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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)

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RESIGNATION OF DIRECTOR AND CHAIRMAN AND CHANGE OF GENERAL MANAGER

The Board announces that with effect from 24 October 2012, Mr. Duan Yuxian has resigned as the Chairman of the Board, executive Director, the chairman of the strategic committee and member of the nomination committee of the Company; Mr. Wu Wenjun, an executive Director and general manager of the Company, has been elected as the new Chairman of the Board, the chairman of the strategic committee and a member of the nomination committee of the Company, and has resigned as the general manager of the Company; and Mr. Li Faben, an executive Director and the deputy general manager, has been appointed as the new general manager of the Company and a member of the strategic committee of the Company, and has resigned as the deputy general manager of the Company.

PROPOSED CHANGE IN AUDITORS

The Board proposes subject to the Shareholders' approval, to cease the appointment of Deloitte Touche Tohmatsu, Certified Public Accountants, as the overseas auditors of the Company and appoint Deloitte Touche Tohmatsu CPA Ltd. as the sole auditors of the Company, in light of the acceptance of the Mainland accounting and auditing standards and Mainland audit firms by the Hong Kong Stock Exchange.

An ordinary resolution to consider and approve the proposed change in auditors will be proposed at the EGM.

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The Company intends to adopt CASBE in preparing its financial statements for presentation to both A Shareholders and H Shareholders from the financial year ending 31 December 2012 onwards. Accordingly, the Board proposes to amend its Articles of Association enabling the Company to have the flexibility of opting for the uniform application of CASBE in preparing its annual and interim financial statements to satisfy the requirements of both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

A special resolution to consider and approve the proposed amendments to the Articles of Association will be proposed at the EGM.

PROPOSED AMENDMENTS TO RULES FOR BOARD MEETINGS

The Board proposes to amend the Rules for Board Meetings to align with the proposed amendments to the Articles of Association.

A special resolution to consider and approve the proposed amendments to the Rules for Board Meetings will be proposed at the EGM.

PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES

To increase the flexibility of the Company's operation, and to give discretion to the Board in the event that it becomes desirable to repurchase any H Shares, the Board proposes to seek approval from the Shareholders for a general mandate to repurchase not more than 10% of the number of H Shares in issue as at the date of passing of the resolution approving the H Shares Repurchase Mandate.

A special resolution will be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to grant to the Board the H Share Repurchase Mandate.

CHANGE IN BOARD SECRETARY

Mr. He Feng, the secretary to the Board, has tendered his resignation from his position as the secretary to the Board, with effect from 24 October 2012. Mr. Zhang Xinhui has been appointed as the secretary to the Board with effect from 24 October 2012.

BOOK CLOSURE PERIOD

In order to determine the list of H Shareholders who will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting, the H Share register of the Company will be closed from Wednesday 21 November 2012 to Friday, 21 December 2012 (both days inclusive), during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the H Share register of the Company on Friday, 21 December 2012 shall be entitled to attend and vote at the EGM and H Shareholders' Class Meeting. In order for H Shareholders to qualify for attending and voting at the EGM and the H Shareholders' Class Meeting, all transfers accompanied by the relevant share certificates and transfer documents must be lodged with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 20 November 2012.

CIRCULAR

A circular containing, among other things, details of the proposed change in auditors, proposed amendments to the Articles and Association and proposed general mandate to repurchase H Shares, and notices of EGM, H Shareholders' Class Meeting and A Shareholders' Class Meeting will be despatched to the Shareholders as soon as practicable.

This announcement is made pursuant to Rules 13.09(1), 13.51(1) and 13.51(4) of the Listing Rules.

RESIGNATION OF DIRECTOR AND CHAIRMAN AND CHANGE IN GENERAL MANAGER

The Board announces that Mr. Duan Yuxian (“**Mr. Duan**”) has tendered his resignation from his positions as the Chairman of the Board, executive Director, the chairman of the strategic committee and a member of the nomination committee of the Company with effect from 24 October 2012 due to his health conditions.

