enterprises under common control
New Frontier Elite Investment Limited	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
Ridgeway Commodities S.A.	Switzerland	Switzerland	USD99,108.42	Metal trading	-	100	Investment establishment
IXM Holding SA	Switzerland	Switzerland	USD102,818.49	Investment holding	-	100	Business combinations not involving enterprises under common control
IXM B.V. and its subsidiaries	Switzerland	Netherland	USD0.05	Metal trading	-	100	Business combinations not involving enterprises under common control
Luoyang Dinghong Trading Co., Ltd. ("Dinghong")	China	Luoyang, Henan	RMB211,120,000.00	Sales of metal materials, and mineral products etc.	-	100	Investment establishment
CMOC Singapore Pte. Ltd.	Singapore	Singapore	-	Metal trading	-	100	Investment establishment
KFM Holding Ltd.	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
CMOC Mining Services Pty. Limited	Australia	Australia	-	Mining services	-	100	Investment establishment

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (continued)

#### (1) Constitution of the Group (continued)

Name of the subsidiary	Main business site	Place of incorporation	Paid-in capital	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Long March No.1 Investment Limited	China	BVI	USD1,020,000.00	Investment holding	-	100	Investment establishment
Bandra Investment Limited	China	BVI		Investment holding	-	100	Investment establishment
CMOC Brazil Mineração, Indústria e Participações Ltda.	Brazil	Brazil	USD830,000,000.00	Production, processing and sales of mineral products	-	100	Investment establishment
Ningbo Baiya Investment Co., Ltd. ("Ningbo Baiya")	China	Ningbo, Zhejiang	RMB11,000,000.00	Investment management	-	100	Investment establishment
Hainan Moxing Trading Co., Ltd. ("Hainan Moxing")	China	Haikou, Hainan	-	Import and export trading	-	100	Investment establishment
Purveyors South Africa Mine Services CMOC	The Republic of South Africa	The Republic of South Africa	-	Logistics transportation	-	100	Business combinations not involving enterprises under common control
CMOC International DRC Holdings Limited	Bermuda	Bermuda	-	Investment holding	-	100	Business combinations not involving enterprises under common control
BHR Newwood Investment Management Limited	BVI	BVI	USD470,000,000.00	Investment holding	-	100	Business combinations not involving enterprises under common control
CMOC Overseas Recruitment Entity	USA	USA	USD2,900,000.00	Consulting	-	100	Investment establishment
Kisanfu Africa Holding (Pty) Limited (Note 1)	The Republic of South Africa	The Republic of South Africa	-	Investment holding	-	100	Investment establishment
Congo Construction Company SARL	Congo (DRC)	Congo (DRC)	USD100,000.00	Refining and sales of mineral products	-	100	Business combinations not involving enterprises under common control
TF Holdings Limited	Bermuda	Bermuda	USD8,400.00	Investment holding	-	100	Business combinations not involving enterprises under common control

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (continued)

#### (1) Constitution of the Group (continued)

Name of the subsidiary	Main business site	Place of incorporation	Paid-in capital	Nature of business	Shareholding ratio (%)		Acquisition method
					Direct	Indirect	
Shanghai Aoyide Trading Co., Ltd. ("Shanghai Aoyide")	China	Shanghai	RMB60,000,000.00	Domestic non-ferrous trading	-	100	Investment establishment
Shanghai Moju Engineering Technology Consulting Co., Ltd. (Note 1)	China	China	RMB10,000,000.00	Consulting	-	100	Investment establishment
Shanghai Fuyi Engineering Technology Consulting Co., Ltd. (Note 1)	China	China	RMB10,000,000.00	Consulting	-	100	Investment establishment
Jenny East Holding Ltd.	Bermuda	Bermuda	USD37,176.00	Investment holding	-	100	Asset acquisition
Kisanfu Holding Ltd.	Bermuda	Bermuda	USD97,876,162.00	Investment holding	-	100	Asset acquisition
Tenke Fungurume Mining S.A.	Congo (DRC)	Congo (DRC)	-	Mining and processing	-	80	Business combinations not involving enterprises under common control
CMOC Kisanfu Mining SARL	Congo (DRC)	Congo (DRC)	USD102,132,800.00	Mining and processing	-	95	Asset acquisition
CMOC Commodity	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
CMOC New Resources Limited (Note 1)	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
CMOC Beta Limited (Note 1)	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
CMOC Delta Limited (Note 1)	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment
CMOC Alpha Limited (Note 1)	Hong Kong, China	Hong Kong, China	-	Investment holding	-	100	Investment establishment

Note 1: These subsidiaries are newly established by the Group.

Note 2: The subsidiaries of the Group incorporated in China are all limited liability companies.

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 1. Interests in subsidiaries (continued)

#### (2) Significant non-wholly owned subsidiaries

Unit: Yuan Currency: RMB

Name of the subsidiary	Minority shareholders' shareholding ratio (%)	Profit or loss attributable to minority interests in the current period	Dividends distributed to minority shareholders in the current period	Closing balance of minority interests
TFM	20	640,418,249.48	–	6,884,269,176.71

#### (3) Key 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
TFM	12,199,306,875.31	34,743,709,992.90	46,943,016,868.21	3,103,316,577.97	9,425,139,631.77	12,528,456,209.74

Name of the subsidiary	Amount for the current period				Amount for the prior period			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
TFM	9,915,840,422.15	3,202,019,268.41	3,202,019,268.41	3,504,810,707.89	7,091,125,575.66	2,166,578,112.62	2,166,578,112.62	2,278,624,699.98

### 2. Interests in joint ventures and associates

#### (1) Significant joint ventures and associates

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

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures and associates (continued)

#### (2) Key financial information of significant joint ventures

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the current period Huan Yu	Opening balance/ Amount for the prior period Huan Yu
Current assets	<b>496,385,750.74</b>	314,146,541.57
Including: Cash and cash equivalents	<b>18,540,365.77</b>	21,401,191.35
Non-current assets	<b>2,204,359,351.17</b>	2,449,875,892.82
<b>Total assets</b>	<b>2,700,745,101.91</b>	2,764,022,434.39
Current liabilities	<b>1,055,884,895.93</b>	295,660,104.64
Non-current liabilities	<b>464,109,049.92</b>	1,152,248,231.78
<b>Total liabilities</b>	<b>1,519,993,945.85</b>	1,447,908,336.42
Minority interests	<b>-25,828,289.75</b>	-40,377,477.51
Equity attributable to equity holders of the Company	<b>1,206,579,445.81</b>	1,356,491,575.48
Share of net assets calculated based on shareholding ratio	<b>603,289,722.91</b>	678,245,787.74
Adjusting events	<b>-10,358,039.09</b>	-14,364,851.68
– Others	<b>-10,358,039.09</b>	-14,364,851.68
Carrying amount of equity investments in joint ventures	<b>592,931,683.82</b>	663,880,936.06
Fair value of equity investments in joint ventures where there is quoted price	<b>N/A</b>	N/A
Operating income	<b>381,146,549.51</b>	477,499,412.39
Financial expenses	<b>25,582,565.16</b>	24,347,577.80
Income tax expenses	<b>37,558,747.20</b>	5,699,283.94
Net profit	<b>-68,235,285.18</b>	91,853,319.67
Net profit from discontinued operations	–	–
Other comprehensive income	–	–
<b>Total comprehensive income</b>	<b>-68,235,285.18</b>	91,853,319.67
Dividends received from joint ventures in the current year	–	–

*Note 1:* The joint venture of the Group, Huan Yu, has 90% equity interest of Fu Chuan Mining; meanwhile, the Company directly holds the remaining 10% interests of Fu Chuan Mining.

