
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Molybdenum Co., Ltd.*, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Exchange Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



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)

(1) PROPOSED A SHARE ISSUE;
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES;
(3) PROPOSED ESTABLISHMENT OF NOMINATION COMMITTEE; AND
(4) BOOK CLOSURE PERIOD AND RECORD DATE

It is important to note that the purpose of distributing this circular is to provide you with information on, among other things, the proposed A Share Issue, so that you may make an informed decision on voting in respect of the resolutions to be tabled at the EGM. This circular does not constitute, or form part of, an offer or invitation, or solicitation or inducement of an offer, to subscribe for or purchase any of the A Shares or other securities of the Company, nor is this circular calculated to invite offers for any shares or other securities of the Company.

A letter from the Board is set out on pages 1 to 17 of this circular.

A notice convening the EGM to 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, Luonon District, Luoyang City, Henan Province, the People's Republic of China has been despatched to the Shareholders on 11 December 2010. For ease of reference, the notice convening the EGM is set out on pages 18 to 25 of this circular. Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy despatched to you on 11 December 2010 in accordance with the instructions printed thereon. For H Shareholders, the proxy form should be returned to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

6 January 2011

* For identification purposes only

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

CONTENTS

	<i>Page</i>
DEFINITIONS	iv
 LETTER FROM THE BOARD	
A. Introduction	1
B. Proposed A Share Issue	3
C. Proposed Amendments to the Articles of Association and Adoption of Internal Rules	10
D. Proposed Establishment of Nomination Committee	13
E. Book Closure Period and Record Date	14
F. EGM	14
G. Voting by Way of Poll	17
H. Recommendation	17
I. General	17
 NOTICE OF EXTRAORDINARY GENERAL MEETING	 18

CONTENTS

APPENDIX I	PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	26
APPENDIX II	PROPOSED RULES FOR EXTERNAL INVESTMENT MANAGEMENT	48
APPENDIX III	PROPOSED RULES FOR MANAGEMENT OF PROVISION OF SECURITIES TO THIRD PARTIES	58
APPENDIX IV	PROPOSED RULES FOR CONNECTED TRANSACTIONS	71
APPENDIX V	PROPOSED RULES FOR MANAGEMENT OF FUNDS RAISED FROM CAPITAL MARKETS	83
APPENDIX VI	PROPOSED RULES FOR SHAREHOLDERS' GENERAL MEETINGS ...	93
APPENDIX VII	PROPOSED RULES FOR BOARD MEETINGS	117
APPENDIX VIII	PROPOSED DETAILED WORKING RULES FOR SUPERVISORY BOARD MEETINGS	131
APPENDIX IX	PROPOSED DETAILED WORKING RULES FOR INDEPENDENT DIRECTORS	139

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“A Share(s)”	the ordinary shares to be subscribed for in RMB, which are proposed to be allotted and issued by the Company to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share Issue), and to be listed on the Shanghai Stock Exchange
“A Share Issue”	the proposed allotment and issue of not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total issued share capital and not exceeding approximately 10.0% of the total issued share capital of the Company upon the issue of A Shares) to 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 and regulations and other regulatory requirements from participating in the proposed A Share issue), which A Shares are proposed to be listed on the Shanghai Stock Exchange
“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 of the Company
“CFC”	鴻商產業控股集團有限公司 (Cathy Fortune Corporation*), a limited liability company established in the PRC and one of the Company’s controlling shareholders
“Company”	洛陽樂川鎢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 H Shares of which are listed on the Hong Kong Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company

DEFINITIONS

“Domestic Shareholders”	holders of Domestic Shares
“Domestic Shares”	the ordinary shares of RMB0.20 each issued by the Company under PRC law, which are subscribed for or credited as fully paid up in RMB
“EGM”	the extraordinary general meeting of the Company to be held at 9:00 a.m. on Wednesday, 26 January 2011 at International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luonan District, Luoyang City, Henan Province, the PRC, to consider, and if thought fit, to approve, inter alia, the proposed A Share Issue, proposed grant of authority to the Board in connection with the proposed A Share Issue, proposed amendments to the Articles of Association and the adoption of the Internal Rules, and proposed establishment of a nomination committee
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting for the year of 2010 held on 6 June 2010 to allot, issue or otherwise deal with up to 713,002,905 Domestic Shares and 262,231,200 H Shares
“Group”	the Company and its subsidiaries
“H Shareholders”	holders of H Shares
“H Shares”	overseas listed foreign invested shares 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 traded in Hong Kong dollars
“Henan Bureau”	河南省地質礦產勘查開發局 (Henan Provincial Bureau of Exploration and Development of Geology and Mineral Resource*), a public service unit at the departmental level directly under the People’s Government of Henan Province
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region

DEFINITIONS

“Internal Rules”	(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) working rules for independent Directors; (8) detailed working rules for nomination committee; and (9) detailed working rules for supervisory board meetings
“LMG”	洛陽礦業集團有限公司 (Luoyang Mining Group Co., Ltd.*), a limited liability company established in the PRC and one of the Company’s controlling shareholders
“Latest Practicable Date”	4 January 2011, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“NSSF”	中國全國社會保障基金理事會 (the National Council for Social Security Fund of the PRC*), an organization authorised by the State Council of the PRC to be responsible for the administration of the national social security fund
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sandaozhuang Mine”	洛陽欒川鉬業集團股份有限公司三道莊鉬礦 (Sandaozhuang molybdenum mine) located in Luanchuan County, Luoyang City, Henan Province, PRC and operated by the Group
“Shareholder(s)”	holder(s) of the Shares
“Shares”	Domestic Share(s) and the H Share(s)

DEFINITIONS

“Trading Days”	a day on which the H Shares are traded on the Hong Kong Stock Exchange
“Xuzhou Huanyu”	徐州環宇鎢業有限公司 (Xuzhou Huanyu Molybdenum Co., Ltd.*), a company established in the PRC with limited liability and indirectly owned as to 50% by the Company as at the Latest Practicable Date
“%”	Per cent

The exchange rate adopted in this circular for illustration purposes only is RMB1.00=HK\$1.14.



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)

Executive Directors:

Duan Yuxian (Chairman)
Li Chaochun (Vice Chairman)
Wu Wenjun
Li Faben
Wang Qinxi

Non-executive Directors:

Shu Hedong
Zhang Yufeng

Independent Non-executive Directors:

Gao Dezhu
Zeng Shaojin
Gu Desheng
Ng Ming Wah, Charles

Registered office:

North of Yihe
Huamei Shan Road
Chengdong New District
Luanchuan County
Luoyang City
Henan Province
the People's Republic of China

Principal place of business in Hong Kong:

Level 28
Three Pacific Place
1 Queen's Road East
Hong Kong

6 January 2011

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED A SHARE ISSUE;
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND ADOPTION OF INTERNAL RULES;
(3) PROPOSED ESTABLISHMENT OF NOMINATION COMMITTEE; AND
(4) BOOK CLOSURE PERIOD AND RECORD DATE**

A. INTRODUCTION

Reference is made to the announcement of the Company dated 10 December 2010 and notice of the EGM dated 11 December 2010 in relation to, among other things, the proposed A Share Issue.

* For identification purposes only

LETTER FROM THE BOARD

The Company announced on 10 December 2010 that the Company intended to apply to the relevant authorities in the PRC for the issue of not more than 542 million A Shares of RMB0.20 each to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share Issue), and the listing of, and permission to deal in, such A Shares on the Shanghai Stock Exchange at such time as considered appropriate and in the best interests of the Company.

The proposed A Share Issue is subject to (i) approval by Shareholders at the EGM; and (ii) the approvals of the CSRC, and other regulatory authorities.

In light of the proposed A Share Issue and pursuant to the requirements of the applicable PRC laws and regulations, the Board further proposed to make certain amendments to the Articles of Association and adopt the Internal Rules.

To accommodate the proposed A Share Issue and to enhance corporate governance, on 10 December 2010, the Board resolved to establish a nomination committee with written terms of reference. The establishment of the nomination committee is subject to the approval of the Shareholders at the EGM.

The purpose of this circular is to provide further details of the matters to be dealt with at the EGM, which include (i) proposed A Share Issue; (ii) proposed grant of authority to the Board in connection with the proposed A Share Issue; (iii) proposed amendments to the Articles of Association and adoption of the Internal Rules; and (iv) the proposed establishment of a nomination committee.

B. PROPOSED A SHARE ISSUE

(1) General

At the Board meeting held on 10 December 2010, it was resolved that, subject to Shareholders' approval, the Company will apply (i) to the relevant regulatory authorities in the PRC, including the CSRC, for the allotment and issue of not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total registered share capital and not exceeding approximately 10.0% of the total registered share capital of the Company upon the issue of the A Shares), to qualified price consultation participants, and natural persons, legal persons and other investors which have maintained share accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited (except those who are prohibited by PRC laws and regulations and other regulatory requirements from participating in the proposed A Share Issue), and (ii) to the Shanghai Stock Exchange for the listing of, and dealing in, its A Shares at such time as considered appropriate and in the best interests of the Company.

It is expected that such investors will not include connected persons (as defined under the Listing Rules) of the Company. If any of such investors shall include connected persons of the Company, the Company shall take steps to comply with the relevant connected transaction requirements under the Listing Rules. At present, the H Shares of the Company are listed on the main board of the Hong Kong Stock Exchange.

Since the issue price of the A Shares will be determined at the time for the issue of A Shares, the total amount of the proceeds from the proposed A Share Issue cannot be determined at the present stage. The size and pricing of the proposed A Share Issue will be determined based on the PRC securities market condition at that time and subject to approvals by all relevant PRC regulatory authorities and relevant regulations, including the Listing Rules. A further announcement will be made when more details are available.

LETTER FROM THE BOARD

(2) **Structure of the proposed A Share Issue**

- Type of securities to be issued : A Shares.
- Number of A Shares to be issued : Not more than 542 million A Shares of RMB0.20 each (not exceeding approximately 11.1% of the existing total registered share capital and not exceeding approximately 10.0% of the total registered share capital of the Company upon the issue of the A Shares). The final number of A Shares to be issued shall be subject to the approval by the CSRC, and subject to adjustment by the Board and within the range approved by the CSRC having regard to the relevant circumstances and in consultation with the lead underwriter.
- Nominal value : RMB0.20 each.
- 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.
- 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).
- 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).

LETTER FROM THE BOARD

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).

The issue price and the amount to be raised from the proposed A Share Issue cannot be ascertained as at the Latest Practicable Date because the market consultation can only be conducted after all the requisite approvals have been obtained. The Company will make the requisite announcement once the issue price is confirmed.

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.

LETTER FROM THE BOARD

- Use of proceeds
- :
- The amount of funds to be raised from the proposed A Share Issue cannot be confirmed as at the Latest Practicable Date. However, the Company intends to apply the proceeds from the proposed A Share Issue, after deducting offering expenses, on the following projects of the Group with a total estimated investment amount of approximately RMB3.788 billion (equivalent to approximately HK\$4.318 billion);
- (a) upgrading the open-pit mining equipment used in the Sandaozhuang Mine, with an estimated investment amount of approximately RMB492 million (equivalent to approximately HK\$561 million);
 - (b) installing clean and energy efficient facilities for the production of tungsten, molybdenum and phosphorous compound, with an estimated investment amount of approximately RMB300 million (equivalent to approximately HK\$342 million);
 - (c) 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);
 - (d) 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);

LETTER FROM THE BOARD

- (e) 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);
- (f) 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
- (g) acquiring 50% equity interest in Xuzhou Huanyu, with an estimated amount of approximately RMB1.200 billion (equivalent to approximately HK\$1.368 billion).

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 capital injection 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.

Distribution plan of accumulated undistributed profits before A Share Issue : 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 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 shareholdings.

LETTER FROM THE BOARD

(3) Authorisation to the Board to process the issue of A Shares and related matters

In connection with the proposed A Share Issue, the Company proposed to authorize the Board to determine and deal with at its discretion and with full authority, matters relating to the A Share Issue and the proposed listing of such A Shares to be issued in the PRC on the Shanghai Stock Exchange (including but not limited to the specific timing of the issue, number of A Shares to be issued, method of issue, issue price, issue targets, the number and proportion of A Shares to be issued to respective issue targets, and adjustments on the project amount, timing and method of the implementation within the scope of the usage of proceeds approved by Shareholders at the EGM) under the proposal of the A Share Issue and related matters considered and approved by Shareholders at the EGM. The authorization of the Board to determine and deal with matters relating to the A Share Issue is subject to approvals by Shareholders at the EGM.

(4) Shareholders' approval and other approvals

The EGM will be held on Wednesday, 26 January 2011 to consider and, if thought fit, approve, among other things, the proposed A Share Issue and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating to the proposed A Share Issue (including but not limited to the specific timing of the issue, the number of A Shares to be issued, offering mechanism, issue price, adjustment to the use of proceeds from the proposed A Share Issue within the scope approved by Shareholders and other details in relation to the use of proceeds). The approval in respect of the proposed A Share Issue by the Shareholders at the EGM shall be valid and effective for a period of 12 months from the date when such approval is obtained.

