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**洛陽樂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**

**ESTIMATED PROFIT DECREASE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and its potential investors that, based on the preliminary estimation by the financial department of the Company, during the period of advance notice for results from 1 January 2019 to 31 December 2019:

- (i) it is estimated that the net profit attributable to shareholders of the Company for the year of 2019 will decrease by an amount between RMB2,636 million and RMB2,936 million, representing a year-on-year decrease between 56.86% and 63.33% as compared with the same period of last year (RMB4,636 million in 2018). The estimated interval of the net profit attributable to the shareholders of the Company for the year of 2019 was from RMB1,700 million to RMB2,000 million.

- (ii) it is estimated that the net profit attributable to the shareholders of the Company after deduction of non-recurring loss/profit for the year of 2019 will decrease by an amount between RMB3,160 million and RMB3,860 million, representing a year-on-year decrease between 69.30% and 84.65% as compared with the same period of last year (RMB4,560 million in 2018). The estimated interval of the net profit attributable to the shareholders of the Company after deduction of non-recurring loss/profit for the year of 2019 was from RMB700 million to RMB1,400 million.

The year-on-year decrease in the results of 2019 of the Company is mainly attributable to the following reasons:

- (i) The market prices of the Company's main products, cobalt and tungsten products, dropped significantly. Among them, the average low price of MB Standard Grade Cobalt in 2019 reached US\$16.093/pound, representing a significant decrease of 56.25% from the average price of US\$36.785/pound in 2018; the average price of ammonium paratungstate (APT) in 2019 (as disclosed on Molybdenum Trading Network: [www.molychina.com](http://www.molychina.com)) was RMB135,200/ton, representing a decrease of 19.76% as compared to the average price of RMB168,500/ton in 2018;
- (ii) As the final settlement price of cobalt products is usually determined according to the market price for a certain period after the selling, the revenue of the Company from sales of cobalt decreased in accordance with changes in market prices of cobalt products since it experienced a significant decline between the end of 2018 and the first quarter of 2019. Although such factor had been gradually eliminated after the second quarter of 2019, it still had a significant impact on the Company's financial results of 2019; and
- (iii) According to the "Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Non-recurring Gains or Losses" (「關於公開發行證券的公司信息披露解釋性公告第1號—非經常性損益」) issued by the China Securities Regulatory Commission, in 2019, (a) the gains from fair value changes of the Company's financial assets increased; and (b) the net income from fair value changes and disposal arising from transactions of derivative financial instruments such as futures, which relates to the trading of metal commodities by IXM B.V., a wholly-owned subsidiary of the Company, has been dedicated as non-recurring item of the Company. Therefore, the non-recurring gains or losses of the Company fluctuates significantly.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the latest unaudited management accounts of the Group which have not been audited by certified public accountants. Detailed financial information of the Company will be disclosed in its 2019 annual report.

**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 People's Republic of China, 22 January 2020

*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*