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

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 2. Interests in joint ventures and associates (continued)

#### (3) Key financial information of significant associates

Unit: Yuan Currency: RMB

	Closing balance/ Amount for the current period		Opening balance/ Amount for the prior period	
	Yulu Mining	Huayue Nickel Cobalt	Yulu Mining	Huayue Nickel Cobalt
Current assets	148,697,651.74	2,511,552,237.04	155,824,949.49	1,639,501,391.86
Including: Cash and cash equivalents	349,592.30	554,415,457.98	389,701.99	665,049,442.33
Non-current assets	50,127,847.29	8,462,633,111.49	50,493,193.01	7,161,026,706.72
<b>Total assets</b>	<b>198,825,499.03</b>	<b>10,974,185,348.53</b>	206,318,142.50	8,800,528,098.58
Current liabilities	33,684,586.50	3,113,404,017.34	33,156,141.84	3,325,315,875.97
Non-current liabilities	0.00	5,105,859,574.61	-	3,828,586,905.89
<b>Total liabilities</b>	<b>33,684,586.50</b>	<b>8,219,263,591.95</b>	33,156,141.84	7,153,902,781.86
Minority interests	-	-	-	-
Equity attributable to equity holders of the Company	165,140,912.53	2,754,921,756.58	173,162,000.66	1,646,625,316.72
Share of net assets calculated based on shareholding ratio	66,056,365.01	826,476,526.97	69,264,800.26	493,987,595.02
Adjusting events	3,827,294.25	17,611,593.26	5,269,121.06	-
- Others	3,827,294.25	17,611,593.26	5,269,121.06	-
Carrying amount of equity investments in associates	69,883,659.26	844,088,120.23	74,533,921.32	493,987,595.02
Fair value of equity investments in associates where there is quoted price	N/A	N/A	N/A	N/A
Operating income	163,473,808.87	2,530,632,478.94	153,078,725.11	-
Financial expenses	-13,410.08	65,503,791.83	-72,641.32	-8,722,411.19
Income tax expenses	18,991,434.96	-	12,307,017.11	-
Net profit	74,199,475.85	1,053,283,907.94	84,803,720.50	6,529,412.59
Net profit from discontinued operations	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>74,199,475.85</b>	<b>1,053,283,907.94</b>	84,803,720.50	6,529,412.59
Dividends received from associates in the current year	41,750,000.00	-	45,600,000.00	-

Although the Group holds 40% equity interest of Yulu Mining, it shares 50% dividend rights. Refer to Note V.11 for details.

## VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

### 3. Significant joint operation

Name of joint operation	Main business site	Place of incorporation	Nature of business	Shareholding ratio/shares (%)	
				Direct	Indirect
Northparkes Joint Venture ("NJV") (Note)	Australia	Australia	Copper gold mining	–	80

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

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

Pursuant to the NJV Management Agreement, the Company, as the manager of the Northparkes mine, is responsible for the daily operations of Northparkes. The parties to the joint arrangement, as the joint controllers, share the rights to the assets and assume liabilities of the joint arrangement regarding Northparkes mine in proportion to their respective shareholding. The parties reached an agreement, specifying that to ensure the interests of all parties (including their respective share of production volume), the benefit of the counterparties of the joint arrangement shall be protected in the case that any party to the joint arrangement breaches the contract.

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

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



## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

Unit: Thousand Yuan Currency: RMB

	30 June 2022	31 December 2021
<b>Financial assets</b>		
At fair value through profit or loss		
Held-for-trading financial assets	8,593,656	7,117,298
Derivative financial assets	7,263,705	1,830,819
Other non-current financial assets	3,853,745	3,912,405
At fair value through other comprehensive income		
Financing receivables	576,114	662,974
Other investments in equity instruments	67,782	67,773
At amortized cost		
Cash and bank balances	29,654,007	24,318,025
Accounts receivable	796,115	745,903
Other receivables	1,405,054	2,158,422
Other current assets	3,348,294	4,475,288
Non-current assets due within one year	2,688,226	447,046
Other non-current assets	1,952,289	3,827,456
<b>Financial liabilities</b>		
At fair value through profit or loss		
Held-for-trading financing liabilities	3,299,365	4,402,514
Derivative financial liabilities	4,833,621	2,636,505
Non-current derivative financial liabilities	265,354	357,204
At amortized cost		
Short-term borrowings	20,613,090	26,911,900
Notes payable	2,382,328	2,906,024
Accounts payable	1,535,871	1,260,248
Other payables	5,748,654	2,918,191
Non-current liabilities due within one year	4,736,979	4,811,503
Other current liabilities	537,248	191,303
Long-term borrowings	20,678,689	13,610,579
Bonds payable	2,150,000	1,150,000
Other non-current liabilities	33,664	32,259

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

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies

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

#### 1.1 Market risk

##### 1.1.1. Foreign exchange risk

Foreign exchange risk refers to the risk of loss due to exchange rate changes. The Group is exposed to foreign exchange risk mainly related to USD, HKD, EUR, CAD, RMB, BRL, GBP, ZAR, SGD, CDF, CHF and AUD. The principal business activities of the subsidiaries in the PRC are denominated and settled in RMB. The principal business activities of the subsidiaries in Australia are mainly denominated and settled in AUD or USD. The Group's Niobium and Phosphorus businesses in Brazil are principally denominated and settled in USD and BRL and the Group's Copper-Cobalt business in Congo (DRC) is principally denominated and settled in USD and CDF. Foreign currency transactions are mainly financing activities of domestic 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 changes on the foreign exchange risk, and manages foreign exchange risk by purchasing forward exchange contracts and exchange rate option contracts. For details, refer to Note V. 3 and 25.

As at 30 June 2022, except that the balances of the financial assets and financial liabilities set out below are denominated in USD, HKD, AUD, EUR, CAD, RMB, BRL, GBP, CDF, ZAR, SGD, AED, CHF, CLP, MXN, NAD, PEN, TRY and IDR (converted in RMB), the Group's financial assets and financial liabilities are denominated and settled in 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.

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.1. Foreign exchange risk (continued)

Unit: Thousand Yuan Currency: RMB

Item	30 June 2022	31 December 2021
USD		
Cash and bank balances	455,341	457,584
Short-term borrowings	-	-1,083,872
Sub-total	455,341	-626,288
HKD		
Cash and bank balances	3,481	6,051
Sub-total	3,481	6,051
AUD		
Cash and bank balances	199,286	34,834
Sub-total	199,286	34,834
EUR		
Cash and bank balances	3,812	42,140
Short-term borrowings	-10	-
Sub-total	3,802	42,140
CAD		
Cash and bank balances	6,285	6,008
Sub-total	6,285	6,008
RMB		
Cash and bank balances	2,567	2,920
Long-term borrowings	-	-700,000
Sub-total	2,567	697,080

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.1. Foreign exchange risk (continued)

Item	30 June 2022	31 December 2021
BRL		
Cash and bank balances	1,420,294	1,268,631
Sub-total	1,420,294	1,268,631
GBP		
Cash and bank balances	626	2,044
Sub-total	626	2,044
CDF		
Cash and bank balances	4,964	32,579
Sub-total	4,964	32,579
ZAR		
Cash and bank balances	8,610	14,480
Sub-total	8,610	14,480
SGD		
Cash and bank balances	950	374
Sub-total	950	374
AED		
Cash and bank balances	5	4
Sub-total	5	4
CHF		
Cash and bank balances	804	1,145
Sub-total	804	1,145

