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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)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of 洛陽欒川鉬業集團股份有限公司 China Molybdenum Co., Ltd.\* (the “**Company**”) will be held at 9:00 a.m. on Wednesday, 26 January 2011 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, the People's Republic of China for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions. Unless otherwise indicated, capitalised items used herein shall have the same meaning as those defined in the announcement dated 10 December 2010 issued by the Company.

**PROPOSED A SHARE ISSUE**

**Special Resolutions**

1. “**THAT**, subject to the approval of the CSRC and other regulatory authorities, the allotment and issue of the A Shares by the Company in the PRC and the listing of the same on the Shanghai Stock Exchange and each of the following terms and conditions be and is hereby approved:

(a) Type of securities to be issued:                      A Shares.

- (b) Number of A Shares to be issued: Not more than 542 million A Shares of RMB0.20 each.
- (c) Nominal value: RMB0.20 each.
- (d) Rights attached to A Share: The A Shares to be issued are listed Domestic Shares and, except as otherwise provided for in the applicable laws, rules and regulations and the Articles of Association, will rank pari passu with the existing Domestic Shares and H Shares in all respects.
- (e) Target subscribers: Qualified price consultation participants, and natural persons, legal persons and other investors which have maintained A Share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws or regulations and other regulatory requirements from participating in the proposed A Share issue).
- (f) Method of issue: The issue will be conducted by a combination of placement of shares to participants through offline price consultation and a public offering of shares through online subscriptions (or such other way(s) as shall be approved by the CSRC).

- (g) Basis for determining the issue price: The issue price of A Shares will be determined on the basis of market conditions and the price of the H Shares of the Company, and in accordance with the relevant requirements issued by the CSRC, relevant PRC regulations and the Listing Rules. Upon publication of the A Share prospectus for initial public offering of A Shares and the relevant announcement, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC).
- (h) Proposed listing of Domestic Shares: Upon completion of the A Share Offering, application for listing will be made to the Shanghai Stock Exchange for all the Domestic Shares including the A Shares to be issued under the A Share Issue and the existing Domestic Shares.
- (i) Term: The above resolutions (a) to (h), if approved, shall be valid for a period of 12 months from the date of approval by the Shareholders at the EGM.”

2. “**THAT**, conditional upon the passing of resolution no. 1 and obtaining all necessary approvals of the CSRC and other regulatory authorities, the proceeds from the A Share Issue be and are hereby approved to be applied as follows:

(a) Projects:

- (i) upgrading the open-pit mining equipment used in the Sandaozhuang Mine with a production capacity up to 30,000 tones per day, with an estimated investment amount of approximately RMB492 million (equivalent to approximately HK\$561 million);
- (ii) installing clean and energy efficient facilities for the production of tungsten, molybdenum and phosphorous compound with a production capacity up to 42,000 tones per day, with an estimated investment amount of approximately RMB300 million (equivalent to approximately HK\$342 million);
- (iii) installing energy efficient and automated production line for the production of ammonium molybdate, with an estimated investment amount of approximately RMB350 million (equivalent to approximately HK\$399 million);
- (iv) implementing the second phase of the molybdenum concentrate conversion project with a production capacity up to 40,000 tones per year, with an estimated investment amount of approximately RMB300 million (equivalent to approximately HK\$342 million);
- (v) acquiring the exploration rights in the molybdenum mine located in East Gobi, Hami, Xinjiang, the PRC, with an estimated amount of approximately RMB646 million (equivalent to approximately HK\$736 million);
- (vi) co-operating with Henan Bureau to carry out exploration activities, with an estimated amount of approximately RMB500 million (equivalent to approximately HK\$570 million); and
- (vii) acquiring 50% equity interest in Xuzhou Huanyu, with an estimated amount of approximately RMB1.200 billion (equivalent to approximately HK\$1.368 billion).