Mr. Duan Yuxian aimed to build the Company into a leading international rare metal mining group when he acted as the general manager of the Company and Chairman of the Board successively since 2000. Through continuous reforms and practice as well as timely adjustment to the development strategy, the Company has developed its own unique business and management style which allowed it to enjoy sustained economic growth and continuously enhance its core competitiveness. As such, the Company has quickly grown to be the largest molybdenum producer in the PRC, the fourth largest molybdenum producer in the world as well as the second largest scheelite concentrates producer in the PRC. Maximizing the economic, social and environmental benefits of mineral resources and creating a harmonious development between the Company, human and nature, the Company became a beacon in the PRC non-ferrous metal industry. In the past 12 years, under the leadership of Mr. Duan, the Company has undergone corporate restructuring and the listings of its H Shares and A Shares on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively which are the two major leaps in the history of the Company. In addition, the Company saw significant improvement in its resource reserves, production capacity, assets size, sales revenue and net profit, initially forming a strategic business structure with “molybdenum as the core and tungsten and rare metals as its wings”. The Company continues to grow its reputation and influence at home and abroad.

The Board wishes to express its heartfelt gratitude for the effective and successful work of Mr. Duan in the development and expansion of the Company during the past 12 years when he acted as the general manager of the Company and the Chairman of the Board.

Mr. Duan confirmed that he has no disagreement with the Board, and there is no other matter relating to his resignation that needs to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange.

The Board is pleased to announce that with effect from 24 October 2012, Mr. Wu Wenjun (“**Mr. Wu**”), an executive Director and the general manager of the Company, has been elected as the new Chairman of the Board, chairman of the strategic committee and a member of the nomination committee of the Company, and has resigned as the general manager of the Company; Mr. Li Faben (“**Mr. Li**”), an executive Director and the deputy general manager of the Company, has been appointed as the new general manager of the Company and a member of the strategic committee of the Company, and has resigned as the deputy general manager of the Company.

The Board will use its best endeavors to identify a suitable candidate to fill the vacancy occasioned by the departure of Mr. Duan as soon as possible.

The biographical details of Messrs. Wu and Li are set out below:

Mr. Wu Wenjun, aged 45, Senior Engineer, is an executive Director, the Chairman of the Board, the chairman of the strategic committee and a member of the nomination committee of the Company as well as the vice president of Luoyang Association of Science and Technology. Mr. Wu graduated from Luoyang Institute of Technology in July 1987 with a bachelor's degree in engineering majoring machinery processing and equipment and with a master's degree in technological economics from Tsinghua University School of Economics and Management in June 1993. Between July 1993 and February 1994, Mr. Wu worked as an engineer with CITIC Heavy Machinery Inc. Computing Center and between February 1994 and December 2000, he worked as department manager and deputy general manager of CITIC Heavy Machinery Inc. Foreign Trade Company. From December 2000 to March 2003, he served as the general manager of CITIC Heavy Machinery Inc. Foreign Trade Company. From March 2003 to December 2006, he acted as the deputy mayor of the Luanchuan County. From January 2007 to October 2012, Mr. Wu was an executive Director and the general manager of the Company.

Mr. Wu has entered into a service agreement with the Company for a term commencing from 17 August 2012 until the conclusion of the Company's annual general meeting to be held in 2015, subject to retirement by rotation and re-election at the annual general meetings pursuant to the Articles of Association. Mr. Wu will be entitled to a director's remuneration of RMB380,000 per annum. Mr. Wu's annual remuneration was determined by the Board based on the recommendation from the remuneration committee of the Company with reference to the Company's performance, his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, as at the date of this announcement, Mr. Wu does not have any relationship with any Directors, senior management nor substantial shareholders of the Company, and does not hold any other positions in the Company nor any subsidiaries of the Company nor any other directorships in listed public companies in the last three years. Mr. Wu does not have any interests nor short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information relating to Mr. Wu that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter in relation to the appointment of Mr. Wu that needs to be brought to the attention of the Shareholders.

Mr. Li Faben, aged 48, professor-level Senior Engineer, is an executive Director, the general manager and a member of the strategic committee of the Company. Mr. Li graduated from the Central South Mining & Metallurgical College with a bachelor's degree in engineering in 1983 (major in mining engineering) and the Xi'an Construction Technology University with a master's degree in engineering in 2004 (specialised in mining engineering). From August 1988 to January 1999, Mr. Li held various positions at Luoyang Luanchuan Molybdenum Company, in which he served as the deputy head and head of the technical division, quarry supervisor, head of the open-pit mining construction department and deputy manager of Luoyang Luanchuan Molybdenum Company. Mr. Li served as deputy general manager of Luoyang Luanchuan Molybdenum Group Co., Ltd. ("LLMG") between January 1999 and November 2002. From November 2002 to August 2006, Mr. Li was the deputy general manager and vice chairman of LLMG and as well as a director of Luoyang Mining Group Co., Ltd. from July 2006 to November 2009. Mr. Li was an executive Director and executive deputy general manager of the Company from August 2006 to October 2012.