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.1. Foreign exchange risk (continued)

Item	30 June 2022	31 December 2021
CLP		
Cash and bank balances	219	603
Sub-total	219	603
MXN		
Cash and bank balances	38,457	2,153
Short-term borrowings	-111,866	-101,099
Sub-total	-73,409	-98,946
NAD		
Cash and bank balances	51	51
Sub-total	51	51
PEN		
Cash and bank balances	2,076	1,864
Short-term borrowings	-203,445	-71,922
Long-term borrowings	-718	-2,606
Non-current liabilities due within one year	-4,278	-3,870
Sub-total	-206,365	-76,534
IDR		
Cash and bank balances	10	50
Sub-total	10	50
TRY		
Cash and bank balances	1	2
Sub-total	1	2
Total	1,827,512	-89,852

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 *Market risk (continued)*

##### 1.1.1. Foreign exchange risk (continued)

The following table 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 and USD) 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 assets and liabilities of USD, and RMB increases against the foreign currency. A negative number indicates that a decrease in profit before tax of a company with USD as its functional currency is resulted from assets and liabilities of AUD, HKD, EUR, CAD, RMB, BRL, GBP, CDF, ZAR, SDG, AED, CHF, CLP, MXN, NAD, PEN, TRY and IDR while USD increases against them. If the relevant functional currency decreases 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 contracts and foreign exchange option contracts in the sensitivity analysis as below.

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.1. Foreign exchange risk (continued)

Unit: Thousand Yuan Currency: RMB

Item	Changes in exchange rates	Jan.-Jun.2022		Jan.-Jun.2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
<b>Entities choosing RMB as functional currency</b>					
Pre-tax profit and equity	Depreciation by 10% of USD against RMB	-43,822	-43,822	132,643	132,643
<b>Entities choosing USD as functional currency</b>					
Pre-tax profit and equity	Depreciation by 10% of AUD against USD	-19,929	-19,929	-6,885	-6,885
	Depreciation by 10% of HKD against USD	-348	-348	-305	-305
	Depreciation by 10% of EUR against USD	-380	-380	-1,080	-1,080
	Depreciation by 10% of CAD against USD	-628	-628	-628	-628
	Depreciation by 10% of RMB against USD	-168	-168	69,800	69,800
	Depreciation by 10% of BRL against USD	-142,029	-142,029	-15,733	-15,733
	Depreciation by 10% of GBP against USD	-63	-63	-303	-303
	Depreciation by 10% of CDF against USD	-496	-496	-111	-111
	Depreciation by 10% of ZAR against USD	-861	-861	-764	-764
	Depreciation by 10% of SGD against USD	-95	-95	-103	-103
	Depreciation by 10% of AED against USD	-	-	-	-
	Depreciation by 10% of CHF against USD	-80	-80	-89	-89
	Depreciation by 10% of CLP against USD	-22	-22	-5	-5

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.1. Foreign exchange risk (continued)

Item	Changes in exchange rates	Jan.-Jun.2022		Jan.-Jun.2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
	Depreciation by 10% of MXN against USD	7,341	7,341	8,061	8,061
	Depreciation by 10% of NAD against USD	-5	-5	-6	-6
	Depreciation by 10% of PEN against USD	20,636	20,636	18,349	18,349
	Depreciation by 10% of TRY against USD	-	-	-	-
	Depreciation by 10% of IDR against USD	-1	-1	-	-

The management of the Group believes that the year-end foreign currency risk cannot reflect the foreign currency risk of the year, and the sensitivity analysis cannot reflect the inherent foreign currency risk.

##### 1.1.2. Interest rate risk

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings (see Note V. 23 for details). The Group pays close attention to the effect on cash flow change risks from the changes in interest rate and also hedges part of the interest rate risk assumed by the Group through interest rate swap contracts (see Note V. 67 for details).

The sensitivity analysis on interest rate risk is based on the following assumption:

- Changes in market interest rates affect the interest income or expenses of floating-rate financial instruments.



## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.2. Interest rate risk (continued)

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

Unit: Thousand Yuan Currency: RMB

Item	Changes in interest rates	Jan.-Jun.2022		Jan.-Jun.2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Floating interest rate	Increase 50 base points of interest rate	-61,210	-61,210	-111,667	-115,084
Floating interest rate	Decrease 50 base points of interest rate	61,210	61,210	111,667	115,084

##### 1.1.3. Commodity price risk

International Copper prices and Cobalt prices have a significant impact on the operating results of the Group's subsidiaries in Australia and Congo (DRC). Copper and Cobalt prices fluctuated in the past and the factors causing the fluctuation were beyond the control of the Group. The Group does not hedge against the fluctuation risk of Copper and Cobalt prices. In addition, IXM engages in business related to metal trading platform, of which the operating result is significantly affected by the international price fluctuation of metals. IXM hedges the risk of the metal price fluctuation through commodity futures contract and commodity option contract. Details are set out in Note V. 3 and 25.

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

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.1 Market risk (continued)

##### 1.1.3. Commodity price risk (continued)

Unit: Thousand Yuan Currency: RMB

Item	Increase/ (decrease) percentage	Jan.-Jun.2022		Jan.-Jun.2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of copper	5%	10,764	10,764	4,049	4,049
Market price of copper	-5%	-10,764	-10,764	-4,049	-4,049

Unit: Thousand Yuan Currency: RMB

Item	Increase/ (decrease) percentage	Jan.-Jun.2022		Jan.-Jun.2021	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
Market price of cobalt	5%	34,098	34,098	62,502	62,502
Market price of cobalt	-5%	-34,098	-34,098	-62,502	-62,502

##### 1.1.4. Other price risk

The investments in equity instruments held by the Group, including other non-current financial assets measured at fair value, are measured at fair value at each balance sheet date. As at the end of the reporting period, the investments in equity instruments held by the Group mainly comprise listed securities and asset management plans, therefore, the Group is directly or indirectly exposed to the risk of fluctuation of securities market price. If the equity price of the investments in equity instruments held by the Group increases or decreases by 5% while other variables remain unchanged, the shareholders' equity and profit or loss of the Group will increase or decrease by RMB61,241,000 at the end of the year (excluding the impact of income tax) (as at the end of last year: RMB103,771,000).

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.2. Credit risk

As at 30 June 2022, the Group's maximum exposure to credit risk which will cause a financial loss to the Group is due to the failure of counterparties to fulfill an obligation, including the book value of the financial assets recognized in the balance sheet of the Group.

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

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

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

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

The Group only trades with recognized and creditworthy third parties. Total amount of top five entities with the largest balances of accounts receivable as at the end of the year accounts for 31.19% of the amount of total accounts receivable (as at the end of last year: 31.07%). Accounts receivable balances are monitored on an ongoing basis with the result that the Group's exposure to credit risk is controlled. Products are sold only to companies whose credit information is in an acceptable range. Credit limits have been set for most of the customers and they are monitored systematically. For overseas sales, letters of credit are generally used. Details of analysis on related credit risk are set out in Note V. 4.

For credit risk arising from other receivables, non-current assets due within one year, other current assets and other non-current assets, the Group's exposure to credit risk arising from default of counterparties is limited as most of the counterparties are entities with good credit standing and the Group does not expect any significant loss for uncollected advances to these entities. Details of analysis on related credit risk are set out in Note V. 7, 9, 10 and 22.