- (b) Authorisation:
- (i) In the event that the proceeds from the proposed A Share Issue are not sufficient to finance the above projects, the shortfall, after deducting offering expenses, in the proposed investment into the above projects will be covered by the Group's internal resources or bank loans. If there is any surplus, after deducting offering expenses, it will be applied to supplement the working capital of the Company.”
3. “**THAT** subject to the passing of resolution no. 1, the Board be and is authorised to deal with matters in relation to the proposed A Share Issue including but not limited to the following:
- (a) engage and appoint professional advisers in connection with the proposed A Share Issue;
- (b) determine and deal with its discretion and with full authority matters relating to the proposed A Share Issue (including but not limited to specific timing of the issue, pricing mechanism, method of issue, number of A Shares to be issued and other matters relating to the proposed A Share Issue) in accordance with the applicable laws and regulations, the requirements of the relevant regulatory authorities and market conditions;
- (c) make adjustment to the structure of the proposed A Share Issue and the use of proceeds from the proposed A Share Issue within the scope approved by the Shareholders in accordance with the requirements of the relevant regulatory authorities;
- (d) deal with the application in relation to the proposed A Share Issue including but without limitation to handling the formalities of examination, registration, filing and approval with the relevant regulatory authorities, stock exchange in the PRC and securities registration and clearing institutions;
- (e) execute, implement, amend and complete all necessary documents in relation to the proposed A Share Issue (including but without limit to the preliminary prospectus, prospectus, sponsors' agreement, underwriting agreement, listing agreement and various announcements and circulars);
- (f) amend the Articles of Association as a result of the implementation of the proposed A Share Issue and submit the amended Articles of Association to the relevant authorities of the PRC and Hong Kong for approval, filing or registration;

- (g) deal with the registration process in relation to the proposed A Share Issue with State Administration for Industry and Commerce;
- (h) carry out such procedures and take such other actions as are in its discretion necessary and appropriate to effect and complete the proposed A Share Issue; and
- (i) effect and carry out necessary disclosure obligations and formalities in relation to the proposed A Share Issue in accordance with the Listing Rules.”

### **Ordinary resolution**

- 4. “**THAT** conditional upon the passing of resolution no.1, New Shareholders to be issued with A Shares under the A Share Issue will not be entitled to the distributable profits of the Company up to and including 31 December 2010. The balance of accumulated undistributed profits after any distribution and the distributable profits accrued from 1 January 2011 to the day immediately prior to the completion of the A Share Issue shall be shared by all new and existing Shareholders of the Company after the A Share Issue in proportion to their respective shareholding.”

## **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES**

### **Special Resolutions**

- 5. “**THAT** conditional upon the passing of resolution no. 1:
  - (a) the amendments to the Articles of Association be and are hereby approved and such amendments shall take effect upon completion of the A Share Issue, conditional upon any approval, endorsement or registration as may be necessary from the relevant regulatory authorities, and the Board be and are hereby authorised to deal with on behalf of the Company the relevant application, approval, registration, filing procedures and other related issues arising from the amendments to the Articles of Association; (Note 1) and

(b) the Directors be and are hereby authorised and empowered to make further amendments to the Articles of Association in order to fulfil any request that may raised by the regulatory authorities during the approval, endorsement and/or registration of the amendments of the Articles of Association.”

6. “**THAT** the adoption of the rules for Shareholders’ general meetings be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
7. “**THAT** the adoption of the rules for Board meetings be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
8. “**THAT** the adoption of the detailed working rules for supervisory board meetings be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)

### **Ordinary Resolutions**

9. “**THAT** the adoption of the detailed working rules for independent Directors be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
10. “**THAT** the adoption of the rules for external investment management be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
11. “**THAT** the adoption of the rules for management of provision of securities to third parties be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
12. “**THAT** the adoption of the rules for connected transactions be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)
13. “**THAT** the adoption of the rules for management of funds raised from capital markets be and are hereby approved and such rules shall take effect upon completion of the A Share Issue.” (Note 2)