It should be noted that the proposed A Share Issue, upon approval by Shareholders at the EGM, is still subject to the approval of the CSRC and other relevant regulatory authorities, as required. In addition, the approval of the Shanghai Stock Exchange for the listing of and dealing in the A Shares is required.

As at the Latest Practicable Date, no application has been made by the Company to any PRC authorities in relation to the proposed A Share Issue. The Company will submit an application to the CSRC for the proposed A Share Issue after approvals have been obtained from the Shareholders at the EGM.

(5) General Mandate for the A Share Issue

The A Shares to be issued and allotted by the Company pursuant to the General Mandate, pursuant to which the Directors are authorized to allot and issue up to 713,002,905 Domestic Shares and 262,231,200 H Shares.

As at the Latest Practicable Date, the Company has not issued any H Shares or Domestic Shares pursuant to the General Mandate.

LETTER FROM THE BOARD

(6) Effect of the proposed A Share Issue on the Company's Shareholding Structure

Assuming that a total of 542 million A Shares of RMB0.20 each will be issued under the A Share Issue and that the Company will not issue and allot further Shares prior to the A Share Issue, the expected shareholding structure of the Company immediately before and immediately upon completion of the A Share Issue is set out and summarised as follows:-

	As at the Latest Practicable Date		Immediately after completion of the A Share Issue	
	Number of Shares of RMB0.20 each	As a percentage of total registered share capital (%)	Number of Shares of RMB0.20 each	As a percentage of total registered share capital (%)
(1) Domestic Shares				
LMG	1,796,593,475	36.84	1,742,393,475	32.16
CFC	1,726,706,322	35.41	1,726,706,322	31.87
Other existing				
Domestic Shareholders	41,714,728	0.86	41,714,728	0.77
New A Shareholders	—	—	542,000,000	10.00
NSSF ^(Note)	—	—	54,200,000	1.00
Sub-total	<u>3,565,014,525</u>	<u>73.11</u>	<u>4,107,014,525</u>	<u>75.80</u>
(2) H Shares	<u>1,311,156,000</u>	<u>26.89</u>	<u>1,311,156,000</u>	<u>24.20</u>
Total	<u><u>4,876,170,525</u></u>	<u><u>100.00</u></u>	<u><u>5,418,170,525</u></u>	<u><u>100.00</u></u>

Note: According to the “Implementation Measures in respect of the Transfer of Part of State-owned shares to the National Council for Social Security Fund in the Domestic Security Market” (境內證券市場轉持部分國有股充實全國社會保障基金實施辦法), if any joint stock limited company with state-owned shares conducts initial public offering and listing of its state-owned shares in the domestic security market, part of the state-owned shares (based on 10% of the actual issued shares) of the listed company shall be transferred to NSSF for holding.

The transfer of A Shares from LMG to NSSF is subject to approval of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government and the actual number of A Shares to be issued.

LETTER FROM THE BOARD

According to the relevant PRC laws and regulations and the relevant requirements of the CSRC and the Shanghai Stock Exchange, Domestic Shares issued before the proposed A Share Issue may be freely tradable conditional upon completion of the A Share Issue and the listing of the same on the Shanghai Stock Exchange. Except for the relevant requirements relating to the lock-up period under the relevant laws and regulations and the listing rules of the Shanghai Stock Exchange, such A Shares shall carry the same rights as the other A Shares issued by the Company.

(7) Reasons for and benefits of the proposed A Share Issue

The Board believes that the proposed A Share Issue will establish a new financing platform for the Company to finance its ongoing business development. The Board also believes that the proposed A Share Issue will help strengthen its position and competitiveness in exploration, exploitation, processing and smelting of molybdenum, tungsten and other precious metal mineral resources. The Board believes that the proposed A Share Issue will benefit the Company and Shareholders as a whole.

C. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ADOPTION OF INTERNAL RULES

(1) Proposed amendments to the Articles of Association

In light of the proposed A Share Issue, certain amendments are proposed to be made to the Articles of Association, including among other things, matters such as provision of securities to third parties that needs to be considered by the Shareholders, Shareholders' general meetings, as well as other amendments in relation to the proposed A Share Issue as required by the applicable PRC laws and regulations.

Proposed amendments to the Articles of Association are subject to Shareholders' approval, and a special resolution to consider and approve the proposed amendments will be proposed at the EGM. The proposed amendments to the Articles of Association shall come into effect upon completion of the proposed A Share Issue.

Such amendments are made on the basis of the existing Articles of Association. The amended Articles of Association will comply with the relevant laws and regulations applicable to companies with listed H Shares and A Shares and will safeguard the interests of both H Shareholders and Domestic Shareholders.

An unofficial translation of the proposed amendments to the Articles of Association is set out in Appendix I of this circular.

LETTER FROM THE BOARD

(2) **Proposed adoption of the Internal Rules**

In addition, the Company proposed to adopt the Internal Rules pursuant to the requirements of the applicable PRC laws and regulations. Save for the detailed working rules for nomination committee, the adoption of the Internal Rules in respect of A Share Issue, resolutions to consider and approve the adoption of the Internal Rules will be proposed at the EGM. Save for the detailed working rules for nomination committee in respect of A Share Issue, the proposed adoption of the Internal Rules shall come into effect upon completion of the proposed A Share Issue.

(i) *Proposed rules for external investment management*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for external investment management. An ordinary resolution to consider, approve and adopt the proposed rules for external investment management will be proposed at the EGM.

An unofficial English translation of the proposed rules for external investment management is set out in Appendix II of this circular.

(ii) *Proposed rules for management of provision of securities to third parties*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for management of provision of securities to third parties. An ordinary resolution to consider, approve and adopt the proposed rules for management of provision of securities to third parties will be proposed at the EGM.

An unofficial English translation of the proposed rules for management of provision of securities to third parties is set out in Appendix III of this circular.

(iii) *Proposed rules for connected transactions*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for connected transactions. An ordinary resolution to consider, approve and adopt the proposed rules for connected transactions will be proposed at the EGM.

An unofficial English translation of the proposed rules for connected transactions is set out in Appendix IV of this circular.

LETTER FROM THE BOARD

(iv) *Proposed rules for management of funds raised from capital markets*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for management of funds raised from the capital markets. An ordinary resolution to consider, approve and adopt the proposed rules for management of funds raised from the capital markets will be proposed at the EGM.

An unofficial English translation of the proposed rules for management of funds raised from the capital markets is set out in Appendix V of this circular.

(v) *Proposed rules for Shareholders' general meetings*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for Shareholders' general meetings. A special resolution to consider, approve and adopt the proposed rules for Shareholders' general meetings will be proposed at the EGM.

An unofficial English translation of the proposed rules for Shareholders' general meetings is set out in Appendix VI of this circular.

(vi) *Proposed rules for Board meetings*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed rules for Board meetings. A special resolution to consider, approve and adopt the proposed rules for Board meetings will be proposed at the EGM.

An unofficial English translation of the proposed rules for Board meetings is set out in Appendix VII of this circular.

(vii) *Proposed detailed working rules for supervisory board meetings*

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed detailed working rules for supervisory board meetings. A special resolution to consider, approve and adopt the proposed detailed working rules for supervisory board meetings will be proposed at the EGM.

An unofficial English translation of the proposed detailed working rules for supervisory board meetings is set out in Appendix VIII of this circular.

LETTER FROM THE BOARD

(viii) Proposed detailed working rules for independent Directors

Pursuant to the relevant laws, rules and regulations of the PRC and the requirements of CSRC and the Shanghai Stock Exchange in respect of the issue of A Shares, the Company is required to adopt the proposed detailed working rules for independent Directors. An ordinary resolution to consider, approve and adopt the proposed detailed working rules for independent Directors will be proposed at the EGM.

An unofficial English translation of the proposed detailed working rules for independent Directors is set out in Appendix IX of this circular.

D. PROPOSED ESTABLISHMENT OF NOMINATION COMMITTEE

The Board also resolved on 10 December 2010, to establish a nomination committee with written terms of reference. It is proposed that the nomination committee will consist of six Directors: Mr Duan Yuxian (executive Director), Mr Li Chaochun (executive Director), Mr Gao Dezhu (independent non-executive Director), Mr Zeng Shaojin (independent nonexecutive Director), Mr Gu Desheng (independent non-executive Director) and Mr Ng Ming Wah, Charles (independent non-executive Director) with Mr Duan Yuxian serving as its chairman and Mr Gao Dezhu serving as its vice chairman.

The principal responsibilities of the nomination committee are, among other things, review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations to the Board regarding any proposed changes; identify candidates with suitable qualifications as directors, select and make recommendations to the Board; assess the independence of independent non-executive Directors; and make recommendations to the Board on matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

The establishment of the nomination committee is subject to the approval of the Shareholders at the EGM. An ordinary resolution to consider and approve the proposed establishment of the nomination committee will be proposed at the EGM.

LETTER FROM THE BOARD

E. BOOK CLOSURE PERIOD AND RECORD DATE

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company is closed from Monday, 27 December 2010 to Wednesday, 26 January 2011 (both days inclusive) during which period no transfer of Shares will be effected. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company at 4:30 p.m. on 24 December 2010 shall be entitled to attend and vote at the EGM.

F. EGM

The EGM will be convened 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 PRC. The notice of the EGM has been despatched to Shareholders on 11 December 2010. For ease of reference, the notice of the EGM is set out on pages 18 to 25 of this circular.

The proposed A Share Issue, proposed grant of authority to the Board in connection with the proposed A Share Issue, proposed amendments to the Articles of Association and the adoption of the Internal Rules, and proposed establishment of a nomination committee will be proposed at the EGM.

Special resolutions will be proposed to approve the following matters:

1. proposed A Share Issue, the approval of which will be in effect for 12 months from the date of approval if the issue of the A Shares is approved at the EGM.
2. proceeds from the A Share Issue will be applied to, among other things, upgrading the open-pit mining equipment used in the Sandaozhuang Mine, installing clean and energy efficient facilities for the production of tungsten, molybdenum and phosphorous compound, installing energy efficient and automated production line for the production of ammonium molybdate, implementing the second phase of the molybdenum concentrate conversion project, acquiring the exploration rights in the molybdenum mine located in East Gobi, Hami, Xinjiang, the PRC, co-operating with Henan Bureau to carry out exploration activities and acquiring 50% equity interest in Xuzhou Huanyu.

LETTER FROM THE BOARD

3. authorisation to the Board to deal with matters in relation to the proposed A Share Issue, including but not limited to:
 - (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.
4. proposed amendments to the Articles of Association.

LETTER FROM THE BOARD

5. proposed adoption of the rules for Shareholders' general meetings.
6. proposed adoption of the rules for Board meetings.
7. proposed adoption of the detailed working rules for supervisory board meetings.

Ordinary resolutions will be proposed to approve the following matters:

8. proposed sharing of undistributed retained profits.
9. proposed adoption of detailed working rules for independent Directors.
10. proposed adoption of the rules for external investment management.
11. proposed adoption of the rules for management of provision of securities to third parties.
12. proposed adoption of the rules for connected transactions.
13. proposed adoption of the rules for management of funds raised from capital markets.
14. proposed establishment of nomination committee.

No Shareholder is required to abstain from voting in connection with the above resolutions, which will be put to a vote at the EGM, under the Listing Rules.

As at the Latest Practicable Date, no application has been made by the Company to any PRC authorities in relation to the proposed A Share Issue. The Company will submit an application to the CSRC for the proposed A Share Issue after approval have been obtained from the Shareholders at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete the form of proxy despatched to you on 11 December 2010 in accordance with the instructions printed thereon and return the same to the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares only) or to the Secretariat of the Board at 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), as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

LETTER FROM THE BOARD

G. VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM in accordance with the Articles of Association. An announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5).

H. RECOMMENDATION

The Directors consider that the proposed A Share Issue, the proposed grant of authority to the Board in connection with the proposed A Share Issue, the proposed amendments to the Articles of Association and adoption of Internal Rules, and the proposed establishment of a nomination committee are in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions which will be proposed at the EGM.

I. GENERAL

There is no assurance that the proposed A Share Issue or any other related matters mentioned in this circular will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares. Further details about the A Share Issue will be disclosed by the Company in the PRC when the proposed A Share Issue materializes and appropriate disclosure will be made by the Company in Hong Kong concurrently in accordance with the Listing Rules.

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

* *For identification purposes only*

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of 洛陽樂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.

* For identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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).

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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 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 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);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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; 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.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

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.”
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.”
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.”

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.”
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.”
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.”
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.”
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.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

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 Qinxì; 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.

Notes:

1. 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.
2. 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

* For identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. 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.
4. 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.
5. 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
6. 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.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION**1. ARTICLE 1 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:**

These articles of association (the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and other relevant PRC rules and regulations, for the purpose of safeguarding the legitimate rights and interests of the Company, its Shareholders and creditors and regulating the organisation and activities of the Company.

It is proposed to be amended as follows:

These articles of association (the “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Guidelines for the Articles of Association of Listed Companies (as amended in 2006) (the “Guidelines for the Articles of Association”) and other relevant PRC rules and regulations, for the purpose of safeguarding the legitimate rights and interests of China Molybdenum Co., Ltd. (the “Company”), its Shareholders and creditors and regulating the organisation and activities of the Company.

2. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 3:

On 8 March 2007, upon approval by China Securities Regulatory Commission (the “CSRC”), the Company initially issued to the public 1,191,960,000 overseas listed foreign shares (including the over-allotted shares), which were listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 April 2007. On [•], upon approval by the CSRC, the Company initially issued [•] RMB-denominated ordinary shares to the public, which were listed on the Shanghai Stock Exchange on [•].

3. ARTICLE 5 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The registered capital of the Company is RMB975,234,105. When the Company increases its capital by issuing overseas listed foreign shares or exercises its over-allotment option, the registered capital of the Company will be adjusted accordingly, which shall be reported to relevant government departments for registration under the relevant PRC laws and administrative regulations.

It is proposed to be amended as follows:

Upon the completion of issue of domestically listed RMB-denominated ordinary shares, the registered capital of the Company is RMB[•].

4. ARTICLE 9 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company has made amendments to its original articles of association (the “Original Articles of Association”) and formulated these articles of association (the “Articles of Association”) in accordance with the Company Law, the Special Regulations, the Mandatory Provisions and other relevant PRC laws and administrative regulations.

The Articles of Association shall take effect after being approved at the Shareholders’ general meeting by way of special resolution and obtaining approval from the examining and approving authorities authorised by the State Council and on the date when the Company’s overseas listed foreign shares are issued and listed on The Stock Exchange of Hong Kong Limited (the “SEHK”). The Articles of Association shall replace the Original Articles of Association in their entirety upon it becomes effective. Upon taking effect, the Articles of Association shall constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders.

It is proposed to be amended as follows:

The Company has made amendments to its original articles of association (the “Original Articles of Association”) and formulated these articles of association (the “Articles of Association”) in accordance with the Company Law, the Securities Law, the Special Regulations, the Mandatory Provisions, the Guidelines for the Articles of Association and other relevant PRC laws and administrative regulations.

The Articles of Association shall take effect after being approved at the Shareholders’ general meeting by way of special resolution and obtaining approval from the securities regulatory authorities of the State Council and on the date when the Company’s RMB-denominated ordinary shares issued under its initial public offering are listed. The Articles of Association shall replace the Original Articles of Association in their entirety upon it becomes effective. Upon taking effect, the Articles of Association shall constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders.

5. ARTICLE 10.1 AND 10.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READ AS FOLLOWS:

The Articles of Association shall be binding upon the Company and its Shareholders, Directors, Supervisors, General Manager and senior executive officers; the aforementioned person(s) may assert rights in respect of the Company's affairs pursuant to the Articles of Association.

The Shareholders may institute legal proceedings against the Company pursuant to the Articles of Association, and the Company may institute legal proceedings against the Shareholders pursuant to the Articles of Association. Shareholders may, pursuant to the Articles of Association, institute legal proceedings against other Shareholders as well as Directors, Supervisors, General Manager and other senior executive officers of the Company. Other senior executive officers of the Company referred to in the Articles of Association mean deputy general managers, secretary to the Board, financial controller, legal officer and other senior executives appointed by the Board of the Company.

They are proposed to be amended as follows:

The Articles of Association shall be binding upon the Company and its Shareholders, Directors, Supervisors, General Manager and other senior executive officers; the aforementioned person(s) may assert rights in respect of the Company's affairs pursuant to the Articles of Association.

The Shareholders may institute legal proceedings against the Company pursuant to the Articles of Association, and the Company may, pursuant to the Articles of Association, institute legal proceedings against Shareholders, Directors, Supervisors, General Manager and other senior executive officers of the Company. Shareholders may, pursuant to the Articles of Association, institute legal proceedings against other Shareholders as well as Directors, Supervisors, General Manager and other senior executive officers of the Company. Other senior executive officers of the Company referred to in the Articles of Association mean deputy general managers, secretary to the Board, financial controller of the Company and other senior executive officers appointed by the Board.

6. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 11 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 11.2:

However, unless otherwise provided by laws and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the invested company.

7. ARTICLE 13.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The scope of business of the Company includes mining, processing, smelting and deep-processing of tungsten and molybdenum products; export of molybdenum products and chemical products (excluding hazardous chemicals, inflammable, explosive and easily-produced drugs); import of raw and auxiliary materials, machines and equipment, instruments and apparatuses, parts and components necessary for production; accommodation and catering (limited to branches with appropriate qualifications). (The said import and export items require appropriate qualification certificates)

It is proposed to be amended as follows:

The scope of business of the Company includes mining, processing, smelting, deep-processing and exploration of mineral resources; export of mineral resources products and chemical products (excluding hazardous chemicals, inflammables, explosives and easily-produced drugs); import of raw and auxiliary materials, machines and equipment, instruments and apparatuses, parts and components necessary for production (the said import and export items require appropriate qualification certificates); accommodation and catering (limited to branches with appropriate qualifications).

8. ARTICLE 21 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

Subject to approval of the securities authorities of the State Council, the Company may issue overseas listed foreign shares after its establishment. Pursuant to relevant PRC regulations regarding the reduction of state-owned shares and as entrusted by the National Council for Social Security Fund, the state-owned Shareholders of the Company will reduce their state-owned shares at the time of the issue of overseas listed foreign shares with a maximum 15.0% over-allotment of overseas listed foreign shares, depending on market conditions.

Subject to the approval of the competent authorities including China Securities Regulatory Commission, the Company will carry out share split to split one existing share with a par value of RMB1 each into five shares with a par value of RMB0.20 each in the public offering of its overseas listed foreign shares.

If the share split is approved by the competent authorities including China Securities Regulatory Commission, the structure of the Company's share capital, upon the completion of the issue of overseas listed foreign shares of the Company and assuming the over-allotment option has not been exercised, shall be as follows: 4,767,810,525 ordinary shares, in which 1,807,429,475 shares are held by the Luoyang Mining Group Co., Ltd., 1,768,421,050 shares by Cathay Fortune Corporation and 1,191,960,000 shares by holders of overseas listed foreign shares, representing 25.00% of the total ordinary shares that the Company may issue.

Upon exercise of approximately 10% over-allotment option by the Company, the structure of the Company's share capital shall be as follows: 4,876,170,525 ordinary shares, in which 1,796,593,475 shares are held by the Luoyang Mining Group Co., Ltd., 1,768,421,050 shares by Cathay Fortune Corporation and 1,311,156,000 shares by holders of overseas listed foreign shares, representing 26.88% of the total ordinary shares that the Company may issue.

Holder of domestic shares and holders of overseas-listed foreign shares shall be deemed as shareholders of different classes. Subject to the approval by the securities regulatory authorities of the State Council, shares held by holders of domestic shares may be transferred to overseas investors and be listed and traded on overseas stock exchanges. Listing of and dealing in the transferred shares on overseas stock exchanges are subject to the regulatory procedures, rules and requirements of relevant overseas securities markets. Listing of and dealing in the transferred shares on overseas stock exchanges are not subject to approvals by Shareholders at class meetings.

It is proposed to be amended as follows:

As considered and approved by the Shareholders' general meeting and approved by the securities regulatory authorities of the State Council, the Company has split one RMB-denominated shares with a par value of RMB1 per share into five shares with a par value of RMB0.20 per share. On 28 March 2007, upon approval of the securities regulatory authorities of the State Council, the Company initially issued to the public 1,191,960,000 overseas listed foreign shares (including the over-allotted shares) with a par value of RMB0.2 per share, which were listed on the main board of The Stock Exchange of Hong Kong Limited on 26 April 2007.

Upon its initial offering of H shares, the Company's structure of share capital is as follows: 4,876,170,525 ordinary shares, in which 1,796,593,475 shares are held by the Luoyang Mining Group Co., Ltd., representing 36.84% of the total ordinary shares of the Company; 1,768,421,050 shares are held by Cathay Fortune Corporation, representing 36.27% of the total ordinary shares of the Company; and 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing 26.89% of the total ordinary shares of the Company.

Upon completion of the issue of domestically-listed RMB-denominated ordinary shares, the Company's structure of share capital is as follows: [•] ordinary shares, in which [•] shares are held by the Luoyang Mining Group Co., Ltd., representing [•]% of the total ordinary shares of the Company; [•] shares are held by Cathay Fortune Corporation, representing [•]% of the total ordinary shares of the Company; ([•] shares are held by other domestic investors, representing [•]%; [•] shares are held by domestic public investors, representing [•]%; and 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing [•]% of the total ordinary shares of the Company.

Holders of domestic shares and holders of overseas-listed foreign shares shall be deemed as shareholders of different classes. Subject to approval by the State Council or the administrative authorities authorized by the State Council and in accordance with the relevant overseas regulations on dealing in securities, the Company's domestic shares may be converted to H shares. Any listing of or dealing in the converted shares on overseas stock exchanges is subject to the regulatory procedures, rules and ordinances of relevant overseas stock exchanges.

9. ARTICLE 24.1.1 AND 24.1.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READ AS FOLLOWS:

- (1) offering new Shares to specific investors;
- (2) offering new Shares to non-specific investors;

They are proposed to be amended as follows:

- (1) public offering of shares;
- (2) non-public offering of shares;

10. ARTICLE 26.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company shall notify its creditors within ten days of the date of the relevant resolution for the reduction of its share capital and shall publish an announcement in a newspaper at least three times within thirty days of the date of such resolution. A creditor has the right within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ninety days of the date of the first announcement, to demand that the Company repay its debts or provide a corresponding guarantee for such debt.

It is proposed to be amended as follows:

The Company shall notify its creditors within ten days of the date of the relevant resolution for the reduction of its share capital and shall publish an announcement in a newspaper within thirty days of the date of such resolution. A creditor has the right within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the announcement, to demand that the Company repay its debts or provide a corresponding guarantee for such debt.

11. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 29 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS SUBPARAGRAPH (4):

(4) Such other means as approved by the securities regulatory authorities.

12. ARTICLE 33.1 AND 33.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READ AS FOLLOWS:

The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring, or is proposing to acquire, the Company's shares. Such acquirer of shares in the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares in the Company.

The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to such acquirer as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

They are proposed to be amended as follows:

The Company and its subsidiaries (including the Company's affiliated enterprises) shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring, or is proposing to acquire, the Company's shares. Such acquirer of shares in the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares in the Company.

The Company and its subsidiaries (including the Company's affiliated enterprises) shall not, by any means at any time, provide financial assistance to such acquirer as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

13. THE FOLLOWING TWO PARAGRAPHS ARE PROPOSED TO BE ADDED TO ARTICLE 38 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 38.3 AND 38.4 RESPECTIVELY:

Where any Director, Supervisor or senior executive officer of the Company or any Shareholder holding 5% or more of the Company's shares disposes of his/her shares in the Company within six months of purchase or purchases shares in the Company again within six months of disposal, the gains derived therefrom shall be disgorged and paid to the Company and shall be recoverable from him/her by the Board of the Company, provided that disposals by brokerage companies holding 5% or more of the shares in the Company as a result of their underwriting obligations in relation to the shares unsubscribed shall not be subject to the six-month limit.

Should the Board of the Company fail to comply with the requirements set out in the preceding paragraph, a Shareholder shall have the right to request the Board to effect the same within thirty days. Should the Board fail to do so within the above stipulated period, a Shareholder shall, for the benefit of the Company and in his own name, have the right to institute legal proceedings directly at a people's court. Should the Board of the Company fail to comply with the provisions set out above, the responsible Director(s) shall accordingly assume joint liabilities under relevant laws.

14. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 41:

A share certificate issued by the Company is the evidence of the share(s) held by a Shareholder. The Company shall issue its share certificates in book entry form or in physical certificate form as required by the relevant government authorities and organizations at the place where its shares are issued and listed, or in other forms as required by the securities regulatory authorities of the State Council.

15. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 59 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 59.3:

Where a Shareholder holding 5% or more voting shares of the Company pledges any shares in his/her possession, he/she shall report the same to the Company in writing on the date when such pledge is made.

16. ARTICLE 63.1.12 AND 13 OF THE ORIGINAL ARTICLES OF ASSOCIATION READ AS FOLLOWS:

(12) to consider guarantees provided by the Company within one year where the amount involved exceeds 30% of the net assets as presented in the latest audited consolidated financial statements of the Company;

(13) to consider any purchase or disposal of substantial assets by the Company within one year where the amount involved exceeds 30% of the net assets as presented in the latest audited consolidated financial statements of the Company;

It is proposed to be amended as follows:

(12) to consider and approve such outward guarantees as stipulated in Article 66;

(13) to consider any purchase or disposal of substantial assets by the Company within one year where the amount involved exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company as well as other external investment matters subject to consideration and approval at the general meeting of the Company pursuant to rules for external investment management and other relevant internal systems of the Company;

17. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 66:

The following outward guarantees shall be submitted to Shareholders' general meetings for consideration after being considered and passed by the Board:

- (1) any provision of guarantee after the aggregate amount of outward guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;
- (2) provision of guarantee provided by the company within one year exceeds 30% of its latest audited net asset in consolidated financial statement;
- (3) provision of guarantee to any party whose gearing ratio exceeds 70%;
- (4) provision of a single guarantee with an amount exceeding 10% of the latest audited net asset of the Company;
- (5) provision of guarantee when the aggregate amount of guarantees provided by the Company in 12 consecutive months exceeds 30% of the latest audited total assets of the Company;
- (6) provision of guarantee when the aggregate amount of guarantees provided by the Company in 12 consecutive months exceeds 50% of the latest audited net assets of the Company and the absolute amount of which exceeds RMB50 million;
- (7) any guarantee provided to any Shareholder, the de factor controller of the Company or their respective related parties;
- (8) other guarantees required to be submitted to Shareholders' general meetings for consideration and approval as stipulated by other laws, administrative regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

A guarantee which falls within the authorities of the Board requires the approval of three-fourths or more of all Directors. The guarantee set out in the preceding subparagraph (5) shall be subject to two-thirds or more of the voting rights held by Shareholders present at the meeting.

18. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 69:

The venue of a Shareholders' general meeting of the Company shall be either the domicile of the Company or such other venue as specified in the notice of such general meeting.

Meeting venue shall be set for Shareholders' general meetings which shall be convened by way of on-site meetings. The Company will provide convenience for Shareholders to attend Shareholders' general meetings through various means and approaches in accordance with the specific regulations of the regulatory authorities of the listing place(s) of the Company, including modern information technology methods such as online voting platform, in order to assure the legality and validity of the Shareholders' general meeting. Shareholders who attend a meeting by the said means are deemed to be present at such meeting.

19. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 70:

When convening a Shareholders' general meeting, the Company shall engage lawyers to attend the meeting and advise on the following issues with announcements made thereon:

- (1) Whether or not the convening of the meeting and its procedures are in compliance with laws, administrative regulations and the Articles of Association;
- (2) whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (3) whether the procedures of voting and the voting results of the meeting are lawful and valid ;
- (4) legal opinions on other related matters as requested by the Company.

20. ARTICLE 67.1 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

Where the Supervisory Committee requests the convening of an extraordinary general meeting, the following procedures shall be followed:

- (1) Execute one or more copies of requisitions in the same form and contents stating the topics for discussion at the meeting to request the Board to convene an extraordinary general meeting. The Board shall as soon as possible proceed to convene the extraordinary general meeting after receiving such requisition.
- (2) If the Board fails to issue a notice of convening such a meeting within thirty days from the date of the receipt of such requisition, the Supervisory Committee may themselves convene such a meeting within four months from the date of receipt of the requisition by the Board, provided that the procedures of convening shall be, to the greatest extent, same as those of general meetings convened by the Board.

It is proposed to be amended as follows:

Where the Supervisory Committee requests the convening of an extraordinary general meeting, the following procedures shall be followed:

- (1) Execute one or more copies of requisitions in the same form and contents stating the topics for discussion at the meeting to request the Board to convene an extraordinary general meeting. The Board shall furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of the said requisition.
- (2) In the event that the Board agrees to convene an extraordinary general meeting, the notice of general meeting shall be issued within five days after adopting the relevant Board resolution. Any changes to the original proposal (s) made in the notice shall be subject to prior approval of the Supervisory Committee.
- (3) In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such requisition, the Board shall be deemed to be incapable of or failure in performing the duty of convening a Shareholders' general meeting, in which case the Supervisory Committee may convene and preside over such meeting by itself .

21. ARTICLE 68.1 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

Where Shareholders request the convening of an extraordinary general meeting or a class meeting, the following procedures shall be followed:

- (1) Two or more Shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more copies of requisitions in the same form and contents stating the topics for discussion at the meeting to request the Board to convene an extraordinary general meeting or a class meeting. The Board shall as soon as possible proceed to convene the extraordinary general meeting or the class meeting after receiving such requisition. The aforesaid shareholdings shall be determined as of the date on which the written requisition was submitted by the Shareholders.
- (2) If the Board fails to issue a notice of convening such a meeting within thirty days from the date of the receipt of such written requisition, the Shareholders making such requisition may themselves convene such meeting with the procedures within four months from the date of receipt of the same by the Board, provided that the procedures of convening shall be, to the greatest extent, same as those of general meetings convened by the Board.

It is proposed to be amended as follows:

Where Shareholders request the convening of an extraordinary general meeting or a class meeting, the following procedures shall be followed:

- (1) Two or more Shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more copies of requisitions stating the topics for discussion at the meeting to request the Board to convene an extraordinary general meeting or a class meeting. The Board shall furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting or a class meeting within ten days upon receipt of the said requisition. The aforesaid shareholdings shall be determined as of the date on which the written requisition was submitted by the Shareholders.
- (2) In the event that the Board agrees to convene an extraordinary general meeting or a class meeting, the notice of such general meeting or class meeting shall be issued within five days after adopting the relevant Board resolutions. Any changes to the original proposal(s) made in the notice shall be subject to prior approval of the Shareholders concerned.
- (3) In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such requisition, Shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, provided that such request shall be made in writing.
- (4) In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of such general meeting shall be issued within five days after receiving such requisition. Any changes to the original proposal(s) made in the notice shall be subject to prior approval of the Shareholders concerned. Failure of the Supervisory Committee to issue the notice of general meeting within the stipulated period shall be deemed as the failure of the Supervisory Committee to convene and preside over a general meeting, and Shareholders severally or jointly holding 10% or more of the Company's shares for ninety or more consecutive days shall be entitled to convene and preside over the general meeting on an unilateral basis.

22. ARTICLE 69.1 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

If the Supervisory Committee or Shareholders decide(s) to convene a general meeting on their own, they shall notify the Board in writing.

It is proposed to be amended as follows:

Where the Supervisory Committee or Shareholders decide(s) to convene an extraordinary general meeting on their own, they shall notify the Board in writing and file the same with the dispatched office of the CSRC at the locality of the Company and the stock exchange.

23. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 69 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 69.3:

The Supervisory Committee or the convening Shareholders shall submit relevant evidence to the dispatched office of CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of the Shareholders' general meeting and the announcement of the resolutions of the Shareholders' general meeting.

24. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 77 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 77.3:

Notwithstanding the above two paragraphs, if otherwise stipulated in the listing rules and other applicable regulations of the stock exchange where the Company's domestic shares are listed in respect of the dispatch of the notice of a Shareholders' general meeting to domestic Shareholders of the Company, the same shall prevail.

25. ARTICLE 89 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

When a Shareholders' general meeting is held, General Manager and other senior executive officers of the Company may be present at the meeting as non-voting participants.

It is proposed to be amended as follows:

When a Shareholders' general meeting is held, all Directors, Supervisors and secretary to the Board of the Company shall attend the meeting, while General Manager and other relevant senior executive officers of the Company shall attend the meeting as non-voting participants.

26. ARTICLE 90.1 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

A Shareholders' general meeting shall be convened and presided over by the chairman of the Board or by the vice chairman of the Board in the event that the chairman is unable to be present at the meeting. In the event that both the chairman and the vice chairman are unable to be present at the meeting, the chairman may appoint one Director of the Company to convene and preside over the meeting on his/her behalf. If chairman of the meeting has not been designated, the Shareholders present at the meeting may elect one person to act as chairman of the meeting; and if the Shareholders are unable to elect the chairman due to any reasons, the Shareholder who holds the largest number of shares with voting rights (including his/her proxy) among the present Shareholders shall act as chairman of the meeting.

It is proposed to be amended as follows:

A general meeting shall be convened and presided over by the chairman of the Board or by the vice chairman of the Board in the event that the chairman is unable to be present at the meeting. One Director elected by half or more of the Directors shall chair and preside over the meeting in the event that both the chairman and the vice chairman are unable to be present at the meeting.

The chairman of the Supervisory Committee shall preside over and chair any Shareholders' general meetings held by the Supervisory Committee on its own. In the event that the chairman of the Supervisory Committee is unable to discharge or fails to discharge his/her duties, a Supervisor elected by half or more of the Supervisors shall preside over and chair the meeting.

A general meeting convened by Shareholders on their own shall be presided over and chaired by a representative nominated by the convening Shareholders. If chairman of the meeting has not been designated, the Shareholders present at the meeting may elect one person to act as chairman of the meeting; and if the Shareholders are unable to elect the chairman due to any reasons, the Shareholder who holds the largest number of shares with voting rights (including his/her proxy) among the present Shareholders shall act as chairman of the meeting.

27. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 97:

At each annual general meeting, the Board and the Supervisory Committee shall report their respective work in the preceding year to the general meeting. Each independent Director shall also make their own work reports.

28. ARTICLE 98.6 OF THE ORIGINAL ARTICLES OF ASSOCIATION READ AS FOLLOWS:

- (6) any purchase or disposal of substantial assets or any guarantees by the Company within one year, the amount of which exceeds 30% of the latest audited net assets;

It is proposed to be amended as follows:

- (6) any guarantee provided by the Company within one year, the amount of which exceeds 30% of the net assets as presented in the latest audited consolidated financial statements of the Company;

It is proposed to add clause 7 as follows and other clauses herein shall be renumbered accordingly:

- (7) any purchase or disposal of substantial assets made by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;

29. ARTICLE 101 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company shall not, without the prior approval of a Shareholders' general meeting, enter into any contract with any person other than a Director, General Manager or other senior executive officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

It is proposed to be amended as follows:

The Company shall not, without the prior approval of a Shareholders' general meeting by way of special resolution, enter into any contract with any person other than a Director, General Manager or other senior executive officer whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

30. ARTICLE 105 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

At any Shareholders' general meeting a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

- (1) by the chairman of the meeting;
- (2) by at least two Shareholders entitled to vote present in person or by proxy; or
- (3) by one or more Shareholders present in person or by proxy and alone or together representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll be so demanded, a declaration of the resolution on a show of hands will be made by the chairman, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

It is proposed to be amended as follows:

Voting at general meetings shall be by way of open ballot.

31. ARTICLE 106 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business, other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

It is proposed to be amended as follows:

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business, other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded. The same voting right shall only be exercised by one of the voting means including on-site, via internet or by other means. In the event that the same voting right has been exercised twice, the result of the first voting shall prevail.

32. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 114:

When voting on a proposal takes place at a Shareholders' general meeting, lawyers, respective representatives of Shareholders, auditors appointed by the Company or share registrar and Supervisors shall conduct vote counting and act as scrutineers, and announce the voting results there and then. The voting results shall be recorded in the minutes of the meeting.

33. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 115:

Shareholders of the listed company or their proxies that vote via internet or by other means are entitled to check their voting results through the relevant voting system.

34. ARTICLE 110 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The chairman of the meeting decides whether a resolution of the Shareholders' general meeting has been adopted or not. Such decision, being final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting.

It is proposed to be amended as follows:

The chairman of the meeting decides whether a resolution of the Shareholders' general meeting has been adopted or not. Such decision, being final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting. The Company shall announce the resolutions of the Shareholders' general meetings in accordance with the relevant requirements of the stock exchange on which the shares of the Company are listed.

35. ARTICLE 126.5 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

A Director may concurrently hold the position of General Manager or any other senior executive officer, provided that the total number of Directors holding such positions shall not exceed one half of all Directors of the Company.

It is proposed to be amended as follows:

A Director may concurrently hold the position of General Manager or any other senior executive officer, provided that the total number of Directors holding such positions and Directors from staff representatives does not exceed one half of all Directors of the Company.

36. ARTICLE 137.3 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

In respect of the Board resolutions relating to matters specified in preceding paragraph, except for those in subparagraphs (6), (7), (11) and (13) which shall be passed by two-thirds or more of all Directors, the Board's resolutions in respect of all other matters may be passed by half or more of all Directors.

It is proposed to be amended as follows:

In respect of the Board resolutions relating to matters specified in preceding paragraph, except for those in subparagraphs (6), (7), (11) and (13) which shall be passed by two-thirds or more of all Directors and the external guarantees matters and external investment matters shall be passed by three fourths or more of all Directors in accordance with the Articles of Association and the internal system of the Company, the remaining resolutions may be passed by over half of all Directors unless otherwise required by the laws, administrative regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and the internal system of the Company.

37. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 148:

The Board shall formulate the rules of procedure for Board meetings to ensure the execution of resolutions of Shareholders' general meetings by the Board and enhance the work efficiency and scientific decision making of the Board. The rules of procedure for Board meetings provides for the convening and voting procedures of Board meetings and shall be attached as an appendix to the Articles of Association, which shall be prepared by the Board and shall be subject to approval of a Shareholders' general meeting.

38. THE FOLLOWING ARE PROPOSED TO BE ADDED TO ARTICLE 176 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS SUBPARAGRAPHS (10) AND (11) AND PARAGRAPH 2 RESPECTIVELY:

(10) a person who has been prohibited from participating in the securities market by the securities regulatory authorities of the State Council, where such prohibition has not expired;

(11) other situations as provided by the laws and administrative regulations

For any election and appointment of a Director in contravention of the provisions herein, such election, appointment or employment shall be void and null. Where a Director falls into the circumstances set out herein during his/her term of office, the Company shall remove him/her from office.

39. THE FOLLOWING IS PROPOSED TO BE ADDED TO ARTICLE 180 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS ARTICLE 180.2:

Earnings obtained by a Director, General Manager, deputy general manager or any other senior executive officer in violation of the provisions herein shall belong to the Company, and shall be liable for compensation for any loss incurred to the Company.