Mr. Li has entered into a service agreement with the Company for a term commencing from from 17 August 2012 until the conclusion of the Company's annual general meeting to be held in 2015, subject to retirement by rotation and re-election at the annual general meetings pursuant to the Articles of Association. Mr. Li will be entitled to a director's remuneration of RMB380,000 per annum. Mr. Li's annual remuneration was determined by the Board based on the recommendation from the remuneration committee of the Company with reference to the Company's performance, his duties and responsibilities with the Company and prevailing market conditions.

Save as disclosed above, as at the date of this announcement, Mr. Li does not have any relationship with any Directors, senior management nor substantial shareholders of the Company, and does not hold any other positions in the Company nor any subsidiaries of the Company nor any other directorships in listed public companies in the last three years. Mr. Li does not have any interests nor short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information relating to Mr. Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter in relation to the appointment of Mr. Li that needs to be brought to the attention of the Shareholders.

PROPOSED CHANGE IN AUDITORS

Reference is made to the announcement of the Company dated 29 June 2012 regarding, among other things, the approval by the Shareholders at the annual general meeting held on 29 June 2012 of the re-appointment of the retiring auditors as the auditors of Company until the conclusion of the next annual general meeting of the Company.

The Board proposes, subject to the approval by the Shareholders by way of an ordinary resolution at the EGM, to cease the appointment of Deloitte Touche Tohmatsu, Certified Public Accountants as the overseas auditors of the Company and to appoint Deloitte Touche Tohmatsu CPA Ltd. as the sole auditors of the Company, in light of the acceptance of Mainland accounting and auditing standards and Mainland audit firms by the Hong Kong Stock Exchange.

Pursuant to the “Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong” issued by the Hong Kong Stock Exchange in December 2010 and the related amendments to the Listing Rules, commencing from 15 December 2010, Mainland incorporated issuers listed on the Hong Kong Stock Exchange are allowed to prepare their financial statements using Mainland accounting standards, and Mainland accounting firms that have been approved (the “**Approved Mainland Accounting Firms**”) by the Ministry of Finance of the PRC and the China Securities Regulatory Commission are eligible to provide auditing services to Mainland incorporated companies listed in Hong Kong using Mainland auditing standards.

As at the date of this announcement, Deloitte Touche Tohmatsu, Certified Public Accountants and Deloitte Touche Tohmatsu CPA Ltd. are acting as the Company’s overseas and domestic auditors, respectively. To enhance efficiency and reduce the cost of the Company, the Board proposes, subject to the approval by the Shareholders at the EGM, to cease the appointment of Deloitte Touche Tohmatsu, Certified Public Accountants as the Company’s overseas auditors while Deloitte Touche Tohmatsu CPA Ltd., being one of the Approved Mainland Accounting Firms, will be the sole auditors of the Company to audit the Company’s financial statements for the year ending 31 December 2012 prepared in accordance with CASBE and to undertake all such activities as required to be performed by overseas auditors under the Listing Rules (including but not limited to the preliminary announcement on annual results) and to hold office until the conclusion of the next annual general meeting of the Company.

The Board is not aware of any matter regarding the proposed cessation of appointment that needs to be brought to the attention of the Shareholders. The Board and the audit committee of the Company confirmed that there was no disagreement nor unresolved matter between the Company and Deloitte Touche Tohmatsu, Certified Public Accountants regarding the proposed cessation of appointment.

The Board is of the view that there will not be any material financial impact on the adoption and preparation of its financial statements under CASBE. The Board would like to express its appreciation for the professional services and support of Deloitte Touche Tohmatsu, Certified Public Accountants provided to the Company in the past years.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company intends to adopt CASBE in preparing its financial statements for both A Shareholders and H Shareholders from the financial year ending 31 December 2012 onwards. Accordingly, the Board proposes to amend the Articles of Association enabling the Company to have the flexibility of opting for the uniform application of CASBE in preparing its annual and interim financial statements to satisfy the requirements of both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM. Details regarding the proposed amendments to the Articles of Association will be set out in the circular to be despatched to the Shareholders.

PROPOSED AMENDMENTS TO RULES FOR BOARD MEETINGS

The Board proposes to amend the Rules for Board Meetings to align with the proposed amendments to the Articles of Association. Details regarding the proposed amendments to the Rules for Board Meetings will be set out in the circular to be despatched to the Shareholders.