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.3. Liquidity risk

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

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

Unit: Thousand Yuan Currency: RMB

30 June 2022	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Short-term borrowings	20,753,847	-	-	-	20,753,847
Long-term borrowings	3,736,979	12,568,298	9,065,231	-	25,370,508
Held-for-trading financing liabilities	3,299,365	-	-	-	3,299,365
Notes payable	2,382,328	-	-	-	2,382,328
Accounts payable	1,535,871	-	-	-	1,535,871
Other payables	5,748,654	-	-	-	5,748,654
Other current liabilities	537,248	-	-	-	537,248
Bonds payable	1,048,788	-	2,294,369	-	3,343,157
Lease liabilities	85,479	41,267	161,020	59,004	346,770
Other non-current liabilities	-	33,779	-	-	33,779
<b>Derivative financial instruments</b>					
Derivative financial liabilities	4,833,621	-	-	-	4,833,621
Non-current derivative financial liabilities	-	265,354	-	-	265,354
<b>Total</b>	<b>43,962,180</b>	<b>12,908,698</b>	<b>11,520,620</b>	<b>59,004</b>	<b>68,450,502</b>

## VIII. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS (CONTINUED)

### 1. Risk management objectives and policies (continued)

#### 1.3. Liquidity risk (continued)

Unit: Thousand Yuan Currency: RMB

31 December 2021	Within 1 year	1-2 years	2-5 years	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Short-term borrowings	27,719,257	-	-	-	27,719,257
Long-term borrowings	2,284,105	10,240,924	4,324,495	-	16,849,524
Held-for-trading financing liabilities	4,402,514	-	-	-	4,402,514
Notes payable	2,906,024	-	-	-	2,906,024
Accounts payable	1,260,248	-	-	-	1,260,248
Other payables	2,918,191	-	-	-	2,918,191
Other current liabilities	191,303	-	-	-	191,303
Bonds payable	2,641,041	-	1,310,213	-	3,951,254
Lease liabilities	148,880	57,718	142,860	64,257	413,715
Other non-current liabilities	-	32,259	-	-	32,259
<b>Derivative financial instruments</b>					
Derivative financial liabilities	-	-	-	-	-
Non-current derivative financial liabilities	2,636,505	-	-	-	2,636,505
	-	357,204	-	-	357,204
<b>Total</b>	<b>47,108,068</b>	<b>10,688,105</b>	<b>5,777,568</b>	<b>64,257</b>	<b>63,637,998</b>

## IX. DISCLOSURE OF FAIR VALUE

### 1. Closing fair value of assets and liabilities measured at fair value

Unit: Thousand Yuan Currency: RMB

Item	Fair value at 30 June 2022			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I. Continuous fair value measurement</b>				
(I) Held-for-trading financial assets	–	7,935,140	658,516	8,593,656
1. Financial assets at FVTPL	–	–	–	–
(1) Accounts receivable	–	7,914,661	–	7,914,661
(2) Others	–	20,479	658,516	678,995
(II) Other investments in equity instruments	–	–	67,782	67,782
(III) Financing receivables	–	–	576,114	576,114
(IV) Other non-current financial assets	6,035	–	3,847,711	3,853,746
1. Entrusted wealth management products of banking financial institutions	–	–	89,186	89,186
2. Fund trust	–	–	350,597	350,597
3. Share of partnership	–	–	1,375,481	1,375,481
4. Share of funds	–	–	797,213	797,213
5. Targeted asset management plan	–	–	1,091,058	1,091,058
6. Equity of non-listed company	–	–	144,176	144,176
7. Equity of listed company	6,035	–	–	6,035
(V) Derivative financial assets	5,391,274	1,865,268	7,163	7,263,705
(VI) Inventories	–	17,858,632	52,839	17,911,471
1. Trade inventories	–	17,858,632	–	17,858,632
2. Consumable biological assets	–	–	52,839	52,839
<b>Total assets continuously measured at fair value</b>	<b>5,397,309</b>	<b>27,659,040</b>	<b>5,210,125</b>	<b>38,266,474</b>

## IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

### 1. Closing fair value of assets and liabilities measured at fair value (continued)

Item	Fair value at 30 June 2022			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
(VII) Held-for-trading financing liabilities	–	3,299,365	–	3,299,365
1. Financial liabilities at FVTPL	–	673,660	–	673,660
Including: Liabilities arising from forward commodity contract and gold lease measured at fair value	–	673,660	–	673,660
2. Financial liabilities designated as at FVTPL	–	2,625,705	–	2,625,705
Including: Accounts payable	–	2,625,705	–	2,625,705
(VIII) Derivative financial liabilities	3,582,692	1,516,282	–	5,098,974
<b>Total liabilities continuously measured at fair value</b>	<b>3,582,692</b>	<b>4,815,647</b>	<b>–</b>	<b>8,398,339</b>

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

Items that are continuously measured at level 2 fair value are accounts receivable at FVTPL, trade inventories, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and the related fair value is determined with reference to the closing price and long-term offer of corresponding products and the yield rate of similar debt instruments in open market.

## IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

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

Items that are continuously measured at level 3 fair value are held-for-trading financial assets, financing receivables, consumable biological assets, derivative financial assets, other investments in equity instruments, other non-current financial assets and derivative financial liabilities. The fair values of held-for-trading financial assets and wealth management products included in other non-current financial assets are measured based on the expected yield rate provided by the third-party financial institution and discounting of the future cash flow. The fair value of consumable biological assets is measured based on the prices of the same kind of wood, the growth period of tree and the discounting of the subsequent input and maintenance fee. The fair value of financing receivables is based on the note discount rate provided by the third-party financial institution and discounting of the future cash flow. The fair values of share of partnership, share of funds, targeted asset management plan and equity in unlisted company included in other equity instruments and other non-current financial assets are determined based on the comparable company analysis, the agreed price for transfer or the valuation report provided by third-party financial institutions, or the financial statements provided by the investee with appropriate adjustments. The fair values of derivative financial assets and derivative financial liabilities are determined by the management with option pricing model.

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

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

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

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### 1. Parent of the Company

Unit: RMB 0'000

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



## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 1. Parent of the Company (continued)

As at 30 June 2022, CFC actually holds 5,333,220,000.00 shares of the Company, accounting for 24.69% of the total share capital of the Company.

CFC is the ultimate controller of the Company.

### 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 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 with balances are as follows:

<b>Name of joint ventures or associates</b>	<b>Relationship with the Company</b>
Fu Chuan Mining	Subsidiary held by joint venture
Fu Xing Mining	Subsidiary of Fu Chuan Mining, a subsidiary held by joint venture
Yulu Mining	Associate
Luoyang Shenyu	Associate
Huayue Nickel Cobalt	Associate
CBC	Associate

### 4. Other related parties

<b>Name of other related parties</b>	<b>Relationship with the Company</b>
LMG	Shareholder of the Company
CFC	Shareholder of the Company
Shanghai Shangju Industrial Co., Ltd. ("Shang Ju")	Subsidiary of the shareholder
Shanghai Yunsheng International Trade Co., Ltd. ("Yun Sheng")	Subsidiary of the shareholder

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions

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

Purchase of goods/receipts of services

Unit: Yuan Currency: RMB

Related party	Details of transaction	Jan. – Jun. 2022	Jan. – Jun. 2021
Luoyang Shenyu	Purchase of products	–	2,007,472.00
Fuchuan Mining	Purchase of products	262,962,498.15	381,738,960.96
Fuchuan Mining	Purchase of service	7,406,026.81	2,387,006.46
Yulu Mining	Purchase of products	62,073,766.15	28,934,129.25