40. ARTICLE 200 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within sixty days after the expiration of the first six months of each fiscal year and the annual financial report shall be published within one hundred twenty days after the expiration of each fiscal year.

It is proposed to be amended as follows:

The Company shall publish its annual financial report within four months after the conclusion of each fiscal year; its interim financial report within two months after the expiration of the first six months of each fiscal year; and its quarterly financial reports within one month after the expiration of the first three months and the first nine months of each fiscal year. The financial reports shall be disclosed in accordance with the relevant laws, administrative regulations and the requirements of competent regulatory authorities.

41. ARTICLE 206 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company shall distribute its profits in cash or in shares.

It is proposed to be amended as follows:

The Company's profit allocation is aimed at rewarding its investors with a reasonable investment return. The Company's profit distribution policy should be relatively consistent and stable. Provided that the Company's profit and cash flows can meet its normal operations and long-term development, the accumulative profit distribution in cash for the recent three years shall not be less than 30% of the average annual distributable profit achieved for the recent three years.

The Company may distribute its dividends in cash or in shares and an interim dividend may be made in cash.

42. ARTICLE 235 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

In the event of a merger, the parties to the merger shall execute a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days and publish an announcement in a newspaper at least three times within thirty days of the date of the Company's merger resolution. A creditor may, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ninety days of the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.

It is proposed to be amended as follows:

In the event of a merger, the parties to the merger shall execute a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days and publish an announcement in a newspaper within thirty days of the date of the Company's merger resolution. A creditor may, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the announcement, demand that the Company repay its debts or provide a corresponding guarantee for such debt.

43. ARTICLE 237.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days and publish an announcement in a newspaper at least three times within thirty days of the date of the Company's division resolution.

It is proposed to be amended as follows:

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days and publish an announcement in a newspaper within thirty days of the date of the Company's division resolution.

44. ARTICLE 239.2 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Company shall notify its creditors within ten days of the date of the relevant resolution for the reduction of its share capital and shall publish an announcement in a newspaper within thirty days of the date of such resolution. A creditor has the right within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within ninety days of the date of the announcement, to demand that the Company repay its debts or provide a corresponding guarantee for such debt.

It is proposed to be amended as follows:

The Company shall notify its creditors within ten days of the date of the relevant resolution for the reduction of its share capital and shall publish an announcement in a newspaper within thirty days of the date of such resolution. A creditor has the right within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the announcement, to demand that the Company repay its debts or provide a corresponding guarantee for such debt.

45. THE FOLLOWING ARE PROPOSED TO BE ADDED TO ARTICLE 241 OF THE ORIGINAL ARTICLES OF ASSOCIATION AS SUBPARAGRAPH (6) AND PARAGRAPH 2 RESPECTIVELY:

- (6) If the Company gets into serious trouble in operations and management and its continuation may incur material losses to the interests of the Shareholders, and no solution can be found through any other channel, the Shareholders representing 10% or more of the total voting rights of the Company may request the people's court to dissolve the Company.

In the event that the Company is dissolved pursuant to the provisions of the preceding paragraph, a liquidation committee shall be established to commence the liquidation of the Company within fifteen days of the dissolution. The members of the liquidation committee shall be the Directors or persons determined by the Shareholders' general meeting. In the event of failure to establish a liquidation committee to carry out the liquidation within the stipulated period, creditors may apply to the people's court to appoint relevant professionals to form a liquidation committee for the liquidation.

46. ARTICLE 245 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The liquidation committee shall notify creditors within ten days from the date of its establishment and publish an announcement in a newspaper at least three times within sixty days from the date of its establishment. The liquidation committee shall carry out registration of creditors' claims.

It is proposed to be amended as follows:

The liquidation committee shall notify creditors within ten days from the date of its establishment and publish an announcement in a newspaper within sixty days from the date of its establishment. The creditors shall, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days of the date of the announcement, declare their claims to the liquidation committee. Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documents. The liquidation committee shall carry out registration of creditors' claims.

During the period of declaration of claims, the liquidation committee shall not repay the debts to creditors.

47. ARTICLE 260 OF THE ORIGINAL ARTICLES OF ASSOCIATION READS AS FOLLOWS:

The Articles of Association is written in Chinese and English, both versions having the same legal effect. Should there be any discrepancy between the two versions, the latest Chinese version approved by the industry and commerce administration authorities shall prevail.

It is proposed to be amended as follows:

The Articles of Association is written in Chinese, and the Chinese version shall prevail whenever there is any discrepancies between the Chinese version and the version in any other language.

48. THE FOLLOWING IS PROPOSED TO BE ADDED AS ARTICLE 273:

Appendixes to the Articles of Association include Rules of Procedure for Shareholders' General Meetings, Rules of Procedure for Board Meetings and Rules of Procedure for Supervisory Committee Meetings.

49. THE TERM "SECURITIES AUTHORITIES OF THE STATE COUNCIL" IN THE ORIGINAL ARTICLES OF ASSOCIATION IS PROPOSED TO BE CHANGED INTO "SECURITIES REGULATORY AUTHORITIES OF THE STATE COUNCIL".

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR EXTERNAL INVESTMENT MANAGEMENT**CHAPTER 1 GENERAL PROVISIONS**

Article 1 These rules are formulated in accordance with the Company Law of the People's Republic of China ("Company Law"), the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Articles of Association of the Company (the "Articles of Association"), for the purposes of regulating the outward investment activities of China Molybdenum Co., Ltd. (the "Company"), controlling investment risks and improving external investment return.

Article 2 The external investment referred to herein represents the following investment activities carried out by the Company for the purposes of earning profit or maintaining and increasing capital value:

- (1) Equity investment in new companies;
- (2) Capital increase and acquisition of equity interests in additional investee companies;
- (3) Capital increase and acquisition of equity interests in existing investee companies;
- (4) Provision of financial assistance in the form of shareholder loans, entrusted loans or trust loans to investee companies;
- (5) Disposal of assets or equity investment;
- (6) Investment in operational projects and assets;
- (7) Investment in stocks and funds;
- (8) Investment in bonds, entrusted loans and other debts;
- (9) Other investments.

- Article 3 The investment activities of the Company shall be in compliance with relevant laws and regulations and industrial policies in the PRC and other investment destinations and in line with the Company’ development strategy, and benefiting the enhancement of its competitiveness and rationalization of resource allocation, creating economic benefits and facilitating sustainable growth of the Company.
- Article 4 Investment activities shall be carried out on the principle of scientific decision-making, procedure-based practice, institutionalized management and standardized operations. Investment projects shall be subject to full argumentation, scientific review and standardized decision-making, so as to control risks and seek for reasonable return ratio.
- Article 5 Prior to decision-making for major investment, a feasibility study for the proposed investment shall be carried out to analyse its return on investment, internal rate of return, payback period and investment risk, as well as other analysis to facilitate the investment decision-making. The investment feasibility study report is submitted to the bodies or persons with authorities of approval as a reference for the investment decision-making.
- Article 6 After a preliminary review by the relevant department of the Company and being reviewed and signed by the competent deputy general manager and approved by the General Manager or the Chairman of the Board, the investment project shall be submitted to General Manager’s work meeting for decision making or shall, after approval by the General Manager’s work meeting, be reported to the board of directors (the “Board”) for decision-making pursuant to the authority in respect of investment decision-making.

CHAPTER 2 DECISION-MAKING AUTHORITY FOR EXTERNAL INVESTMENT

- Article 7 Shareholders’ general meetings, the Board and General Manager’s work meeting of the Company are responsible for making decisions in relation to external investment within their respective limits of authority.
- Article 8 An external investment which fulfils any of the following criteria shall, after being considered and approved by the Board, be subject to consideration and approval at relevant shareholders’ general meeting and timely disclosure:
- (1) Where the total assets involved in the transaction, which is the higher of the book value or appraised value if applicable, accounts for 20% or more of the latest audited total assets of the Company;

- (2) Where the transaction amount (including debts assumed and expenses) accounts for 20% or more of the latest audited net assets of the Company or exceeds RMB3,000 million in absolute amount;
- (3) Where the gains derived from the transaction accounts for 50% or more of the latest audited net profit of the Company and exceeds RMB5 million in absolute amount;
- (4) Where the operating revenue of the subject of the transaction (e.g. equity interest) for the latest accounting year accounts for 25% or more of the Company's audited operating revenue for the latest accounting year and its absolute amount exceeds RMB50 million;
- (5) Where the net profit of the subject of the transaction (e.g. equity interest) for the latest accounting year accounts for 50% or more of the Company's audited net profit for the latest accounting year and its absolute amount exceeds RMB5 million;
- (6) Where the total assets or transaction amount involved in the purchase or sale of assets by the Company in the consecutive 12 months on an accumulated basis exceeds 30% of the Company's latest audited total assets, regardless of whether such transactions are inter-related, the same shall be subject to an audit or valuation under the listing rules, consideration and approval at a shareholders' general meeting and approval of two thirds or more of the voting rights held by shareholders present at such meeting;

Article 9 An external investment which fulfils any of the following criteria shall be subject to consideration and approval at a Board meeting and approval of three fourths or more of all Board members and timely disclosure under the Listing Rules and laws and regulations.

- (1) Any single investment or expense (including but not limited to donation, sponsorship and public welfare, etc.) within an accounting year, which is not for the purpose of profit-seeking or not connected with daily production and operations of the Company, exceeds RMB500,000 in aggregate;

- (2) Any non-operating investment or expense (including but not limited to staff quarters, welfare facilities, etc.) on an individual basis exceeds RMB1 million;
- (3) Investment in a project which is related to daily production and operations of the Company (including but not limited to technical improvement, overhaul and maintenance, equipment procurement, safety and environmental protection measures, etc.) exceeds RMB5 million on an individual basis or any single investment of such nature that takes place after the accumulated investment of the same category exceeds RMB15 million;
- (4) Any financial assistance made in the form of, among others, provision of shareholder loans, entrusted loans and trust loans or assets transfer without fair consideration by the Company to its subsidiaries or affiliated companies during one fiscal year exceeds RMB10 million on an individual basis or any financial assistance which takes place after such accumulated financial assistance exceeds RMB30 million;
- (5) Where the total assets involved in the transaction, which is the higher of its book value or appraised value if applicable, accounts for 10% or more of the latest audited total assets of the Company;
- (6) Where the transaction amount (including debts assumed and expenses) accounts for 10% or more of the latest audited net assets of the Company and its absolute amount exceeds RMB10 million;
- (7) Where the profit generated from the transaction accounts for 10% or more of the latest audited net profit of the Company and its absolute amount exceeds RMB1 million;
- (8) Where the operating revenue of the subject of the transaction such as equity interest in the latest fiscal year accounts for 10% or more of the Company's audited operating revenue of the latest fiscal year and its absolute amount exceeds RMB10 million;
- (9) Where the net profit of the subject of the transaction (e.g. equity interest) in the latest fiscal year accounts for 10% or more of the Company's audited net profit of the latest fiscal year and its absolute amount exceeds RMB1 million;

- (10) Such other matters as in the opinion of the Board shall be subject to its approval pursuant to the limits of authority of the Board for external investments as approved or authorized by the shareholders' meeting by way of resolutions.

Article 10 Save and except for external investments subject to consideration and approval at Board meetings and shareholders' general meetings as stipulated in Articles 8 and 9 herein, other investments shall be subject to approval at General Manager's work meetings unless otherwise provided by the relevant PRC laws, regulations and regulatory documents, the regulatory rules of the listing place(s) and the Articles of Association of the Company. Investments approved by General Manager's work meetings shall be reported to the Board item by item on a quarterly basis, including but not limited to investment targets and the reasons thereof.

CHAPTER 3 SUBSEQUENT DAILY MANAGEMENT OF EXTERNAL INVESTMENT

Article 11 The General Manager shall take charge of the subsequent daily management of external investment and report to the Board on a quarterly basis in respect of the implementation and operation of external investment project item by item.

Article 12 For controlled subsidiaries and investee companies formed through external investment, the Company shall assigned directors, supervisors, legal representatives, General Manager, financial controller and other operation and management members to such newly established companies according to the Company's shareholding proportion in such companies and relevant structure as stipulated in agreements and the Articles of Association. Such persons may participate in and influence decision marking and operation of the new companies after being elected through lawful procedure.

Article 13 The candidates assigned by the Company in respect of external investment set out in the Article 12 herein shall be determined in the following ways:

- 1) Appointment, removal and replacement of the candidates for shareholder representatives, legal representatives, directors and general manager shall be nominated by the Company's General Manager and determined upon being considered and approved by the Board;
- 2) Save for the positions referred to in the preceding paragraph, the appointment, removal and replacement of candidates for other positions, including but not limited to supervisors, financial controllers and vice general managers, shall be determined by the Company's General Manager. The General Manager shall submit written confirmation document to the secretary to the Board within 3 working days after such candidates have been determined. Such written confirmation document shall at least include the names of candidates, proposed positions in the new company and reasons for the assignment.

