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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)

ANNOUNCEMENT

INSIDE INFORMATION

NCCL NATURAL RESOURCES INVESTMENT FUND STRATEGIC COOPERATIVE MEMORANDUM OF UNDERSTANDING ENTERED INTO BETWEEN CMOC LIMITED (A WHOLLY-OWNED SUBSIDIARY OF CHINA MOLYBDENUM CO., LTD) AND NCCL

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

INTRODUCTION

On 17 November 2017, CMOC Limited (洛陽鉬業控股有限公司), a wholly-owned subsidiary of the Company established under the laws of Hong Kong, and New China Capital Legend Limited (“**NCCL**”), a wholly-owned subsidiary of New China Capital International Management Limited (新華資本國際管理有限公司, “**NCCI**”) established under the laws of Cayman Islands, entered into the NCCL Natural Resources Investment Fund Strategic Cooperative Memorandum of Understanding (the “**MOU**”), pursuant to which, CMOC Limited and NCCL have agreed to jointly establish the NCCL Natural Resources Investment Fund (the “**Fund**”) with a total size of US\$1 billion. CMOC Limited will act as a limited partner of the Fund and its total subscribed capital contribution will be up to 45% of the total size of the Fund. NCCL will serve as a general partner in the Fund and make a capital contribution of US\$100,000.

PRINCIPAL TERMS OF THE MOU

Date: 17 November 2017

Parties: (i) NCCL (as a general partner)
(ii) CMOC Limited (as a limited partner)

To the best of the directors of the Company's knowledge, information and belief having made all reasonable enquiry, NCCL and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Name of the Fund: NCCL Natural Resources Investment Fund

Term of the Fund: Five years, commencing from the date of establishment of the Fund, with an investment period of three years and an exit period of two years.

Capital Commitment

The total size of the Fund shall be US\$1 billion, which is expected to be raised through two installments of US\$500 million each. CMOC Limited agreed to subscribe up to 45% of the total size of the Fund (i.e., US\$450 million) and be liable to the extent of its capital contribution, and NCCL will make a US\$100,000 capital contribution. The remaining capital shall be primarily raised by NCCL on the market.

Investment Targets

The Fund intends to closely embrace the national mining strategy and the Belt and Road Initiative and actively participate in investments and mergers & acquisitions in the natural resources fields and the upstream and downstream of the industry chains. Initial public offering and mergers & acquisitions will be major exit routes for the investment projects of the Fund.

Management

An investment decision committee (the "**Committee**") shall be established to act as the highest authority in decision-making for investments under the MOU. The Committee shall be composed of members appointed by both general partner(s) and limited partner(s), of which NCCL, as the general partner, may appoint more than half seats in the Committee and each limited partner may appoint one member. Important matters of the Fund, details of which shall be determined in the final limited partnership agreement, are subject to unanimous approval of the Committee.

Management Fee

Upon establishment of the Fund, NCCL, as a general partner of the Fund, shall collect Fund management fee of no more than 1% per annum of the committed capital of the Fund.

Profits Allocation

The investment profits of the Fund shall be allocated in the below order:

- (1) payment of taxation expenses (including management fee);
- (2) payment of principal of capital contribution and fixed income on pro-rata basis to limited partner(s) of the Fund other than CMOC Limited;
- (3) payment of principal of capital contribution on pro-rata basis to general partner(s) of the Fund and CMOC Limited;
- (4) in the event that the remaining excess earnings of the Fund does not exceed the profits threshold specified, such amount of remaining excess earnings will be allocated to CMOC Limited only; and
- (5) in the event that the remaining excess earnings of the Fund exceed the profits threshold specified, the part of excess earnings within the profits threshold shall be distributed to CMOC Limited. After deduction, 20% of the residual excess earnings, if any, shall be allocated to the general partner(s) of the Fund and the rest should be allocated to all limited partners of the Fund, detailed terms of payment and conditions of which shall be determined in the final limited partnership agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The establishment of the Fund will allow the Company to carry out businesses including investments, mergers & acquisitions and integrations in its strategic development direction and to improve and enhance its industry influence. It assists the Company to actively participate in the investments and mergers & acquisitions in the natural resources fields and the upstream and downstream of the industry chains. It also helps the Company to achieve the goal of becoming a respectable international resources company, which is in line with the national mineral resources strategy.

CMOC Limited participating in the establishment of the Fund with its own capital as a financial investor will have no material impact on the Company's operation in the short term. However, such investment will help the Company to acquire high-quality projects, resources and targets of the upstream and downstream of the industry chains in the long run. While accelerating the business development of the Company, such investment provides profits as well as guarantee for the sustained, rapid and healthy development of the Company.

The Company is of the view that the terms of the MOU are fair and reasonable and the establishment of the Fund is in the interest of the Company and Shareholders as a whole.

INFORMATION OF THE PARTIES INVOLVED

CMOC Limited

CMOC Limited is a wholly-owned subsidiary of the Company and incorporated under the laws of Hong Kong. Its principal business includes investment of large overseas companies and emerging strategic industries.

NCCL and NCCI

NCCL is a wholly-owned subsidiary of NCCI and incorporated under the laws of Cayman Islands. NCCI is a company incorporated under the laws of Cayman Islands with its principal business include investment of large overseas companies and emerging strategic industries.

The transaction contemplated under the MOU does not constitute a notifiable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Luoyang City, Henan Province, the PRC, 17 November 2017

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.*