Sales of goods/rendering of services

Unit: Yuan Currency: RMB

Related party	Details of transaction	Jan. – Jun. 2022	Jan. – Jun. 2021
Luoyang Shenyu	Sales of goods	21,822,506.94	25,145,234.79
Luoyang Shenyu	Rendering of service	476,190.47	476,190.46
Yulu Mining	Sales of goods	5,879,159.44	11,339,507.98
Fuchuan Mining	Sales of goods	18,484,248.72	245,751,783.94
Fuchuan Mining	Rendering of service	5,866,110.72	5,482,629.95
Fu Xing Mining	Sales of goods	47,561.98	–
Fu Xing Mining	Rendering of service	61,090.00	–

#### (2). Related leasing situation

The Company act as the lessee

Unit: Yuan Currency: RMB

Name of lessor	Types of leased assets	Current depreciation of right to use assets	Current interest expense on lease liabilities
Shang Ju	House building	8,048,540.73	1,266,621.06
Yun Sheng	House building	4,353,629.94	688,675.14

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 5. Related party transactions (continued)

#### (3). Borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Total amount of borrowings/loans	Current repayment amount	Current borrowing interest	Inception date	Maturity date	The ending balance
Lent to:						
Huayue Nickel Cobalt	- 45,813,224.45		11,853,270.05	From March 2020 to September 2021	From March 2021 to September 2022	383,449,791.09

#### (4). Compensation for key management personnel

Unit: Thousand Yuan Currency: RMB

Item	Jan. – Jun. 2022	Jan. – Jun. 2021
Compensation for key management personnel	33,486	35,566

### 6. Amounts due from/to related parties

#### (1). Receivables

Unit: Yuan Currency: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Yulu Mining	9,567,034.62	604,207.79	5,265,235.97	133,740.92
Accounts receivable	Fu Xing Mining	11,637,979.14	13,525.94	-	-
Accounts receivable	Fu Chuan Mining	247,596.25	5,841.74	-	-
Other receivables	Luoyang Shenyu	1,083,333.32	-	583,333.33	-
Other receivables	Fu Chuan Mining	1,335,149.66	-	-	-
Other receivables	Shang Ju	4,716,599.37	-	4,716,599.37	-
Other receivables	Yun Sheng	2,564,464.47	-	2,564,464.47	-
Other receivables	CBC	2,053,414.50	-	-	-
Interest receivable	Huayue Nickel Cobalt	80,468,657.34	-	65,183,288.85	-
Non-current assets due within one year	Huayue Nickel Cobalt	383,449,791.09	-	407,791,549.93	-

## X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 6. Amounts due from/to related parties (continued)

#### (2). Payables

Unit: Yuan Currency: RMB

Item	Related party	30 June 2022	31 December 2021
Accounts payable	Fu Chuan Mining	205,254,054.77	56,574,511.69
Accounts payable	Fu Xing Mining	31,439,644.10	–
Accounts payable	Yulu Mining	11,004,931.58	10,349,439.19
Other payables	Fu Chuan	1,058,400.00	–
Lease liabilities	Shang Ju	42,869,844.11	46,425,665.17
Lease liabilities	Yun Sheng	23,308,783.18	25,242,120.33
Non-current liabilities due within one year	Shang Ju	15,928,687.84	20,090,244.50
Non-current liabilities due within one year	Yun Sheng	8,660,594.38	10,923,276.32

## XI. SHARE-BASED PAYMENTS

### 2021 Phase I Employee Stock Ownership Plan

As approved by the General Meeting of Shareholders of CMOC held on 21 May 2021, CMOC intends to grant the Employee Stock Ownership Plan to five incentive recipients (“Holders”). The grant date of the Employee Stock Ownership Plan is 21 May 2021, and the source of the shares is the A-share ordinary shares of CMOC repurchased by the Company’s dedicated repurchase account. The total number of shares granted to the incentive recipients is 48,513,287 shares, and the grant price is RMB2 per share.

According to the Employee Stock Ownership Plan, the term of the plan shall not exceed 48 months and the lock-up period of the underlying shares acquired shall be 12 months, which is calculated from the date when the Employee Stock Ownership Plan is approved by the General Meeting of Shareholders of the Company and the Company announces the last transfer of the underlying shares into the dedicated repurchase account (17 June 2021). After the expiration of the lock-up period of the underlying shares, the interests of the Employee Stock Ownership Plan shall be allocated to the holders in three installments based on the results of the performance assessment, with the allocation ratio of 30%, 30% and 40% respectively. If the performance assessment criteria are not met in any of the assessment periods, the interests corresponding to the allocation period shall not be allocated, and the relevant interests shall be mandatorily withdrawn by the Management Committee at the grant price and transferred to other eligible employees of the Employee Stock Ownership Plan at the price decided by the Management Committee.

The equity-settled share-based payments of the Group are subsequently measured.

## XI. SHARE-BASED PAYMENTS (CONTINUED)

### 2021 Phase I Employee Stock Ownership Plan (continued)

On June 10, 2022, By 2021 the first phase of the employee stock ownership plan second holder, the sixth session of the fifth interim meetings of the board meeting and sixth session of the 9th meeting of the board of supervisors approval on the adjustment of luoyang luanchuan molybdenum industry group co., LTD. In 2021 the first issue of employee stock ownership plan in the bill, “about the revised bill, and on the revision of the bill, Due to the resignation of an employee who has participated in the company’s employee stock ownership plan, the company will withdraw the unvested share of the employee stock ownership plan held by the departed employee and grant it to an incentive partner determined by the company who is in line with the company’s employee stock ownership plan. The new incentive object will transfer the relevant share held by the original incentive object, totaling 7,500,000 shares.

#### 1. Summary of share-based payments

Unit: Yuan Currency: RMB

Total number of the Company’s equity instruments granted during the period	27,600,000.00
Total number of the Company’s equity instruments vested during the period	47,001,226.90
Total number of the Company’s equity instruments lapsed during the period	28,650,000.00
Range of the exercise price of the company’s outstanding stock holding plan at the end of the period	2 Yuan
Remaining term of the shareholding plan contract issued by the company at the end of the period	About 2 Years
Range of exercise prices and remaining contractual life of the Company’s other equity instruments outstanding at the end of the period	N/A

#### 2. Equity-settled share-based payments

Unit: Yuan Currency: RMB

Method of determining the fair value of equity instruments at the grant date	Based on the closing price of A shares of the Company at the grant date
Basis for determining the number of exercisable equity instruments	If the holders meet the requirements stipulated in the “Disposal of the holders’ interests” of the stock ownership plan and satisfy the assessment criteria for the Company’s performance and personal performance, the corresponding equity instruments are exercisable.
Reasons for the significant difference between the estimate in the current period and that in the prior period	N/A
Amounts of equity-settled share-based payments accumulated in capital reserve	71,878,080.16
Total expenses recognized arising from equity-settled share-based payments	33,371,576.71

## XII. COMMITMENTS AND CONTINGENCIES

### 1. Significant commitments

Significant commitments and their nature and amounts at the balance sheet date

Unit: Thousand Yuan Currency: RMB

	30 June 2022	31 December 2021
Contracted but not recognized in the financial statements:		
– Commitment for acquisition and construction of long-term assets	2,329,158	1,723,508
– Commitment for investment ( <i>Note</i> )	257,440	359,940
Total	2,586,598	2,083,448

*Note:* The above commitment for investment included the Group's investment in two other non-current financial assets.

