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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)

INSIDE INFORMATION

PROPOSED PROVISION OF FINANCING GUARANTEE TO A JOINT VENTURE OF THE COMPANY

This announcement is made pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 17 May 2019, the board of directors (the “**Board**”) of China Molybdenum Co., Ltd. (the “**Company**”) has resolved, among others, to provide a financing guarantee to Luoyang Fuchuan Mining Co., Ltd.* (“**Fuchuan Mining**”), a joint venture of the Company, with a total amount of not more than RMB800 million (or equivalent foreign currency) (“**Financing Guarantee**”), and to propose to the general meeting of the Company to authorise the Board and the Chairman of the Board or its authorised persons under the delegation of the authorisation of the Board, to determine and deal with matters regarding provision of relevant Financing Guarantee by the Company to Fuchuan Mining and provision of counter-guarantee by Fuchuan Mining for the aforementioned guarantee of the Company with its mining rights of Shangfanggou molybdenum mine within the scope of the abovementioned total guarantee amount, authorisations of which include:

- (1) to determine and deal with matters relating to the Financing Guarantee within the amount of RMB800 million (or equivalent foreign currency). Such amount could be used cyclically and its validity period shall commence on the date of the approval by the shareholders at the general meeting of the Company and end on the date of the 2019 annual general meeting of the Company;

- (2) to decide and implement the specific plans relating to the Financing Guarantee according to the specific circumstances, including the specific amount of guarantee, guarantee period, guarantee method, etc.;
- (3) to perform the approval procedures (if any) relating to the Financing Guarantee and timely conduct information disclosure, according to the requirements of relevant regulatory authorities; and
- (4) to deal with all other matters relating to the Financing Guarantee.

The provision of the Financing Guarantee is subject to the approval by the shareholders at the general meeting of the Company. As of the date of this announcement, no agreement has been entered into for the Financing Guarantee, and there was no guarantee that the Financing Guarantee would be conducted.

The Financing Guarantee, if being approved by the shareholders at the general meeting of the Company and materialized, is expected to constitute a connected transaction of the Company under the Chapter 14A of the Listing Rules. The Company will make further announcement(s) and comply with the relevant requirements under Chapter 14A of the Listing Rules in accordance with the Listing Rules as and when necessary.

As of the date of this announcement, in accordance with the central parity rate published by People's Bank of China on 17 May 2019, the exchange rate of USD to RMB was 1: 6.8859, EUR to RMB was 1: 7.6926 and AUD to RMB was 1: 4.7438; the total amount of the external guarantees provided by the Company was RMB24.484 billion, representing 49.37% of the latest audited net assets of the Company, of which, the total amount of guarantees the Company provided to its controlled subsidiaries was RMB19.733 billion, representing 39.79% of the latest audited net assets of the Company.

INFORMATION ABOUT FUCHUAN MINING

Fuchuan Mining is a joint venture of the Company incorporated in the PRC on 29 September 2003. It mainly engages in mining, processing and sales of molybdenum and iron ore (save for hazardous chemicals).

As of the date of this announcement, the Company directly held 10% equity interests in Fuchuan Mining through Luanchuan Fukai Commercial and Trading Company (欒川縣富凱商貿有限公司), a wholly-owned subsidiary of the Company and 50% equity interests in Xuzhou Huanyu Molybdenum Company (徐州環宇鉬業有限公司), which in turn held 90% equity interests in Fuchuan Mining. Luoyang Guoan Commercial and Trading Company (洛陽國安商貿有限公司), a wholly-owned subsidiary of Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司), a substantial shareholder of the Company, held the remaining 50% equity interests in Xuzhou Huanyu Molybdenum Company.

Set out below are the major financial figures of Fuchuan Mining for the year ended 31 December 2018 and for the three months ended 31 March 2019:

Unit: RMB '0,000

Items	As of 31 December 2018 (Unaudited)	As of 31 March 2019 (Unaudited)
Total Assets	65,230.70	65,936.98
Total Liabilities	107,907.91	112,155.95
Including: Bank Loans	95,000.00	95,000.00
Current Liabilities	11,886.27	16,134.31
Net Assets	-42,677.21	-46,218.98
	For the year ended 31 December 2018 (Unaudited)	For the three months ended 31 March 2019 (Unaudited)
Operating Income	0	0
Net Profit	-12,018.57	-3,536.83

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

Luoyang City, Henan Province, the PRC, 19 May 2018

As at the date of this announcement, the Company's executive directors are Mr. Li Chaochun and Mr. Li Faben; the Company's non-executive directors are Mr. Guo Yimin, Mr. Yuan Honglin and Mr. Cheng Yunlei; and the Company's independent non-executive directors are Mr. Wang Gerry Yougui, Ms. Yan Ye and Mr. Li Shuhua.

* *For identification purposes only*