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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)

## **OVERSEAS REGULATORY ANNOUNCEMENT**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE INVESTMENT MADE BY THE NATURAL RESOURCES INVESTMENT FUND PARTICIPATED BY A WHOLLY-OWNED SUBSIDIARY**

On 17 November 2017, the 27th interim meeting of the fourth board of directors of China Molybdenum Co., Ltd. (the “**Company**”) reviewed and approved the *Resolution in relation to the Proposed Formation of a Natural Resources Investment Fund by a Wholly-owned Subsidiary of the Company with New China Capital Legend Limited*, and agreed with the participation by CMOC Limited or its designated wholly-owned subsidiary as a limited partner into the formation of the NCCL Natural Resources Investment Fund (the “**Fund**” or the “**Buyer**”) with a total amount of US\$1 billion. The capital contribution of CMOC Limited or its designated subsidiary will not exceed 45% of the total amount of the Fund. On 17 November 2017, CMOC Limited entered into the NCCL Natural Resources Investment Fund Strategic Cooperative Memorandum of Understanding with New China Capital Legend Limited (“**NCCL**”). The Company issued an announcement under the name of *Announcement in Relation to the Formation of Natural Resources Investment Fund by a Wholly-owned Subsidiary and New China Capital Legend Limited* on the same day (please refer to the announcement of the Company No. 2017-041).

On 15 December 2017, Natural Resource Elite Investment Limited (“NREIL”), a wholly-owned subsidiary of CMOC Limited, NCCL and Next Goal Limited (“NGL”) entered into the Second Amended and Restated Exempted Limited Partnership Agreement, pursuant to which, NREIL and NGL, as limited partners, will subscribe the limited partner interests of the Fund, in which NCCL acts as a general partner. The size of the first installment of the Fund was US\$500.10 million, among which, the commitments of NREIL, NGL and NCCL is US\$225.00 million, US\$275.00 million and US\$100,000, respectively. The Company issued an announcement under the name of *Progress Announcement of China Molybdenum Co., Ltd. in Relation to the Formation of Natural Resources Investment Fund by a Wholly-owned Subsidiary* on the same day (Please refer to the announcement of the Company No. 2017-044).

On 23 December 2017, the Company received a written notification from NCCL, the general partner of the Fund, that on 22 December 2017 the Fund managed by NCCL has entered into the Sale and Purchase Agreement (the “SPA”) with Louis Dreyfus Company B.V. (the “LDC” or the “Seller”, together with its subsidiaries, the “LDC Group”), for the sales and purchase of the entire issued share capital of Louis Dreyfus Company Metals B.V. (the “LDCM”), which is dedicated to the business of merchandizing base and precious metal in raw and refined form. Completion of the Transaction is expected to occur in the first half of 2018. The Company issued an announcement under the name of *Announcement in Relation to the Investment made by the Natural Resources Investment Fund Participated by a Wholly-owned Subsidiary* on the same day (please refer to the announcement of the Company No. 2017-045).

On 29 December 2017, the Company received supplemental written notification from NCCL (*Second Letter of Notification*) on the signing of sale and purchase agreement between the Fund and LDC, the details of which is as follows:

## 1. SUPPLEMENTAL INFORMATION OF LDC

- a) **Company Name:** Louis Dreyfus Company B.V.
- b) **Company Type:** limited company
- c) **Registered Office:** Westblaak 92, 3012 KM Rotterdam, the Netherlands
- d) **Date of Incorporation:** 28 December 2004
- e) **Chief Executive Officer:** Gonzalo Ramírez Martiarena
- f) **Shareholding Structure:** 100% equity interests held by Louis Dreyfus Company Netherlands Holding B.V.

- g) Business Scope:** LDC and its subsidiaries are the leading merchant and processor of agricultural goods. Its diversified portfolio spans the entire value chain, from origination to distribution. Metals business is the main non-agricultural activity of LDC.

The LDC Group is a leading global integrated commodities group, with worldwide activities in the merchandizing of agricultural products and metals and their production, sourcing, processing, storage and transport. The LDC Group focuses predominantly on a single asset class, agricultural commodities, but does so in a highly diversified manner, covering all of the main categories within this single asset class such as: grains, oilseeds, rice, cotton, coffee, sugar, fruit juices, fertilizers and dairy. The LDC Group's business model consists of a globally managed, diversified portfolio of merchandizing activities supported in key production and consumption centers by strategically located production, processing and logistics assets, in particular, the LDC Group sources and produces a large range of agricultural commodities; processes and refines products and materials; stores and transports commodities for export or domestic consumption; and merchandizes, customizes and distributes to a wide range of industrial and commercial consumers, including in the food, textile and fuel processing industries.