As at 30 June 2022, the Group had no other commitments that need to be disclosed.

### 2. Contingencies

#### (1). Significant contingencies at the balance sheet date

##### (1) Pending litigation

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

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

Niobium-Phosphorus business of the Group in Brazil

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

## XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### 2. Contingencies (continued)

#### (1). *Significant contingencies at the balance sheet date (continued)*

##### (2) Guarantees

As at 30 June 2022, the Group provides guarantees for the Australian Northparkes copper and gold mine business to Southwest Welsh government agencies of Australia, with guaranteed amount of AUD46,940,000 (equivalent to RMB216,990,000). The relevant joint venture parties agree that any liability of the business could be executed compulsorily from this guarantee. As at 30 June 2022, no material guarantee responsibility was undertaken.

##### (3) Reserve increase of equity fund for Copper-Cobalt business of TFM in Congo (DRC)

The Group calculated and paid reserve increase of equity fund to the minority shareholder, Gecamines, based on the Shareholders' Agreement entered into between TFM and Gecamines in 2010 ("2010 Shareholders' Agreement"). Since the fourth quarter of 2021, the Group and management team of Copper-Cobalt business of TFM in Congo (DRC) have held continuous meetings with the Ad Hoc Committee set up by the Office of the President of Congo (DRC), to discuss the mineral reserves for the Copper-Cobalt business of TFM in Congo (DRC), and the issues related to the relationship between the shareholders of the two parties, such as the relevant reserve increase of equity fund paid and payable to the minority shareholder, Gecamines, based on such reserves in relation to the Copper-Cobalt business of TFM in Congo (DRC).

Taking into account the interpretation of the 2010 Shareholders' Agreement, all available evidence and the professional opinion of external legal adviser, the management of the Group believes that the past operations and the payment of the reserve increase of equity fund are in compliance with the 2010 Shareholders' Agreement. As at 30 June 2022 and the date on which the financial statements are authorized for issue, the communication between the Group and Ad Hoc Committee set up by the Office of the President of Congo (DRC) did not result in any material present obligations other than the reserve increase of equity fund provided or paid at the end of the year.

The process of communication is complex and dynamic. Gecamines pursues its own claims through various means including legal approach, and the Group safeguards its interests in the Copper-Cobalt business of TFM in Congo (DRC) through various means including multi-level communication with the Congo (DRC) government and Gecamines. Up to now, there are still some disagreements between the two parties on some of these issues. In the future, the two parties will resolve the disagreements in a fair and impartial manner. The Group is currently unable to accurately predict or estimate the impact of this event on the financial statements (timing and amount). As at the date of this report, the Copper-Cobalt business of TFM is operating normally.

#### (2). *There are no significant contingencies that the Company is required to disclose, which should also be stated as follows:*

In addition to the above matters, the Company has no other significant contingencies to disclose.

## **XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

### **1. Segment information**

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

The management divided the Group's business into six (2020: six) operating segments, namely Molybdenum Tungsten related products, Copper and gold related products, Niobium and Phosphorus related products, Copper and Cobalt related products, metal business and others on the basis of the Group's internal organization structure, management requirements and internal reporting system. The Group's management evaluates the operating results of these segments regularly, in order to determine the allocation of resources and assess their performance.

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



## XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### 1. Segment information (continued)

#### (2). Reporting segment's financial information

Unit: Thousand Yuan Currency: RMB

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium & phosphorus related products	Copper & cobalt related products	Metal trading	Others	Undistributed profits	Intersegment eliminations	Total
<b>Operating income</b>									
External income	3,503,010	640,162	3,583,578	9,567,205	74,312,330	160,524	-	-	91,766,809
Inter-segment income	-	-	-	-	-	-	-	-	-
<b>Total segment operating income</b>	<b>3,503,010</b>	<b>640,162</b>	<b>3,583,578</b>	<b>9,567,205</b>	<b>74,312,330</b>	<b>160,524</b>	<b>-</b>	<b>-</b>	<b>91,766,809</b>
Total operating income in the financial statements	3,503,010	640,162	3,583,578	9,567,205	74,312,330	160,524	-	-	91,766,809
<b>Operating cost</b>	<b>1,871,512</b>	<b>509,314</b>	<b>1,779,168</b>	<b>4,189,235</b>	<b>71,808,751</b>	<b>143,283</b>	<b>-</b>	<b>-</b>	<b>80,301,263</b>
Taxes and levies	-	-	-	-	-	-	883,514	-	883,514
Selling expenses	-	-	-	-	-	-	60,573	-	60,573
Administrative expenses	-	-	-	-	-	-	827,426	-	827,426
Research and development expenses	-	-	-	-	-	-	248,345	-	248,345
Financial expenses	-	-	-	-	-	-	729,522	-	729,522
Add: Impairment losses of assets	-	-	-	-	-	-	-19,725	-	-19,725
Losses from credit impairment	-	-	-	-	-	-	-7,304	-	-7,304
Gains from changes in fair value	-	-	-	-	-	-	-1,128,528	-	-1,128,528
Investment income	-	-	-	-	-	-	345,040	-	345,040
Gains (losses) from disposal of assets	-	-	-	-	-	-	13,307	-	13,307
Other income	-	-	-	-	-	-	30,494	-	30,494
<b>Segment operating profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,949,450</b>	<b>-</b>	<b>7,949,450</b>
<b>Operating profit in the financial statements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,949,450</b>	<b>-</b>	<b>7,949,450</b>
Add: Non-operating income	-	-	-	-	-	-	5,428	-	5,428
Less: Non-operating expenses	-	-	-	-	-	-	43,157	-	43,157
<b>Total profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,911,721</b>	<b>-</b>	<b>7,911,721</b>
Less: Income tax expenses	-	-	-	-	-	-	3,093,652	-	3,093,652
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,818,069</b>	<b>-</b>	<b>4,818,069</b>

## XII. COMMITMENTS AND CONTINGENCIES (CONTINUED)

### 1. Segment information (continued)

#### (2). Reporting segment's financial information (continued)

Jan. – Jun. 2021

Unit: Thousand Yuan Currency: RMB

Item	Molybdenum & tungsten related products	Copper & gold related products	Niobium & phosphorus related products	Copper & cobalt related products	Metal trading	Others	Undistributed profits	Intersegment eliminations	Total
Operating income									
External income	2,596,501	658,496	2,545,729	6,060,092	72,700,182	254,930	-	-	84,815,930
Inter-segment income	-	-	-	-	-	-	-	-	-
<b>Total segment operating income</b>	<b>2,596,501</b>	<b>658,496</b>	<b>2,545,729</b>	<b>6,060,092</b>	<b>72,700,182</b>	<b>254,930</b>	<b>-</b>	<b>-</b>	<b>84,815,930</b>
Total operating income in the financial statements	2,596,501	658,496	2,545,729	6,060,092	72,700,182	254,930	-	-	84,815,930
Operating cost	1,694,166	442,130	1,760,798	2,997,323	68,690,215	232,026	-	-	75,816,658
Taxes and levies	-	-	-	-	-	-	527,867	-	527,867
Selling expenses	-	-	-	-	-	-	37,416	-	37,416
Administrative expenses	-	-	-	-	-	-	684,667	-	684,667
Research and development expenses	-	-	-	-	-	-	64,365	-	64,365
Financial expenses	-	-	-	-	-	-	555,136	-	555,136
Add: Impairment losses of assets	-	-	-	-	-	-	-37,041	-	-37,041
Losses from credit impairment	-	-	-	-	-	-	-1,502	-	-1,502
Gains from changes in fair value	-	-	-	-	-	-	-2,851,032	-	-2,851,032
Investment income	-	-	-	-	-	-	100,644	-	100,644
Gains (losses) from disposal of assets	-	-	-	-	-	-	-250	-	-250
Other income	-	-	-	-	-	-	19,567	-	19,567
<b>Segment operating profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,360,207</b>	<b>-</b>	<b>4,360,207</b>
<b>Operating profit in the financial statements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,360,207</b>	<b>-</b>	<b>4,360,207</b>
Add: Non-operating income	-	-	-	-	-	-	18,841	-	18,841
Less: Non-operating expenses	-	-	-	-	-	-	19,361	-	19,361
Total profit	-	-	-	-	-	-	4,359,687	-	4,359,687
Less: Income tax expenses	-	-	-	-	-	-	1,526,414	-	1,526,414
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,833,273</b>	<b>-</b>	<b>2,833,273</b>