Article 14 The persons assigned by the Company shall meet the requirements on the qualification of directors, supervisors and senior management as set out in Chapter 6 of the Company Law and Chapter 10 of the Articles of Association, duly perform their duties in accordance with the Company Law, the relevant laws and regulations and the Articles of Association, protect the Company's interests during operation and management of the new companies as well as maintain and increase the value of the Company's investment. Either Board or the General Manager has the right to remove and replace any assigned persons who fail to meet the aforesaid qualifications and fail to perform their duties in accordance with these rules.

For transactions between the Company and its subsidiaries and investee companies as well as those transactions among the subsidiaries (“Intra-Group Transactions”), internal audit department of the Company and external auditors shall compile the aggregate amount, average price (separately listed for each product), quantity and pricing principle of the relevant transactions and submit the same to the Board for review. On such basis, the Board shall consider and approve matters such as pricing principle and pricing method in respect of the Intra-Group Transactions for the next financial year, and may authorize the General Manager and other senior management of the Company to determine the specific operation method under the aforesaid pricing principle and pricing method as well as supervise the implementation of such operation method in the members of the Group. The General Manager and other senior management members of the Company shall timely report to the Board on a quarterly basis about the implementation of the above operation method in members of the Group. The Board may adjust pricing principle and pricing method of the internal transactions in view of the changing external environment, feedback from the management members of the Company regarding the implementation of the operation methods.

Article 15 The financial department of the Company shall maintain complete financial records for the Company’s external investment activities. For detailed accountings, corresponding subsidiary ledgers shall be set up for each investment to record the relevant detailed information.

Article 16 Accounting policies, accounting estimates and changes adopted in accounting method and financial management of the Company’s subsidiaries shall comply with relevant requirements of the accounting standards of the Company.

Article 17 Financial controllers of subsidiaries assigned by the Company shall supervise the truthfulness and legality of financial status of such subsidiaries.

Article 18 The Company shall establish accountability system on investment. Any liable person who makes investment in violation of the PRC laws and the industrial policy of the state, or carries out an investment project without approval of the Company, or carries out an investment project before submitting it for approval, or fail to perform the decision-making procedure as required, or makes substantial mistakes in feasibility study and review of the project due to breach of duty, or losses control over project construction investment, or causes abnormal losses from project operation, or beaches other management regulations, shall be investigated for his/her responsibilities by the Company in all earnestness.

CHAPTER 4 TRANSFER AND WITHDRAWAL OF EXTERNAL INVESTMENT

Article 19 The Company may withdraw external investment upon the occurrence of one of the following situations:

- (1) The operation period of the investment project (enterprise) expires;
- (2) The investment project (enterprise) is unable to repay debts which have fallen due as a result of mismanagement;
- (3) The investment project (enterprise) is unable to continue its operation due to force majeure;
- (4) Occurrence of other situations under which investment could be terminated pursuant to the agreement.

Article 20 The Company may transfer its external investment upon the occurrence of one of the following situations:

- (1) The investment project is obvious against the Company's operation target;
- (2) The investment project suffers from continuous losses, and market prospect is bleak;
- (3) The Company is insufficient in working capital and needs to supplement capital as soon as possible;
- (4) Other reasons that the Company deems necessary.

Article 21 Withdrawal and transfer of external investment shall be in accordance with the Company Law, the regulatory rules in the place where the Company's shares are listed, other relevant laws and regulations and the Articles of Association.

**CHAPTER 5 REPORTING AND INFORMATION DISCLOSURE OF SIGNIFICANT
EVENT**

Article 22 The Company shall perform its information disclosure obligation in respect of its external investment in strict compliance with the regulatory rules in the place where the Company's shares are listed and other relevant requirements.

Article 23 Prior to the disclosure of external investment matters, each informed person shall bear the confidentiality responsibility.

Article 24 The subsidiaries shall comply with the information disclosure rules of the Company and the Company shall be informed of all information of the subsidiaries.

Article 25 The subsidiaries shall ensure the truthfulness, accuracy and completeness of the information provided by them, and such information shall be submitted to the Company as soon as practicable, so that the secretary to the Board would be able to make timely disclosure.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 26 These rules are applicable to all branches and subsidiaries of the Company.

When considering any investment matters of affiliated companies of the Company, the general meeting, the Board meeting or the General Manager's work meeting shall perform the decision-making procedure for external investment and form resolutions in strict compliance with the provisions of these rules. The Company and its relevant persons assigned shall implement such resolutions in relevant decision-making process at the general meeting, Board meeting and operation management of the affiliated companies.

The proposed investment projects of the Company's subsidiaries and branches, regardless of the investment scale, shall be submitted to the headquarters of the Company for approval. Any substantial investment activities shall not proceed without approval of such investment project by the headquarters of the Company in accordance with these rules.

- Article 27 In these rules, reference to “over” or “more than” shall be inclusive.
- Article 28 These rules shall take effect and be implemented from the date of completion of the A Share Issue and listing of A Shares of the Company, after being considered and approved at the shareholders' general meeting of the Company. Upon these rules being considered and approved at the shareholders' general meeting of the Company, the Company and all its branches and subsidiaries shall carry out the matters concerning the approval and management of external investment in strict compliance with the provisions set out herein.
- Article 29 Matters not covered by these rules shall be executed in accordance with the relevant laws, regulation, regulatory documents, regulatory rules and listing rules at the place of listing of the Shares of the Company including Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (“Listing Place Regulations”) and Articles of Association of the Company. In case of any discrepancy between these rules and the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company, the later shall prevail.
- Article 30 The Company and its subsidiaries, affiliated companies and branches may prepare relevant specific provisions pursuant to these rules.
- Article 31 These rules shall be subject to the interpretation by the Board.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR MANAGEMENT OF PROVISION OF SECURITIES TO THIRD PARTIES

CHAPTER I GENERAL PROVISIONS

- Article 1 With a view to protecting the legal interests of investors, regulating the provision of external guarantees by China Molybdenum Co., Ltd.* (hereinafter referred to as the “Company”), averting risks in the provision of external guarantees by the Company and ensuring the guarantee of the Company’s assets, the Company has formulated the Rules based on its actual situation in accordance with such laws, regulations and regulatory documents as the Company Law of the People’s Republic of China, the Guarantee Law of the People’s Republic of China, Listing Rules of Shanghai Stock Exchange, Notice on Regulation of External Guarantee Acts of Listed Companies (《關於規範上市公司對外擔保行為的通知》) and relevant provisions of the Articles of Association.
- Article 2 External guarantees specified herein shall refer to the guarantees provided by the Company to a third party, including those provided by the Company to its holding subsidiaries.
- Article 3 The Company exercises centralized management over external guarantees, unless otherwise approved by the Board or the general meeting of the Company, no individual is entitled to enter into any contracts, agreements or other similar legal documents on external guarantees in the name of the Company.
- Article 4 The directors and senior management of the Company shall exercise caution and strict control over liability risks associated with guarantee, and accept joint responsibilities for losses arising from illegal or inappropriate provision of external guarantees.
- Article 5 External guarantees provided by the holding subsidiaries or subsidiaries actually controlled by the Company are deemed as acts of the Company, and shall be executed in accordance with these Rules. Such holding subsidiaries shall inform the Company its obligations over information disclosure timely after a resolution is made by the Board or the general meeting

- Article 6 The Company shall observe the principle of legal compliance, caution, mutual benefit and guarantee when providing external guarantees, and shall control the guarantee risk in a stringent manner.
- Article 7 The Company shall take measures such as counter-guarantee necessary for risk control upon provision of guarantee to a third party, and the provider of the counter-guarantee shall be actually capable of honoring such undertakings.
- Article 8 According to the regulations and requirements of listing place(s), the independent directors of the Company shall make specific statements on the accumulated and current external guarantees provided by the Company and furnish independent opinions of the same in the annual report or on other disclosure date and in other disclosure manner provided in the regulations and requirements of listing place(s).

CHAPTER II EXAMINATION ON THE GUARANTEED PARTY

- Article 9 The Company may provide guarantee to an entity which is an independent legal person and meets one of the following criteria:
- (1) it is a mutual guarantee entity due to business needs of the Company;
 - (2) it is an entity that has an important business relationship with the Company;
 - (3) it is an entity that has a potential important business relationship with the Company;
 - (4) it is the Company's holding subsidiary or other entities of controlling relationship with the Company.

The aforementioned entities shall have relatively strong solvency and shall meet other relevant provisions of the Rules.

- Article 10 Notwithstanding the criteria set out in Article 9 herein, the Company may still provide guarantees to parties who do not comply with such criteria upon the approval of members of the Board or the general meeting, if the development of business relationship and partnership with such parties seeking guarantees is deemed desirable by the Company and the level of risks involved is relatively low.

- Article 11 Before making decision to provide guarantee to a third party or submitting such proposal to the general meeting for voting, the Board of the Company shall procure a thorough understanding of the debtor's credit status and make a thorough analysis of the benefits and risks associated with such guarantee.
- Article 12 Credit documents and information of a guarantee applicant shall at least include the following items:
- (1) the primary information of the company including photocopies of the business license and the articles of association, identity proof of its legal representative, the relevant information indicating its connected relationships and other relationships with the Company;
 - (2) the guarantee application letter, including but not limited to the form, duration and amount of the guarantee;
 - (3) the audited financial reports in the past three years and analysis on its solvency;
 - (4) the photocopy of the principal contracts related to the loan;
 - (5) the conditions and relevant information of the counter-guarantee provided by guarantee applicant;
 - (6) a statement declaring that it is not involved in any potential or on-going material litigation, arbitration or administrative penalty;
 - (7) any other important information.
- Article 13 Based on the basic information provided by the guarantee applicant, the responsible officer shall investigate and verify the guarantee applicant's business operation, financial position, project status and credit status, as well as the prospects of the industry and then submit the application to the relevant departments for review in accordance with the contract approval procedures. Following the approval by line managers and the general manager, the relevant information shall be submitted to the Board or the general meeting for approval.

Article 14 The Board or the general meeting shall review and vote upon the submitted materials. The voting results shall be kept in record. No guarantee shall be provided in case of any of the following circumstances or if the information provided is insufficient:

- (1) the use of capital does not comply with the laws, regulations or industry policies of the PRC;
- (2) false records or information are found in the financial and accounting documentation of the past three years;
- (3) overdue of loan repayments or default of interest payments on bank loans for which the Company has provided guarantee, and they remained outstanding without any effective remedial measures confirmed as at the time of the guarantee application;
- (4) deterioration in operating conditions and reputation, with no signs of improvement;
- (5) a failure in ascertaining any valid property against which counter-guarantee are to be provided;
- (6) Pursuant to the requirements of the regulatory authorities of the listing place(s) of the Company, such other circumstances under which the Directors decide that a guarantee shall not be provided.

Article 15 The counter-guarantee or other effective risk-control measures provided by the guarantee applicant shall match the guaranteed amount. No guarantee shall be provided to the guarantee applicant if the property pledged by the guarantee applicant as counter-guarantee is prohibited by the laws and regulations against free transfer or otherwise non-negotiable.

**CHAPTER III EXAMINATION AND APPROVAL PROCEDURES FOR EXTERNAL
GUARANTEE**

Article 16 The general meeting is the highest decision-making body in respect of external guarantees provided by the Company. The Board exercises its decision-making power over external guarantees pursuant to its authority for the approval of external guarantees as specified in the Articles of Association and the requirements stipulated in the authorization from the general meeting of the Company. As regards any external guarantees beyond the approval authority of the Board as stipulated in the Articles of Association or the respective approval authority of the Board authorized by the general meeting, the Board shall prepare and submit a proposal to the general meeting for approval. The Board shall organize, manage and implement the external guarantees approved by the general meeting.

Article 17 Any matters of external guarantee within the approval authority of the Board shall be approved by more than three quarters of all the Directors.

Article 18 External guarantees subject to the approval of the general meeting must be reviewed and approved by the Board before being submitted to the general meeting for approval. External guarantees provided in the following circumstances are subject to the approval of the general meeting, including but are not limited to:

- (1) any guarantee to be provided after the total amount of external guarantees provided by the Company and its holding subsidiaries reaches or exceeds 50% of the Company's latest audited net asset value;
- (2) any guarantee to be provided within one year exceeds 30% of the Company's net assets in the latest audited consolidated financial statements of the Company;
- (3) any guarantee provided for a party with an asset to liability ratio of more than 70%;
- (4) a single guarantee with an amount exceeding 10% of the Company's latest audited net asset value;

- (5) any guarantee with an aggregate amount accumulated through 12 consecutive months exceeding 30% of the Company's latest audited total assets;
- (6) any guarantee with an aggregate amount accumulated through 12 consecutive months exceeding 50% of the Company's latest audited net asset value, and exceeding RMB50 million in absolute value;
- (7) any guarantee subject to the consideration and approval of the general meeting as stipulated under other laws, administrative regulations and the Articles of Association.

The resolution on the guarantee specified in the foregoing Paragraph (5), when being considered at the general meeting, shall be approved by more than two-thirds of the voting rights held by shareholders present at the meeting.

Upon consideration and approval by the Board, any guarantees provided by the Company to controlling shareholders, de facto controllers and their connected persons (as provided in relevant requirements of the regulations and requirements of listing place(s) of the Company) shall be disclosed timely subject to the requirements of the regulations and requirements of listing place(s) of the Company and be put forward to the general meeting for consideration with approval from more than one half of non-connected shareholders as required, regardless of the amount.