For the year ended 31 December 2016, the amount of the net sales and net income of LDC was US\$49,838 million and US\$306 million, respectively. As at 31 December 2016, the value of the total assets of LDC was US\$19,843 million.

## **2. SUPPLEMENTAL INFORMATION OF LDCM**

- a) Company Name:** Louis Dreyfus Company Metals B.V.
- b) Company Type:** limited company
- c) Registered Office:** Westblaak 92, 3012 KM Rotterdam, the Netherlands
- d) Date of Incorporation:** 25 November 2005
- e) Chief Executive Officer:** Paul Akroyd
- f) Shareholding Structure:** 100% equity interests held by Louis Dreyfus Company B.V.

- g) **Business Scope:** LDCM originates, consolidates, blends, tolls, transports and merchandizes base and precious metals in raw and refined form.

LDCM sources, blends, exports, transports and merchandizes copper, zinc, lead concentrates, copper blister and refined base metals and the majority of its sales are to Asia and Europe. LDCM expands its logistical presence notably in Peru, Mexico, Taiwan (China) and Mainland China. Currently, LDCM operates warehouses in Peru, Mexico and Taiwan (China) and has a minority interest in a logistics activity in Namibia.

### 3. MAIN TERMS OF THE SPA

- a) **Signing Parties:** (1) the Natural Resources Investment Fund, as the Buyer; and  
(2) LDC, as the Seller.
- b) **Date of Signing:** 22 December 2017
- c) **Target Shares:** 41,349 shares with a nominal value of EUR100 per share of LDCM.
- d) **Consideration:** US\$450,000,000 (the “**Purchase Price**”), subject to purchase price adjustments (the “**Consideration**”) plus a daily payment in cash at an initial rate of 5% per annum and increasing to up to 10% per annum (applied to the Purchase Price).
- e) **Payment of the Consideration:** At the signing of the SPA, the Fund delivered to LDC a deposit in the amount of US\$40,000,000 in the form of a letter of credit. The deposit is non-refundable except in certain enumerated circumstances at the breach of fault of the Seller or its affiliates.
- f) **Conditions to the Completion:** Completion of the transaction (the “**Completion**”) is subject to satisfaction of customary closing conditions including receipt of regulatory approvals where required (the “**Conditions**”).

- g) Completion:** The Completion shall occur on the 10th business day after satisfaction or waiver of all Conditions (the “**Completion Date**”). The parties shall make reasonable endeavors to satisfy the Conditions by 30 September 2018, which date may be extended for a further three months in the event certain regulatory approvals are pending, or such other date as agreed between the parties (the “**Long Stop Date**”).
- h) Termination:** If the Conditions are not satisfied by the Long Stop Date, the SPA shall automatically terminate. If on the Completion Date a party has not fulfilled its obligations at completion, the unaffected party may defer the Completion for 10 to 20 business days or terminate the SPA.
- i) Other Key Provisions:**
- (1) *Restrictive Covenants:* Both the Buyer and the Seller are subject to a 36 month non-solicitation clause. Seller is subject to a 48 month non-compete clause. The Buyer shall procure the removal of “LOUIS DREYFUS” from the corporate name of LDCM and its subsidiaries, and cease to use or display relevant trade-marks and trade names owned or used by LDC and its affiliates, within 6 months after the Closing Date.
  - (2) *Transition Services:* A transition service agreement term sheet was entered into on Completion. The parties shall endeavor to sign a transition services agreement on Completion.

#### **4. SPECIAL NOTE**

According to the written notice of the general partner of the Fund, except for the information disclosed in the written notice, financial information of LDCM, as an unlisted company, is subject to the confidentiality clauses agreed by the general partner of the Fund and LDC and cannot be disclosed for now.

In addition, the Company has made special notes in relation to the impacts and risks involved in the investment of the Fund in the *Announcement in Relation to the Investment made by the Natural Resources Investment Fund Participated by a Wholly-owned Subsidiary* dated 24 December 2017 (Please refer to the announcement of the Company No. 2017-045). Investors are advised to exercise caution when dealing in the shares of the Company and make investment rationally.

The Company will follow the written notice given by the general partners of the Fund and follow the requirements of the normative documents such as the Listing Rules of Shanghai Stock Exchange in a timely manner to fulfill the internal decision-making procedures and information disclosure obligations.

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

Luoyang City, Henan Province, the PRC, 1 January 2018

*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*