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

#### 1. Accounts receivable

Unit: Yuan Currency: RMB

Category	30 June 2022	31 December 2021
Accounts receivable	<b>826,390,597.23</b>	1,070,044,033.56
– At amortized cost	<b>826,390,597.23</b>	1,070,044,033.56
Total	<b>826,390,597.23</b>	1,070,044,033.56

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

At 30 June 2022, the Company's loss allowance for accounts receivable provided based on expected credit loss is as follows:

Unit: Yuan Currency: RMB

Book balance	Impairment provision	Book value
<b>837,859,922.00</b>	<b>11,469,324.77</b>	<b>826,390,597.23</b>

At 31 December 2021, the Company's loss allowance for accounts receivable provided based on expected credit loss is as follows:

Unit: Yuan Currency: RMB

Book balance	Impairment provision	Book value
1,080,889,782.87	10,845,749.31	1,070,044,033.56

### XIII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 2. Other receivables

##### *Presentation of items*

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Closing balance</b>	Opening balance
Interest receivable	<b>467,979,389.18</b>	381,051,625.43
Dividends receivable	<b>1,944,742,084.08</b>	584,906,084.08
Other receivables	<b>4,442,088,131.60</b>	2,954,015,971.56
<b>Total</b>	<b>6,854,809,604.86</b>	3,919,973,681.07

##### *Interest receivable*

#### (1). Categories of interest receivable

Unit: Yuan Currency: RMB

<b>Item</b>	<b>Closing balance</b>	Opening balance
Term deposits	<b>193,572,405.30</b>	132,002,092.90
Step deposit interest	<b>33,120,007.88</b>	58,567,122.68
Intra-group interest receivable	<b>241,286,976.00</b>	190,482,409.85
<b>Total</b>	<b>467,979,389.18</b>	381,051,625.43

#### (2). Dividends receivable

Unit: Yuan Currency: RMB

<b>Item (or investee)</b>	<b>Closing balance</b>	Opening balance
Dividends receivable within the group	<b>1,944,742,084.08</b>	584,006,084.08
Luo Yang Shen Yu	-	900,000.00
<b>Total</b>	<b>1,944,742,084.08</b>	584,906,084.08

### XIII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 2. Other receivables (continued)

*Interest receivable (continued)*

##### (3). Categories by nature

Unit: Yuan Currency: RMB

Nature	30 June 2022	31 December 2021
Deposits	3,000,000.00	3,000,000.00
Intra-group balances	4,396,858,538.49	2,922,987,234.66
Others	69,610,281.36	46,701,240.32
Total	4,469,468,819.85	2,972,688,474.98

##### (4). Bad debt provision

At the end of the period, other receivables with impairment provision recognized by the Company based on the expected credit loss are as follows:

Unit: Yuan Currency: RMB

	Book balance	Impairment provision	Book value
Other receivables with impairment provision recognized based on the expected credit loss	4,469,468,819.85	27,380,688.25	4,442,088,131.60

#### 3. Long-term equity investment

Unit: Yuan Currency: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investments in subsidiaries	31,515,466,177.27	62,254,715.50	31,453,211,461.77	31,529,130,600.56	62,254,715.50	31,466,875,885.06
Investments in associates and joint ventures	437,513,797.01	-	437,513,797.01	512,962,239.68	-	512,962,239.68
Total	31,952,979,974.28	62,254,715.50	31,890,725,258.78	32,042,092,840.24	62,254,715.50	31,979,838,124.74

### XIII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Long-term equity investment (continued)

##### (1) Investments in subsidiaries

Unit: Yuan Currency: RMB

Investee	Opening balance	Increase in the period	Decrease in the period	Closing balance	Provision for the period	Impairment provision at 30 June 2022
International Hotel	290,000,000.00	-	-	290,000,000.00	-	-
Ye Lian	5,638,250.27	-	-	5,638,250.27	-	-
Metal Material	650,000,000.00	-	-	650,000,000.00	-	-
Sales Company (Note 1)	50,700,000.00	-	-	50,700,000.00	-	-
Wu Ye	100,000,000.00	-	-	100,000,000.00	-	-
Fu Run	-	-	-	-	-	-8,803,190.84
Beijing Yongbo	267,800,000.00	1,341,666.67	-	269,141,666.67	-	-
Qi Xing	46,963,636.00	-	-	46,963,636.00	-	-
Da Dong Po	13,557,261.67	-	-	13,557,261.67	-	-19,926,488.19
San Qiang	16,900,901.94	-	-	16,900,901.94	-	-16,496,136.47
Jiu Yang	-	-	-	-	-	-17,028,900.00
Xinjiang Luo Mu	980,000,000.00	-	-	980,000,000.00	-	-
Fu Kai	261,520,000.00	-	-	261,520,000.00	-	-
CMOC HK	1,869,455,300.96	-	-	1,869,455,300.96	-	-
Schmoeke	660,000,000.00	-	-	660,000,000.00	-	-
CMOC Limited (Note 1)	25,889,849,209.48	-	-	25,889,849,209.48	-	-
CMOC Mining Pty (Note 1)	39,000,000.00	-	-	39,000,000.00	-	-
High-tech	189,394,789.58	-	-	189,394,789.58	-	-
Shanghai Donghe Trading	63,060,535.16	8,587,041.68	-	71,647,576.84	-	-
Luoyang Xinchu	47,036,000.00	10,000.00	47,046,000.00	-	-	-
Luanchuan Junlong	26,000,000.00	-	-	26,000,000.00	-	-
Hainan Moxing	-	23,442,868.36	-	23,442,868.36	-	-
<b>Total</b>	<b>31,466,875,885.06</b>	<b>33,381,576.71</b>	<b>47,046,000.00</b>	<b>31,453,211,461.77</b>	<b>-</b>	<b>-62,254,715.50</b>

Note 1: The Company provides guarantee for the subsidiaries' USD borrowings and recognizes relevant investment cost based on the fair value of the guarantee.

Note 2: Investment cost recognized by the Company for settlement of employee stock ownership plan of subsidiaries.