A special resolution to consider and approve the proposed amendments to the Rules for Board Meetings will be proposed at the EGM.

PROPOSED GENERAL MANDATE TO REPURCHASE H SHARES

In order to increase the flexibility of the Company's operation, and to give discretion to the Board in the event that it becomes desirable to repurchase any H Shares, the Board proposed to seek approval from the Shareholders for a general mandate to repurchase not more than 10% of the number of H Shares in issue as at the date of passing of the resolution approving the H Shares Repurchase Mandate.

In accordance with the legal and regulatory requirements, the Board will convene the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting. A special resolution will be proposed at the EGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting to grant to the Board the H Share Repurchase Mandate, details of which will be set out in the circular and notices of the relevant general meetings to be despatched to the Shareholders.

CHANGE IN BOARD SECRETARY

The Board announces that, Mr. He Feng has tendered his resignation as the secretary to the Board, with effect from 24 October 2012 due to his health conditions. The Board would like to take this opportunity to express its sincere gratitude to Mr. He for his valuable contribution to the Company during his tenure as the secretary to the Board.

The Board is pleased to announce that Mr. Zhang Xinhui has been appointed as the secretary to the Board, with effect from 24 October 2012. Mr. Zhang, aged 34, is currently the vice financial controller of the Company. Mr. Zhang obtained a bachelor of economics and a master of economics from Fudan University in 1999 and 2003, respectively. Prior to joining the Company, Mr. Zhang worked in the investment banking division of Tebon Securities Co., Ltd. and the investment division of Cathay Fortune Corporation. The Board would like to express its warm welcome to Mr. Zhang for his appointment as the secretary to the Board.

EGM

The EGM will be convened on Friday, 21 December 2012, at the International Conference Room at Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC.

BOOK CLOSURE PERIOD

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM and the H Shareholders' Class Meeting, the H Share register of the Company will be closed from Wednesday, 21 November 2012 to Friday, 21 December 2012 (both days inclusive), during which period no transfer of H Shares will be effected. In order for H Shareholders to qualify for attending and voting at the EGM and the H Shareholders' Class Meeting, all transfers accompanied by the relevant share certificates and transfer documents must be lodged with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 20 November 2012.

CIRCULAR

A circular containing, among other things, details of the proposed change in auditors, proposed amendments to the Articles and Association, proposed amendments to the Rules for Board Meetings and proposed general mandate to repurchase H Shares, and notices of EGM, H Shareholders' Class meeting and A Shareholders' Class Meeting will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, the following terms have the following meanings unless the context otherwise requires:

“A Shares”	domestic share(s) with a nominal value of RMB0.20 each issued by the Company which are listed on the Shanghai Stock Exchange and traded in Renminbi (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares

“A Shareholders’ Class Meeting”	the class meeting of A Shareholders to be held on Friday, 21 December 2012 after the EGM at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“CASBE”	China Accounting Standards for Business Enterprises
“Company”	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 PRC with limited liability, the A Shares and H Shares of which are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively
“Director(s)”	the director(s) of the Company
“EGM”	The extraordinary general meeting of the Company to be held at 8:30 a.m. on Friday, 21 December 2012 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC, to consider, and if thought fit, to approve, among other things, the proposed change in auditors, proposed amendments to the Articles of Association, proposed amendments to the Rules for Board Meetings and proposed general mandate to repurchase H Shares
“H Share Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase not exceeding 10% of the number of its H Shares in issue as at the date of passing the proposed resolution(s) approving the H Share Repurchase Mandate at the EGM, the A Shareholders’ Meeting and the H Shareholders’ Meeting

“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange and are traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“H Shareholders’ Class Meeting”	the class meeting of H Shareholders to be held on Friday, 21 December 2012 after the EGM and the A Shareholders’ Class Meeting at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”, “Mainland”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and H Share(s)

“Shareholder(s)” holder(s) of the Shares

“%” per cent.

By Order of the Board
China Molybdenum Co., Ltd.*
Wu Wenjun
Chairman

Luoyang City, Henan Province, the PRC, 24 October 2012

As at the date of this announcement, the executive Directors are Messrs. Wu Wenjun, Li Chaochun, Li Faben and Wang Qinxi; the non-executive Directors are Messrs. Shu Hedong and Zhang Yufeng; and the independent non-executive Directors are Messrs. Bai Yanchun, Xu Shan, Cheng Gordon and Xu Xu.

* *For identification purposes only*