# PROPOSED ESTABLISHMENT OF NOMINATION COMMITTEE

## Ordinary Resolution

14. “**THAT** the nomination committee of the Company be established and that Mr. Duan Yuxian, Mr. Li Chaochun, Mr. Gao Dezhu, Mr. Zeng Shaojin, Mr. Gu Desheng, Mr. Ng Ming Wah, Charles be and are hereby appointed as members of the nomination committee, Mr. Duan Yuxian be and is hereby appointed as the chairman of the nomination committee and Mr. Gao Dezhu be and is hereby appointed as vice chairman of the nomination committee with immediate effect.

By Order of the Board  
**China Molybdenum Co., Ltd.\***  
**DUAN Yuxian**  
*Chairman*

Luoyang, the People’s Republic of China, 11 December 2010

*As at the date of this notice, the executive Directors of the Company are Mr. DUAN Yuxian, Mr. LI Chaochun, Mr. WU Wenjun, Mr. LI Faben and Mr. WANG Qinxi; the non-executive Directors of the Company are Mr. Shu Hedong and Mr. ZHANG Yufeng; and the independent non-executive Directors of the Company are Mr. GAO Dezhu, Mr. ZENG Shaojin, Mr. GU Desheng and Mr. NG Ming Wah, Charles.*

\* *For identification purposes only*

*Notes:*

1. **The Proposed amendments to the Articles of Association:** Shareholders are reminded to read carefully the details of the amendments to the Articles of Association as contained in the circular to be dispatched to Shareholders as soon as practicable.
2. **Proposed Adoption of Internal Rules:** Shareholders are reminded to read carefully the details of the (1) rules for external investment management; (2) rules for management of provision of securities to third parties; (3) rules for connected transactions; (4) rules for management of funds raised from capital markets; (5) rules for Shareholders' general meetings; (6) rules for Board meetings; (7) detailed working rules for supervisory board meetings; and (8) detailed working rules for independent Directors as contained in the circular to be dispatched to Shareholders as soon as practicable..
3. All resolutions at the meeting will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the Hong Kong Stock Exchange's and the Company's website in accordance with the Listing Rules.
4. H Shareholders who intend to attend the EGM in person or by proxy must complete and return the reply slip for the EGM to the Company's H Share registrar by facsimile or post no later than Wednesday, 5 January 2011:  
  
Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Tel: (852) 2862 8555  
Fax: (852) 2865 0990 / (852) 2529 6087
5. Each Shareholder of the Company who has the right to attend and vote at the EGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his behalf at the EGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. In case that an appointer is a body corporate, the instrument must be either under the common seal of the body corporate or under the hand of its director or other person, duly authorised. If the instrument appointing a proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign, or other documents of authorisation, must be certified by a notary public. The form of proxy and the notarially certified power of attorney or other documents of authorisation must be delivered to the Company's H Share registrar at the address stated in note (2) above by post or facsimile (for holders of H Shares only), or to the Secretariat of the Board at the Company's principal place of business in the PRC at North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC (for holders of Domestic Shares only), no less than 24 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the EGM or any adjournment should he/she so wish.

6. H Shareholders whose names appear on the Company's register of members maintained by Computershare Hong Kong Investor Services Limited after office hour on Friday, 24 December 2010 are entitled to attend and vote at the EGM. The Company's register of members will be closed from Monday, 27 December 2010 to Wednesday, 26 January 2011 (both days inclusive), during which time no transfer of shares will be registered. Transferees of H shares who wish to attend the EGM must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Friday, 24 December 2010 for completion of the registration of the relevant transfer in accordance with the Articles of Association of the Company.
7. Shareholders or their proxies must present proof of their identities upon attending the EGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable
8. The EGM is expected to last not more than one day. Shareholders or proxies attending the EGM are responsible for their own transportation and accommodation expenses.