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**洛陽欒川鉬業集團股份有限公司**

**China Molybdenum Co., Ltd.\***

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 03993)

**PROPOSED INCREASE IN REGISTERED CAPITAL  
AND DEBT RESTRUCTURING OF  
LUOYANG YONGNING GOLD & LEAD REFINING CO., LTD.\***

This announcement is made by China Molybdenum Co., Ltd.\* (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

On 14 May 2015, the board of directors of the Company (the “**Board**”) approved the proposed increase in the registered capital and debt restructuring (collectively, the “**Proposed Transactions**”) of Luoyang Yongning Gold & Lead Refining Co., Ltd.\* (“**Yongning**”). As at the date of this announcement, no legally binding agreement in relation to the Proposed Transactions has been entered into.

## PROPOSED TRANSACTIONS

The Proposed Transactions would involve (i) Lingbao Dinglong Mining Company Limited\* (“**Dinglong**”) subscribing for equity interest in Yongning in the sum of RMB122 million (the “**Proposed Capital Increase**”); and (ii) the Company entering into a debt restructuring arrangement with Yongning in relation to the debt (in the sum of RMB684 million) owed to the Company. It is anticipated that the Company would waive a portion of the outstanding debt (in the sum of RMB495 million) (the “**Proposed Debt Restructuring**”). The Proposed Capital Increase and the Proposed Debt Restructuring shall be inter-conditional.

Upon the completion of the Proposed Capital Increase, Dinglong and Luomu Group Precious Metals Co., Ltd.\* (“**Luomu**”), a wholly owned subsidiary of the Company, will respectively hold 99.187% and 0.610% equity interest in Yongning.

As at the date of this announcement, the shareholders of Yongning have agreed to the Proposed Capital Increase. In addition, save for Luoyang Haobo Mines Co., Ltd.\* (洛陽浩博礦業有限公司), all the shareholders of Yongning have also agreed to waive their pre-emptive rights in relation to the Proposed Capital Increase.

## REASONS FOR THE PROPOSED TRANSACTIONS

The Board considers that the Proposed Transactions would (i) organise and optimise the balance sheet of the Group; (ii) dispose of non-core and inefficient assets; (iii) centralise financial resources; (iv) allow the Group to carry out mergers and acquisitions of, and invest in, projects with good cash flow and matured resources which are located in politically-stabled areas; and (v) increase return on investment of capital, so as to expand the scale of operations, enhance the ability to withstand risks whilst continue to provide better returns to the Company’s shareholders.

The Proposed Transactions are expected to reduce the Company’s net profits by approximately RMB137 million, but it is not expected to have any significant impact on the Company’s financial status and annual operating results for the year 2015.

Upon completion of the Proposed Transactions, Yongning will cease to be a subsidiary of the Company.

## INFORMATION ON PARTIES

### *Dinglong*

To the best of the knowledge, information and belief of the Board, Dinglong is a third party independent of the Company and its connected persons (as defined in the Listing Rules) and principally engages in the purchase and sale of mineral products.

As at 31 December 2014, the unaudited amount of the total assets and net assets of Dinglong were RMB38,020,675.83 and RMB37,427,588.77, respectively. The operating income and net profits of Dinglong for the year 2014 were RMB146,510,978.56 and RMB17,616,053.88, respectively.

### *Yongning*

Yongning is an indirect non-wholly owned subsidiary of the Company. As at the date of this announcement, Luomu, a wholly owned subsidiary of the Company held 75% equity interest in Yongning. Yongning principally engages in lead smelting, processing and sales of mineral products. Yongning's key financial information (unaudited) are as follows:

	<b>As at 31 March 2015</b>	<b>As at 31 December 2014</b>
Total assets ( <i>RMB</i> )	382,826,344.26	408,179,360.04
Net assets ( <i>RMB</i> )	(289,427,585.12)	(268,111,025.69)
	<b>For the period between January 2015 and March 2015</b>	<b>For the year ended 31 December 2014</b>
Revenue ( <i>RMB</i> )	16,257,941.44	526,019,291.28
Net Profit/(Loss)( <i>RMB</i> )	(12,625,234.85)	(228,237,287.47)

## GENERAL

As at the date of this announcement, no legally binding agreement in relation to the Proposed Transactions has been entered into by the parties. If the Proposed Transactions materialises and definitive agreements are entered into by the parties, further announcement(s) in respect of the Proposed Transactions will be made by the Company in compliance with the Listing Rules. As the Proposed Transactions may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board  
**China Molybdenum Co., Ltd.\***  
**Li Chaochun**  
*Chairman*

Luoyang City, Henan Province, People's Republic of China, 14 May 2015

*As at the date of this announcement, the executive Directors of the Company are Mr. Li Chaochun, Mr. Li Faben, Mr. Wang Qinxi, Ms. Gu Meifeng and Mr. Wu Wenjun; the non-executive Directors are Messrs. Zhang Yufeng and Yuan Honglin; and the independent non-executive Directors are Messrs. Bai Yanchun, Xu Shan, Cheng Gordon and Xu Xu.*

\* *For identification purposes only*