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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)

## **PAYMENT OF 2014 FINAL DIVIDEND**

Reference is made to the announcement of China Molybdenum Co., Ltd.\* (the “**Company**”) dated 28 June 2015 in relation to, among others, the poll results of the 2014 annual general meeting of the Company (the “**AGM**”). The Company’s shareholders approved the payment of final dividend for the year ended 31 December 2014 at the AGM (the “**2014 Final Dividend**”).

The board of directors of the Company (the “**Board**”) wishes to provide further information on the payment of the 2014 Final Dividend to holders of H shares.

### **PAYMENT OF 2014 FINAL DIVIDEND**

The Company will pay a final dividend of RMB0.18 per share (tax inclusive) for the year ended 31 December 2014 to holders of H shares whose names appeared on the register of members of H shares of the Company on Thursday, 9 July 2015.

#### **1. Holders of H shares of the Company (excluding mainland individual investors or corporate investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect)**

The 2014 Final Dividend payable to the holders of H shares of the Company (excluding mainland individual investors or corporate investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect) is paid in Hong Kong dollars. The amount of Hong Kong dollars payable is calculated on the average of the mean exchange rate of the conversion of Renminbi against Hong Kong dollars as announced by the People’s Bank of China one calendar

week preceding Friday, 26 June 2015, the date of the AGM at which the 2014 Final Dividend was approved (i.e. HK\$0.228255 per H share (tax inclusive)).

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent in Hong Kong (the “**Receiving Agent**”) and will pay to the Receiving Agent the 2014 Final Dividend to holders of H shares (excluding mainland individual investors or corporate investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect). The Receiving Agent will arrange for the despatch of the relevant cheques for the 2014 Final Dividend to holders of H shares entitled to receive such dividends by ordinary post and at their own risk on 31 July 2015.

## **2. Holders of H shares of the Company who are mainland individual investors or corporate investors investing in the H shares of the Company via the Shanghai-Hong Kong Stock Connect**

The 2014 Final Dividend payable to mainland individual investors and corporate investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect will be paid in Renminbi by China Securities Depository and Clearing Corporation Limited (“**CSDC**”) as entrusted by the Company. The Company will pay the 2014 Final Dividend to CSDC on 31 July 2015 for distribution thereafter.

## **TAXATION ON 2014 FINAL DIVIDEND**

In accordance with the “Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法》) and the “Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (《中華人民共和國企業所得稅法實施條例》), both implemented on 1 January 2008 and the “Notice on Issues in Relation to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Enterprises to Overseas Non-resident Enterprise Holders of H Shares” (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated on 6 November 2008, the Company is obliged to withhold and pay PRC enterprise income tax on behalf of non-resident enterprise shareholders at a tax rate of 10% when the Company distributes any dividends to non-resident enterprise shareholders whose names appear on the register of members of H shares of the Company. As such, any H shares of the Company which are not registered in the name(s) of individual(s) (which, for this purpose, includes shares registered in the name of HKSCC Nominees Limited, other nominees, trustees, or other organisations or groups) shall be deemed to be H shares held by non-resident enterprise shareholder(s), and the PRC enterprise income tax shall be withheld from any dividends payable thereon. Non-resident enterprise shareholders may wish to apply for a tax refund (if any) in accordance with the relevant requirements, such as tax agreements (arrangements), upon receipt of any dividends.

In accordance with the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises. Furthermore, following consultations between the Company and the competent tax authority, it is confirmed that it is applicable to the Company for the relevant requirements under the “Notice on Certain Issues Concerning the Policies of Individual Income Tax” (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), the Company will not be required to withhold and pay the individual income tax on behalf of individual shareholders when the Company distributes the 2014 Final Dividend to individual shareholders whose names appear on the register of members of H shares of the Company.

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

- For mainland individual investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax at the rate of 20% in the distribution of the 2014 Final Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of CSDC for tax credit relating to the withholding tax already paid abroad. For mainland securities investment funds that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will withhold individual income tax in the distribution of the 2014 Final Dividend pursuant to the foregoing provisions; and
- For mainland corporate investors that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect, the Company will not withhold the income tax in the distribution of the 2014 Final Dividend and the mainland corporate investors shall file the tax returns on their own.

Holders of H shares of the Company are recommended to consult their tax advisors regarding the relevant tax laws and regulations in the People’s Republic of China (the “PRC”), Hong Kong and other countries on the dividend payment by the Company and on the taxation implications of holding and dealing in the H shares of the Company.

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

Luoyang City, Henan Province, PRC, 22 July 2015

*As at the date of this announcement, the Company's executive directors are Messrs. Li Chaochun and Li Faben; the non-executive directors are Messrs. Ma Hui, Yuan Honglin and Cheng Yunlei; and the independent non-executive directors are Messrs. Bai Yanchun, Xu Shan and Cheng Gordon.*

\* *For identification purposes only*