### XIII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 3. Long-term equity investment (continued)

##### (2) Investments in associates and joint ventures

Unit: Yuan Currency: RMB

Investee	Opening balance	Investment income or loss under equity method	Adjustment of other comprehensive income	Other changes in equity	Cash dividends or profit declared	Impairment provision	Others	Closing balance	Impairment provision at Closing balance
I. Joint venture									
Huan Yu	432,362,938.25	-83,896,801.12	-	-	-	-	-	348,466,137.13	-
Fuchuan Mining	3,163,495.92	12,947,548.88	-	-	-	-	-	16,111,044.80	-
Sub-total	435,526,434.17	-70,949,252.24	-	-	-	-	-	364,577,181.93	-
II. Associates									
Yulu Mining	74,533,921.32	37,099,737.94	-	-	-41,750,000.00	-	-	69,883,659.26	-
Nanomoly Development	-	-	-	-	-	-	-	-	-
Luoyang Shenyu	2,901,884.19	151,071.63	-	-	-	-	-	3,052,955.82	-
Sub-total	77,435,805.51	37,250,809.57	-	-	-41,750,000.00	-	-	72,936,615.08	-
Total	512,962,239.68	-33,698,442.67	-	-	-41,750,000.00	-	-	437,513,797.01	-

### XIII. NOTES TO MAJOR ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

#### 4. Operating income and operating cost

##### (1). Operating income and operating cost

Unit: Yuan Currency: RMB

Item	Jan.-Jun. 2022		Jan.-Jun. 2021	
	Income	Cost	Income	Cost
Principal operating activities	2,542,426,250.86	1,238,665,095.88	1,804,743,430.79	928,741,685.26
Other operating activities	153,876,131.72	149,739,805.64	96,636,979.19	86,942,458.50
Total	2,696,302,382.58	1,388,404,901.52	1,901,380,409.98	1,015,684,143.76

#### 5. Investment income

Unit: Yuan Currency: RMB

Item	Jan.-Jun. 2022	Jan.-Jun. 2021
Income from long-term equity investment under equity method	-33,698,442.67	-4,571,020.21
Investment income from holding held-for-trading financial assets	18,062,916.31	6,703,857.19
Investment income from holding other non-current financial assets	19,207,158.18	12,151,719.31
Dividend income from subsidiaries	1,610,736,000.00	677,000,000.00
Investment income from disposal of subsidiaries	-94,270.15	-4,732,948.26
Interest on discounting of notes derecognized	-1,242,118.06	-
Total	1,612,971,243.61	686,551,608.03



## XIV. SUPPLEMENTARY INFORMATION

### 1. Breakdown of non-recurring profit or loss

Unit: Yuan Currency: RMB

Item	Amount	Explanation
Gains or losses on disposal of non-current assets	13,307,215.88	
Government grants included in profit or loss (exclusive of those relating closely to the enterprise's business and subject to the uniform national standards on amount and quantity)	30,493,714.00	Including subsidies of RMB4 million from low-grade scheelite project
Profit or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, and derivative financial liabilities, as well as the income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments, other than those used in the effective hedging activities related to the Company's normal operating business	-1,075,306,431.83	Including losses of RMB854 million from the changes in fair value of derivatives of IXM metal trading business
Other non-operating income or expenses other than the above	-30,339,787.07	
Other profit or loss that meets the definition of non-recurring profit or loss	1,880,215,500.08	In addition to the above items, the gain of RMB1,889 million was related to IXM metal trading business.
Less: Income tax effects	136,894,447.72	
Effects attributable to minority interests (after tax)	-396,559.57	
Total	681,872,322.91	

#### XIV. SUPPLEMENTARY INFORMATION (CONTINUED)

##### 2. Return on net assets and earnings per share

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	9.41	0.193	0.193
Net profit after deduction of non-recurring profit or loss attributable to ordinary shareholders of the Company	7.86	0.162	0.162

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Sun Ruiwen (*CEO*)  
Li Chaochun (*Vice Chairman*)

### Non-Executive Directors

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

### Independent Non-Executive Directors

Wang Gerry Yougui  
Yan Ye  
Li Shuhua

## SUPERVISORS

Kou Youmin (*Chairperson of the Supervisory Committee*)  
Zhang Zhenhao  
Xu Wenhui

## BOARD COMMITTEES

### Remuneration Committee

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

### Audit and Risk Committee

Li Shuhua (*Chairman*)  
Yan Ye  
Yuan Honglin

### Strategic and Sustainability Committee

Yuan Honglin (*Chairman*)  
Sun Ruiwen  
Li Chaochun  
Wang Gerry Yougui

### Nomination and Governance Committee

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

## BOARD SECRETARY

Yuan Honglin (*concurrent post*)

## COMPANY SECRETARY

Ng Sau Mei (*FCG, HKFCG*)

## REGISTERED OFFICE IN THE PRC

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

## PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square  
1 Matheson Street  
Causeway Bay, Hong Kong

## LEGAL REPRESENTATIVE

Yuan Honglin

## AUTHORIZED REPRESENTATIVES

Yuan Honglin  
Ng Sau Mei

# CORPORATE INFORMATION (CONTINUED)

## ENQUIRY DEPARTMENT OF THE COMPANY

Office of the Board of Directors

## INFORMATION ENQUIRY TELEPHONE NO. OF THE COMPANY

(+86) 379 6860 3993

## SHANGHAI A SHARE REGISTRAR

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

## HONG KONG H SHARE REGISTRAR

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

## PLACES OF LISTING

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

## NAME OF THE STOCK

CMOC Group Limited (CMOC)

## STOCK CODE

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

## PRINCIPAL BANKERS

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

## AUDITOR

Deloitte Touche Tohmatsu Certified Public Accountants LLP

## LEGAL ADVISORS

*As to Hong Kong law:*

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

*As to PRC law:*

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

## COMPANY WEBSITE

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

# DEFINITIONS

“APT”	ammonium paratungstate
“CFC”	Cathay Fortune Corporation, a controlling shareholder of the Company
“CMOC”, the “Company” or “Group”	洛陽樂川鋁業集團股份有限公司 (CMOC Group Limited*)
“CMOC Brasil”	CMOC Brasil Mineração Indústria e Participações Ltda. During the Reporting Period, the Group’s Brazil Niobium-Phosphorus business underwent a reorganization through merger of three legal entities and renamed the reorganized company as CMOC Brasil Mineração Indústria e Participações Ltda
“IXM”	generally refers to IXM B.V. and its affiliates
“LMG”	Luoyang Mining Group Co., Ltd., the second largest shareholder of the Company
“MAP”	ammonium dihydrogen phosphate, a chemical agent, also known as monoammonium phosphate
“NPM”	copper/gold mine in Northparkes, situated at northwest of the town of Parkes in New South Wales, Australia, 80% equity of which was held by a wholly-owned subsidiary of the Company registered as the manager
“reporting period”	six months ended 30 June 2022
“Sandaozhuang Mine” or “Sandaozhuang Molybdenum/ Tungsten Mine”	located in Luanchuan County, Henan Province, China, the mine where the Company is carrying out major mining work of molybdenum/tungsten at present
“Shangfanggou Mine” or “Shangfanggou Molybdenum Mine”	located in Luanchuan County, Henan Province, China, which is owned by a controlled subsidiary of Xuzhou Huanyu Molybdenum Co., Ltd, a joint venture of the Company
“TFM”	Tenke Fungurume Mining S.A. (DRC)
“TFM Copper and Cobalt Mine”	Tenke Fungurume Copper/Cobalt Mine Area located in Congo (DRC)
“Yulu Mining”	Luoyang Yulu Mining Co., Ltd., a non wholly-owned subsidiary of the Company

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

\* For identification purposes only



洛陽樂川鉬業集團股份有限公司  
CMOC Group Limited\*



WeChat Official  
Account of CMOC