When the Company provides guarantee to a shareholder holding less than 5% of the shares in the Company, the requirements in the preceding paragraph shall be followed and such shareholder shall abstain from voting at that general meeting.

The Company shall not provide external guarantee unless the resolution on such guarantee is approved by the Board or the general meeting in accordance with relevant procedures provided herein or the regulations and requirements of listing place(s).

- Article 19 Where necessary, the Company may engage an external professional organization to evaluate the risks relating to the implementation of external guarantees, and such evaluation shall form basis of decision-making for the Board or the general meeting.
- Article 20 The Company shall enter into guarantee contracts and counter-guarantee contracts in respect of external guarantees in writing. The guarantee contracts and the counter-guarantee contracts shall include contents as required by such laws and regulations as the Guarantee Law of the People's Republic of China, the Contract Law of the People's Republic of China and relevant requirements of other jurisdiction(s) applicable to the aforesaid contracts.
- Article 21 The guarantee contracts shall at least include the following particulars:
- (1) the category and amount of the principal creditor's right to be secured;
 - (2) the term for the debtor to settle his debt;
 - (3) the form of guarantee;
 - (4) the scope of guarantee;
 - (5) the term of guarantee;
 - (6) such other matters deemed as necessary to be agreed upon by both parties.
- Article 22 Before signing a guarantee contract, the person in charge shall comprehensively and diligently review the signees and relevant particulars of the principal contract, the guarantee contract and the counter-guarantee contract. The person in charge shall request the relevant party to revise clauses which contravene the laws, regulations, the regulations and requirements of listing place(s), the Articles of Association and relevant resolutions of the Board or the general meeting and which impose unreasonable obligations on the Company or terms involving unpredictable risks. If such party refuses to revise these clauses, the person in charge shall decline to provide guarantee for such party and report to the Board or the general meeting of the Company.

- Article 23 The legal representative or other personnel legally authorized may sign guarantee contracts on behalf of the Company pursuant to the resolutions of the Board or the general meeting. No individual is entitled to sign guarantee contracts on behalf of the Company without the approval for and authorization by resolution of the general meeting or the Board. The person in charge shall not sign guarantee contracts or act as the guarantor to sign or seal principal contracts which are beyond his authorization.
- Article 24 The Company may enter into mutual guarantee agreements with corporate legal person who meets the conditions specified in the Rules. The person in charge shall, in a timely manner, require such corporate legal person to provide authentic financial and accounting statements and other materials that reflects its solvency.
- Article 25 Upon receipt of a counter-guarantee mortgage or a counter-guarantee pledge, relevant departments of the Company shall complete relevant legal procedures in association with its legal department, especially the timely registration of such mortgage or pledge and other procedures.
- Article 26 If a debt secured by the Company needs to be extended upon maturity and needs the Company to continue to provide guarantee, such guarantee shall be deemed as a new external guarantees and undergo relevant examination and approval procedures of guarantees.

CHAPTER IV MANAGEMENT OF EXTERNAL GUARANTEE

- Article 27 External guarantees shall be managed by the financial department.
- Article 28 The major duties of the Company's financial department are as follows:
- (1) to investigate into and evaluate the credit status of the secured entity;
 - (2) to complete the formalities for the guarantee procedures;
 - (3) to duly keep track of, inspect and monitor the secured entity after external guarantees is provided;
 - (4) to manage the filing of the documentation of the secured enterprise in a serious manner;

- (5) to provide the Company's auditing department with a complete and accurate record of all the Company's external guarantees in a timely manner in accordance with the requirements;
- (6) to handle such other matters related to guarantee.

Article 29 The Company shall keep the guarantee contracts and relevant original materials in proper order and conduct reviews in a timely manner; it shall conduct cross-checking with relevant institutions such as the bank to ensure the completeness, accuracy and validity of its filed data, and take heed of the term of the guarantee.

During the course of contract management, the Company shall report to the Board and the Supervisory Committee in a timely manner upon identification of any improper contracts that have not been approved in accordance with the examination procedures of the Board or the general meeting.

Article 30 The Company shall assign a specific officer to monitor the condition of the guarantee continuously, gather the latest audited financial information and audit report of the guarantee, analyze regularly its financial position and solvency, and monitor its business operation, assets and liabilities, external guarantees, division and merger and changes of legal representatives etc.

The relevant responsible officer shall report to the Board in a timely manner once any significant issues such as serious deterioration of the business operation, dissolution or division of the guarantee comes to his notification. The Board is obliged to adopt effective measures to minimize the losses.

Article 31 In the event that the guarantee to which the Company provides guarantee fails to honor the obligation to repay debts upon maturity, or such guarantee becomes bankrupt or goes into liquidation or the creditors claim against the Company for performance of the guarantee obligations, the Company's responsible departments shall inquire the condition of the debt repayment of the guarantee in a timely manner, be prepared to activate the counter-guarantee claim procedures and simultaneously report such matter to the Board Secretary of Directors, who shall inform the Board of the same promptly.

- Article 32 In the event that the guarantee fails to fulfill its contractual obligations and its creditor requests the Company to fulfill its guarantee obligation, the Company's responsible departments shall activate the counter-guarantee claim procedures instantly and simultaneously report such matter to the Board Secretary, who shall inform the Board of the same promptly.
- Article 33 After fulfilling its guarantee obligation for the debtor, the Company shall adopt effective measures to demand compensation from the debtor. The Company's responsible departments shall report the claim issue to the Board Secretary, who shall inform the Board of the same promptly.
- Article 34 If it becomes evident to the Company that the guarantee has become or is likely to become insolvent, the Company shall adopt necessary measures in a timely manner for effective risk control. If malicious collusion between the creditor and the debtor that impairs the Company's interests is found, the Company shall take prompt measures such as requesting confirmation of the nullification of the guarantee contract. The Company shall claim against the guarantee in a timely manner for any financial losses due to the default of the guarantee.
- Article 35 In response to other potential risks, the financial department shall adopt effective measures and propose corresponding measures for review by line managers, who shall then submit such measures to the Board or the Supervisory Committee of the Company, as the case may be.
- Article 36 If the Company acts as one of the guarantors of a debt that has been secured by two guarantors or more and it is agreed that the guarantors shall take their respective guarantee obligations in proportion, it shall refuse to undertake any guarantee obligation beyond and additional to the agreed proportion.
- Article 37 After the debtor's bankruptcy application is accepted by the People's Court and before any creditor has submitted its claims, the responsible officer, the financial department and the legal department shall propose the Company to participate in the property allocation for bankruptcy and exercise its rights to claim in advance.

CHAPTER V INFORMATION DISCLOSURE OF EXTERNAL GUARANTEE

Article 38 Pursuant to the relevant provisions in the regulations and requirements of listing place(s) of the Company, the Articles of Association and the Principles on Information Disclosure, the Company shall duly perform its information disclosure obligation in relation to the provision of external guarantees.

Article 39 Any departments or personnel involved in the Company's external guarantee shall be obliged to report the status of the external guarantee to the Secretariat of the Board the Company, and provide information as required for information disclosure.

Article 40 As regards the external guarantees examined and approved by the Board or the general meeting as set out in Article 17 and Article 18, the relevant disclosure shall be made through the information disclosure media in a timely manner as required by the regulations and requirements of listing place(s). The contents to be disclosed shall include but not limited to the resolutions of the Board or the general meeting, and the following information as of the information disclosure date: the total amount of external guarantees provided by the Company and its holding subsidiaries, the total amount of guarantee provided by the Company to its holding subsidiaries, and the respective proportions of the aforementioned amounts to the Company's latest audited net asset value, etc.

If the guarantee fails to repay debts within 15 trading days upon maturity or it is in bankruptcy or liquidation or faces other situations that substantially affect its solvency, the Company shall make relevant disclosure in a timely manner.

Article 41 Before the disclosure of guarantee information in accordance with laws, the Company's relevant departments shall adopt necessary measures to keep the number of people to whom such information is available to minimum. Any person who is aware of the Company's guarantee information by legal or illegal means shall be subject to inherent obligations for confidentiality until the day such information is disclosed in accordance with laws, failing which he shall assume any legal liability arising therefrom.

CHAPTER VI RESPONSIBILITIES OF THE RESPONSIBLE OFFICER

- Article 42 The Company's external guarantees shall be provided in strict compliance with the Rules. The Board of the Company shall impose corresponding penalty on the relevant officers who has committed misconduct with reference to the size of the loss and risk, and the significance of the misconduct.
- Article 43 If the Company's directors, general manager or other senior management members fail to act in accordance with the provisions of the Rules and sign a guarantee contract beyond their authority without authorization, the liabilities of the relevant officer shall be investigated into.
- Article 44 If losses are sustained as a result of violations of the legal requirements or the provisions of the Rules, negligence of risks and provision of guarantee without authorization on the part of any of the Company's responsible departmental staff or other responsible officers, they shall assume liability for compensation.
- Article 45 If any of the Company's responsible departmental staff or other responsible officers fails to fulfill his duties and subsequently causes a loss to the Company; he shall be subject to economic punishment or administrative sanctions depending on the severity of his failure in duties.
- Article 46 Where the Company is free from guarantee liability according to the laws, but the Company's responsible departmental staff or other responsible officers acts without authorization and results in the Company's assumption of liability and subsequent losses, such officers shall be subject to administrative sanctions by the Company and shall assume liability for compensation.

CHAPTER VII SUPPLEMENTARY PROVISIONS

- Article 47 In the Rules, reference to “over” or “more than” shall be inclusive.
- Article 48 Matters not covered in the Rules shall be executed in accordance with relevant laws, regulations and regulatory documents of the PRC, regulations and requirements of listing place(s) of the Company and listing rules including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange Share Listing Rules (referred to as “Regulations and Requirements of Listing Place(s)” herein) and the relevant provisions of the Articles of Association. If there are any contraventions between the Rules and the relevant laws, regulations, regulatory documents, the Regulations and Requirements of Listing Place(s) and relevant provisions of the Articles of Association, the provisions of relevant laws, regulations, regulatory documents, the Regulations and Requirements of Listing Place(s) and the Articles of Association shall prevail.
- Article 49 Interpretation on the Rules shall be subject to the Board of the Company.
- Article 50 Upon review and approval of the general meeting of the Company, the Rules shall become effective and be implemented commencing from the date of completion of the A Share Issue and listing of A Shares.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR CONNECTED TRANSACTIONS

CHAPTER I GENERAL PROVISIONS

Article 1 In order to regulate the conduct of connected transactions of the Company, protect the legal rights and interests of the Company, the shareholders and the creditors as well as to ensure the fairness of the decisions of connected transactions of the Company, these principles are formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Listing Rules of Shanghai Stock Exchange, the Articles of Association of China Molybdenum Co., Ltd.* and other relevant provisions.

Article 2 Connected transactions conducted by an enterprise in which the Company has control either directly or indirectly are deemed as an act of the Company and its decisions on connected transactions are applicable for these principles.

CHAPTER II CONNECTED PERSONS AND CONNECTED TRANSACTIONS

Article 3 Definition of connected transactions: connected transactions refer to the transfer of resources or obligations entered into between the Company and its connected persons (as hereinafter defined in Article 4 below), including but not limited to:

- (1) purchase or sale of assets;
- (2) external investment (including designated financial management and designated loans, etc.);
- (3) provision of financial assistance;
- (4) provision of guarantees;
- (5) lease or rental of assets;
- (6) designated or entrusted management of assets and business;

- (7) donation or receipt of donation of assets;
- (8) restructuring of claims or debts;
- (9) execution of licensing agreements;
- (10) transfer or receipt of transfer of research and development projects;
- (11) purchase of raw materials, fuels or powers;
- (12) sale of products or goods;
- (13) provision or receipt of labour and services;
- (14) designated or entrusted sales;
- (15) shared services;
- (16) contracting or terminating finance leasing;
- (17) deposits or loans with the finance companies of the connected persons;
- (18) joint investment with the connected persons;
- (19) other matters which may lead to transfer of resources or obligations through agreements.

Article 4 Connected persons include connected legal persons and connected natural persons.

Article 5 Legal persons or other organizations fulfilling any of the following circumstances are the connected legal persons of the Company:

- (1) legal persons or other organizations who/which have direct or indirect control over the Company;
- (2) legal persons or other organizations who/which are directly or indirectly controlled by the legal persons as mentioned in the preceding clause, excluding the Company and its controlling subsidiaries;

- (3) legal persons or other organizations who/which are directly or indirectly controlled by the connected natural persons as specified in Article 6, or are the directors and senior management, excluding the Company and its controlling subsidiaries;
- (4) legal persons or other organizations holding more than 5% of the shares in the Company;
- (5) legal persons who have connected relationship with the Company as confirmed in accordance with the relevant law and regulations of the State, the provisions of securities regulatory authorities of the place(s) where the Company's shares are listed and regulations and requirements of listing place(s);
- (6) other legal persons or other organizations, as identified by the regulatory authorities of the place(s) where the Company's shares are listed, the stock exchange or the Company based on the principle of substance over form, to whom the Company's interest may be in their favour due to their special relationships with the Company.

