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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)

## **UPDATE ON THE ACQUISITION OF ANGLO AMERICAN PLC'S NIOBIUM AND PHOSPHATES BUSINESSES**

References are made to the announcements of the China Molybdenum Co., Ltd.\* (the “**Company**”) dated 28 April 2016, 2 May 2016, 13 May 2016, 15 May 2016, 25 May 2016, 21 June 2016, 15 July 2016, 29 July 2016, 5 August 2016 and 8 August 2016 in relation to, among other things, the proposed acquisition of Anglo American plc's Niobium and Phosphates Businesses (collectively, the “**Announcements**”). Capitalised terms used in this announcement have the same meanings as those defined in the Announcements, unless otherwise stated herein.

### **BACKGROUND**

As disclosed in the announcement of the Company dated 15 May 2016, the Transaction constitutes a material asset reorganisation of the Company and the Company was in the process of preparing the MAR report in relation to the Transaction.

As advised by the Company's PRC legal advisers, Llinks Law Offices, the Board is of the view that the material asset reorganisation is in compliance with relevant laws and regulations, departmental rules and regulating documents, such as Measures for Administration of Material Asset Reorganisation of Listed Companies (上市公司重大資產重組管理辦法) and Provisions on Issues Concerning Regulating the Material Asset Reorganisation of Listed Companies (關於規範上市公司重大資產重組若干問題的規定) and satisfies the requirements for implementation of the material asset reorganisation.

On 8 August 2016, the Board approved:

- (i) the Resolution in Relation to the Plan of Material Asset Acquisition (Acquisition of Overseas Niobium and Phosphates Businesses) of China Molybdenum Co., Ltd\*;
- (ii) the Resolution in Relation to the Material Asset Acquisition Report (Acquisition of Overseas Niobium and Phosphates Businesses) (Draft) of China Molybdenum Co., Ltd\* and its Summary (the “**MAR Report (draft)**”); and
- (iii) the Resolution in Relation to the Approval of the Asset Valuation Report for the Material Asset Acquisition (Acquisition of Overseas Niobium and Phosphates Businesses) of the Company,

and other relevant resolutions at the thirteenth extraordinary meeting of the fourth session of the Board, and disclosures were made at the designated media for information disclosure and the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).

### **MAR Report (draft)**

The MAR Report (draft) is prepared in accordance with the requirements of CSRC. The scope of the MAR Report (draft) is mainly on the terms of the material asset reorganization; the basic information of both parties in the Transaction; the valuation and auditing information in relation to the Niobium and Phosphates Businesses; and the major terms of the Transaction.

### **Asset Valuation Report**

In accordance with the Administrative Rules on Major Asset Reorganisation of Listed Companies (amended in 2011) and Rule No. 26 on Content and Format of Information Disclosure by Companies with Securities Issued Publicly – Application Documents for the Material Asset Reorganisations of Listed Companies issued by the CSRC, the Company appointed China United Assets Appraisal Group Limited (中聯資產評估集團有限公司), an independent firm of qualified PRC valuers with relevant securities and futures practicing qualifications to prepare asset valuation report (the “**Asset Valuation Report**”) for the Niobium Business and the Phosphates Business which forms part of the MAR Report (draft).

According to the Asset Valuation Report, as at 30 June 2016, the value of the Niobium and Phosphates Businesses are as follows:

	<b>AAFB</b> <b>(Phosphates</b> <b>Business)</b> <i>(USD)</i>	<b>AANB</b> <i>(consolidated</i> <i>basis)</i> <b>(Niobium</b> <b>Business)</b> <i>(USD)</i>
Equity book value	296,457,000	280,028,000
Appraised value	840,987,300	384,515,300
Valuation increment	544,530,300	104,487,300

The Aggregate Consideration of the Transaction is not based on the results of the Asset Valuation Report. No reference was made to the Asset Valuation Report in determining the terms and consideration for the Transaction.

Shareholders and potential investors can also refer to the MAR Report (draft) and the Asset Valuation Report (in Chinese only) published on the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

As disclosed in the announcement of the Company dated 29 July 2016, the circular in relation containing, among others, further details of the Transaction is expected to be despatched to the Shareholders on or before 31 August 2016. Further information in relation to the Transaction (including a valuation report to be prepared in accordance with the Listing Rules) will be disclosed in the circular.

**SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD NOTE THAT THE TRANSACTION REMAINS SUBJECT TO VARIOUS CONDITIONS PRECEDENT AND MAY OR MAY NOT BECOME UNCONDITIONAL OR BE COMPLETED. THERE IS THEREFORE NO ASSURANCE THAT THE TRANSACTION WILL PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE REMINDED 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, 8 August 2016

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

\* for identification purposes only