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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF INTEREST IN LUOMU PRECIOUS METALS**

DISPOSAL OF LUOMU PRECIOUS METALS

The Board is pleased to announce that on 11 August 2015, the Company and Dinglong entered into the Equity Transfer Agreement, pursuant to which the Company agreed to sell and Dinglong agreed to purchase, all the equity interest in Luomu Precious Metals for the sum of RMB10,000. Following completion of the Disposal, Luomu Precious Metals will cease to be a subsidiary of the Company.

IMPLICATIONS UNDER LISTING RULES

Reference is made to the announcements of the Company dated 14 May 2015, 18 May 2015 and 10 August 2015, where the Company announced that Dinglong as the subscriber, subscribed for equity interest in Yongning, and Yongning entered into the Debt Restructuring Agreement with the Company. Given the Disposal, the Capital Increase and the Debt Restructuring were entered into by the Company with the same party or with parties connected or otherwise associated with one another, the Company has in this instance aggregated these transactions and treat them as if they were one transaction.

As one of the applicable percentage ratios for the Disposal, the Capital Increase and the Debt Restructuring when aggregated pursuant to Rule 14.22 of the Listing Rules is on this basis over 5% but less than 25%, the transactions contemplated under the Disposal, the Capital Increase and the Debt Restructuring also constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Disposal is subject to the reporting and announcement requirements under the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 14 May 2015, 18 May 2015 and 10 August 2015, where the Company announced that Dinglong as the subscriber, subscribed for equity interest in Yongning, and Yongning entered into the Debt Restructuring Agreement with the Company.

The Board is pleased to announce that on 11 August 2015, the Company and Dinglong entered into the Equity Transfer Agreement, pursuant to which the Company agreed to sell and Dinglong agreed to purchase all the equity interest in Luomu Precious Metals.

EQUITY TRANSFER AGREEMENT

Set out below are the principal terms of the Equity Transfer Agreement:

Date	11 August 2015
Parties	(i) Dinglong (as purchaser); and (ii) the Company (as vendor).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Dinglong and its ultimate beneficial owner(s) are third party independent of the Company and its connected persons (as defined in the Listing Rules).

Interest to be disposed of

Pursuant to the Equity Transfer Agreement, the Company agreed to transfer to Dinglong all the equity interest in Luomu Precious Metals. Following completion of the Disposal, Luomu Precious Metals will cease to be a subsidiary of the Company.

Consideration

The consideration for the Disposal is RMB10,000, which shall be paid by Dinglong within five days from the effective date of the Equity Transfer Agreement. The consideration was arrived at after arm's length negotiations between the Company and Dinglong with reference to net asset value of Luomu Precious Metals as at 31 July 2015, financial performance of Luomu Precious Metals and reasons for the Disposal as disclosed below.

REASONS FOR DISPOSAL

As at the date of this announcement, Luomu Precious Metals does not own other material assets other than approximately 0.61% interest in Yongning. The Disposal would enable the Group to (i) dispose of non-core and inefficient assets; (ii) streamline its corporate structure; and (iii) focus its resources on its core businesses. Based on the above, the Board is of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Following completion of the Disposal, Luomu Precious Metals will cease to be a subsidiary of the Company. It is expected that upon completion of the Disposal, the Group will record a gain of approximately RMB4,000. The actual gain/loss to be recorded by the Group is subject to audit.

INFORMATION ON PARTIES

the Company

The Company is primarily engaged in the mining, processing, smelting, deep processing, trade, research and development of molybdenum, tungsten, copper and other precious and base metals. It possesses a complete industry chain which integrates upstream and downstream processes including the molybdenum mining, processing, roasting, molybdenum chemical products and molybdenum metal processing. As one of the largest molybdenum producers in the PRC with a leading position in the world, the Company has the highest production capacity in ferromolybdenum and molybdenum oxides in the PRC. The Company is also one of the largest tungsten concentrates producers in the PRC and the fourth largest copper producer in Australia.

Dinglong

Dinglong is a company incorporated in the PRC and principally engages in the purchase and sale of mineral products. Based on the information provided by Dinglong, as at 31 December 2014, its total assets and net assets (unaudited) were RMB38,020,675.83 and RMB37,427,588.77, respectively; and its operating income and net profits (unaudited) for the year ended 31 December 2014 were RMB146,510,978.56 and RMB17,616,053.88, respectively.

Luomu Precious Metals

Luomu Precious Metals is a wholly owned subsidiary of the Company and principally engages in processing and sale of mineral products. As at the date of this announcement, Luomu Precious Metals does not own other material assets other than approximately 0.61% equity interest in Yongning. Luomu Precious Metals' key financial information (unaudited) are as follows:

	As at As at 31 July 2015	As at 31 December 2014 ⁽¹⁾	As at 31 December 2013 ⁽¹⁾
Total assets (RMB)	5,717.59	408,430,519.25	1,312,670,054.26
Net assets (RMB)	5,717.59	(268,737,457.97)	325,655,049.20

	For the period between 1 January 2015 and 31 July 2015 ⁽¹⁾	For the year ended 31 December 2014 ⁽¹⁾	For the year ended 31 December 2013 ⁽¹⁾
Revenue (RMB)	16,241,015.68	526,019,291.28	873,848,920.99
Net Profit/(Loss) (RMB)	258,774,741.01	(225,661,248.39)	(281,696,487.63)

Note (1): including Luomu Precious Metals' 75% interest in Yongning.

IMPLICATIONS UNDER LISTING RULES

Reference is made to the announcements of the Company dated 14 May 2015, 18 May 2015 and 10 August 2015, where the Company announced that Dinglong as the subscriber, subscribed for equity interest in Yongning, and Yongning entered into the Debt Restructuring Agreement with the Company. Given the Disposal, the Capital Increase and the Debt Restructuring were entered into by the Company with the same party or with parties connected or otherwise associated with one another, the Company has in this instance aggregated these transactions and treat them as if they were one transaction.

As one of the applicable percentage ratios for the Disposal, the Capital Increase and the Debt Restructuring when aggregated pursuant to Rule 14.22 of the Listing Rules is on this basis over 5% but less than 25%, the transactions contemplated under the Disposal, the Capital Increase and the Debt Restructuring also constitute discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Disposal is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings unless the context otherwise requires:

“Board”	the board of Directors of the Company
“Capital Increase”	the subscription of equity interest in Yongning and the extension of loan by Dinglong to Yongning pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 18 May 2015 entered into between Luomu Precious Metals, Dinglong and Yongning
“Company”	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 PRC with limited liability, the A shares and H shares of which are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively
“Debt Restructuring”	the repayment and waiver of loans due by Yongning to the Company pursuant to the Debt Restructuring Agreement
“Debt Restructuring Agreement”	the debt restructuring agreement dated 18 May 2015 entered into between the Company and Yongning
“Dinglong”	靈寶市鼎隆礦業有限責任公司 (Lingbao Dinglong Mining Company Limited*)
“Directors”	the directors of the Company
“Disposal”	the disposal of all the equity interest in Luomu Precious Metals under the Disposal Agreement
“Equity Transfer Agreement”	the agreement dated 11 August 2015 entered between the Company and Dinglong in relation to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“Luomu Precious Metals”	洛陽鉬業集團貴金屬有限公司 (Luomu Precious Metals Precious Metals Co., Ltd.*)
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Yongning”	洛陽永寧金鉛冶煉有限公司 (Luoyang Yongning Gold & Lead Refining Co., Ltd.*)

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

Luoyang City, Henan Province, PRC, 11 August 2015

As at the date of this announcement, the 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*