Article 6 Persons fulfilling any of the following circumstances are the connected natural persons of the Company:

- (1) natural persons directly or indirectly holding more than 5% of the shares in the Company;
- (2) the directors, supervisors and senior management of the Company;
- (3) the directors, supervisors and senior management of the connected legal persons as specified in clause (1) of Article 5;
- (4) family members who have close relationship with the persons as specified in clauses (1) and (2) of this Article, including their spouses; children aged over 18 and their spouses; parents and parents of their spouses; siblings and their spouses; siblings of their spouses and parents of their children's spouses;

- (5) natural persons who have connected relationship with the Company as confirmed in accordance with the relevant law and regulations of the State, the provisions of securities regulatory authorities of the place(s) where the Company's shares are listed and regulations and requirements of listing place(s);
- (6) natural persons as identified by the regulatory authorities of the place(s) where the Company's shares are listed, the stock exchange or the Company based on the principle of substance over form, to whom the Company's interest may be in their favour due to their special relationships with the Company.

Article 7 Legal persons or other organizations or natural persons who have entered into agreements or arrangements with the Company or its connected persons, and who, upon effecting the agreements or the arrangements provided therein, or within the forthcoming twelve months, or within other period stipulated under regulations and requirements of listing place(s), will fulfill any of the circumstances stipulated under Article 5 and Article 6 are regarded as connected persons of the Company. Legal persons or other organizations or natural persons who used to be those as described in Article 5 and Article 6 in the previous twelve months are regarded as connected persons of the Company.

CHAPTER III GENERAL PROVISIONS OF CONNECTED TRANSACTIONS

Article 8 Any of the connected transactions of the Company shall be complied with the following provisions:

- (1) Connected transactions shall be entered into in a written agreement. The entering into of the agreement shall follow the principles of integrity, trustworthiness, equality, free will, exchange of equal values. The contents of the agreement shall be clear and specific. The Company shall make disclosure on such matters as the execution, alteration, termination and performance of the agreements in respect of connected transactions in accordance with the provisions of securities regulatory authorities of the place(s) where the Company's shares are listed and regulations and requirements of listing place(s);

- (2) The Company shall take effective measures to prevent connected persons from interfering in the operations and infringing upon the interests of the Company by such means as monopolizing the purchase and sale channels of the Company through connected transactions;
- (3) Activities of connected transactions shall follow commercial principles. The prices of connected transactions shall not deviate from the price or charging standards of the independent third party on the market. The Company shall adequately disclose the quotation basis for the connected transactions.

Article 9 The Company and connected persons shall comply with the following provisions when entering into agreements of connected transactions:

- (1) any individual shall only represent one party when signing the agreement;
- (2) no connected person is allowed to interfere with the commercial decision of the Company relating to connected transactions in whatsoever manner.

CHAPTER IV AVOIDANCE SYSTEMS

Article 10 When the Board of the Company is considering the matters of connected transaction, connected directors shall not vote, nor shall he/she vote on behalf of other directors. The Board meeting may be convened if more than one half of the non-connected directors attend the meeting. Resolutions of the Board shall be approved by more than one half of non-connected directors. When there are less than three non-connected directors present at the Board meeting, the Company shall submit such transactions to the general meeting for consideration.

The connected directors referred to in the foregoing article include the following directors or those directors fulfilling any of the following circumstances:

- (1) a party to the transaction;
- (2) a person who has direct or indirect control over the party to the transaction(s);

- (3) employed by a party to the transaction(s) or by a legal person or other organizations with direct or indirect control over the party to the transaction(s) and by a connected person or other organizations under direct or indirect control of the party to the transaction(s);
- (4) a close family member of a party to the transaction(s) or of a person who has direct or indirect control over the party to the transaction(s) (for the details of the scope, please refer to the provisions of clause (4) of Article 6 of these principles);
- (5) a close family member of any director, supervisor or senior management of a party to the transaction(s) or of a person who has direct or indirect control over the party to the transaction(s) (for details of the scope, please refer to the provisions of clause (4) of Article 6 of these principles);
- (6) a director whose independent business judgment may be affected, as identified by the regulatory authorities of the place(s) where the Company's shares are listed, the stock exchange or the Company based on the principle of substance over form.

Where relevant law, regulations, regulatory documents or regulations and requirements of listing place(s) have other stipulations for the preceding clauses, such stipulations shall apply.

Article 11 When the general meeting considers matters of a connected transaction, the connected shareholders shall abstain from voting:

Connected shareholders include the following shareholders or those shareholders fulfilling any of the following circumstances:

- (1) a party to the transaction;
- (2) a person who has direct or indirect control over the party to the transaction(s);
- (3) under direct or indirect control of the party to the transaction(s);
- (4) under direct or indirect common control of the same legal person(s) or other organizations or natural person(s) as the party to the transaction(s);

- (5) a shareholder whose voting rights are restricted and affected due to any outstanding share transfer agreement or any other agreement entered into with the party to the transaction or its connected person(s);
- (6) a shareholder to which the Company's interest may be in his favour as identified by the regulatory authorities of the place(s) where the Company's shares are listed and the stock exchange.

Article 12 The independent directors of the Company shall issue an independent opinion on whether the above-mentioned connected transactions which shall be disclosed are in compliance with the procedures and the fairness in accordance with the requirements of regulations and requirements of listing place(s) of the Company and disclose such opinion.

Article 13 The Board of the Company shall evaluate if such connected transaction is in the interest of the Company on an objective basis. Where necessary, the Board may appoint an independent financial adviser to issue their opinions in respect of whether such transaction is fair to all shareholders in accordance with the requirements of regulations and requirements of listing place(s).

CHAPTER V APPROVAL POWERS OF DECISION-MAKING ON CONNECTED TRANSACTIONS

Article 14 If the Company enters into any connected transaction (except provision of guarantees by the Company) with a transaction amount exceeding RMB300,000 with a connected natural person, such connected transaction shall be disclosed promptly.

The Company shall not directly or indirectly provide loans to the directors, supervisors or senior management of the Company.

Article 15 If the Company enters into any connected transaction (except provision of guarantees by the Company) with a transaction amount exceeding RMB3,000,000 with a connected legal person and which represents more than 0.5% of the absolute value of the latest audited net assets of the Company, such connected transaction shall be disclosed promptly in accordance with regulations and requirements of listing place(s).

Article 16 If the Company intends to enter into any transaction with a connected person (except where the Company provide guarantees, receives donation of any assets in cash and liabilities that simply reduce the company's obligations) with a transaction amount of RMB30 million or more and which represents 5% or more of the absolute value of the latest audited net assets of the Company, such connected transaction shall be disclosed promptly. The Company shall also engage a securities service institution with qualifications to conduct securities and futures business to issue an audit or valuation report for the target of the transaction and submit such transaction to the general meeting for consideration in accordance with the requirements of regulations and requirements of listing place(s). The transaction target of a connected transaction relating to the daily operation may be exempted from auditing or valuation but shall comply with the requirements of regulations and requirements of listing place(s).

Article 17 Any guarantee provided by the Company to a connected person shall be disclosed timely and put forward to the general meeting for consideration after being considered and approved by the Board, regardless of the amount.

When the Company provides guarantees to a shareholder with shareholding of less than 5%, the requirements in the preceding clauses shall be followed and said shareholders shall abstain from voting at that general meeting.

Article 18 Where the Company and a connected person enter into a daily connected transaction as specified in clauses (11) to (14), clause (17) and clause (18) of Article 3, such connected transactions shall be disclosed and considered by following the procedures in accordance with the following requirements:

- (1) If any agreement of daily connected transaction, considered and approved by the general meeting or the Board and is being executed, does not have any significant changes to their major terms in the course of execution, the Company shall disclose the actual performance of each agreement in its annual report and interim report or in other forms of disclosure required by the regulations and requirements of listing place(s), and shall state whether the terms of such agreement are complied with. In the event of any substantial changes to the major terms of such agreement during the course of execution or where such agreement expires and shall be renewed, the Company shall, with reference to the aggregate transaction amount involved in such agreement, submit the newly amended or renewed agreement on the daily connected transactions to the Board or the general meeting for consideration. Where no specific aggregate transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration;

- (2) For any new daily connected transactions, the Company shall enter into a written agreement with the connected person and make prompt disclosure. Such transaction shall, with reference to the aggregate transaction amount involved in the agreement, be submitted to the Board or the general meeting for consideration. Where no specific aggregate transaction amount is provided in the agreement, the transaction shall be submitted to the general meeting for consideration; such agreement, after being considered, approved and disclosed, shall, based on its daily connected transactions, be handled according to the provisions mentioned in the preceding clause;

- (3) If the Company has many new daily connected transactions every year, it is necessary to enter into new agreements for daily connected transactions frequently, thereby making it difficult to submit each agreement to the Board or the general meeting for consideration in accordance with the provisions of the preceding clause, the Company may, based on the type of transactions, make reasonable estimation of the aggregate amount of such daily connected transactions to be entered into in the year prior to the disclosure of the annual report for the preceding year, and make relevant disclosure and submit the transactions to the Board or the general meeting for consideration with reference to the estimated results; for daily connected transactions within the range of estimation, the Company shall make brief disclosure in its annual report and interim report or other forms of disclosure required by the regulations and requirements of listing place(s) by type. If the actual amount of the transaction exceeds the estimated aggregate amount, the Company shall make relevant disclosure and resubmit the transactions to the Board or the general meeting for consideration in respect of the excessive amount.

Article 19 When the Company and its connected person(s) jointly contribute capital to establish a company, the transaction amount shall be the capital contributed by the Company, which is applicable to the provisions of Article 14, Article 15 and Article 16. When the capital contributed by the Company reaches the standard stipulated under Article 16, and when all parties to the capital contribution contribute capital in cash with their respective shareholdings in the established company confirmed in accordance with their proportion of capital contribution, an application for exemption from applicable requirement of general meetings' consideration can be filed to the Shanghai Stock Exchange.

Article 20 Where the Company enters into a connected transaction relating to the “provision of financial assistance” or “designated financial management”, the actual amount involved shall be used as calculation standard for disclosure, and the amount shall be aggregated in 12 consecutive months according to the transaction classification. Where the aggregate amount reaches the standards set out in Article 14, Article 15 and Article 16, the provisions of above articles shall apply.

If the relevant obligations under Article 14, Article 15 and Article 16 have been performed, these items shall not be included in the scope of relevant aggregation.

Article 21 The Company shall conduct other connected transactions besides those mentioned in the preceding clause in accordance with the following standards and the principle of the calculation of aggregated amount in 12 consecutive months. Provisions of Article 14, Article 15 and Article 16 are respectively applicable for:

- (1) the transactions entered into with the same connected person;
- (2) the transactions entered into with different connected person relating to the category of transaction target.

The same connected person referred to above includes any legal persons or other organizations under the direct or indirect control of the same legal person or other organizations or natural person, or that have control of interests in each other; or the same connected natural person to serve as the director or senior management.

If the relevant obligations under Article 14, Article 15 and Article 16 have been performed, these items shall not be included in the scope of relevant aggregation.

CHAPTER VI SUPPLEMENTARY PROVISIONS

- Article 22 The general meeting of the Company shall have the right to formulate and amend the principles.
- Article 23 The interpretation on the principles shall be subject to the Board of the Company.
- Article 24 The standards of connected parties and connected transactions shall be in accordance with the regulations and requirements of listing place(s) of the Company. When there are different judgments on connected transactions due to the regulations and requirements of listing place(s) of the Company, all the relevant principles shall be applied respectively.
- Article 25 Besides complying with the regulations contained herein, the Company must also strictly comply with relevant regulations on connected transactions under the Listing Rules of the Hong Kong Stock Exchange.
- Article 26 Matters not covered in the principles shall be executed in accordance with relevant laws, regulations and regulatory documents of the People's Republic of China, regulations and requirements of listing place(s) of the Company and listing rules including the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange Share Listing Rules (referred to as "Regulations and Requirements of Listing Place(s)" herein) and the relevant provisions of the Articles of Association. If there are any contraventions between the principles and the relevant laws, regulations, regulatory documents, Regulations and Requirements of Listing Place(s) and relevant provisions of the Articles of Association, the provisions of relevant laws, regulations, regulatory documents, Regulations and Requirements of Listing Place(s) and the Articles of Association shall prevail.
- Article 27 Upon review and approval of the general meeting of the Company, the principles shall become effective and be implemented commencing from the date of completion of the A Share Issue and listing of A Shares.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR MANAGEMENT OF FUNDS RAISED FROM CAPITAL MARKETS**CHAPTER I GENERAL PROVISIONS**

- Article 1 In order to strengthen and regulate the management of proceeds and enhance the efficiency and effectiveness in the use of proceeds, the Company has formulated these measures in accordance with the requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, Notice on Further Regulating the Use of Proceeds of Listed Companies, Share Listing Rules of Shanghai Stock Exchange, the Administrative Regulations Governing Fund Raisings by Listed Companies on the Shanghai Stock Exchange and other laws, regulations and rules, and the Articles of Association of China Molybdenum Co. Ltd..
- Article 2 Proceeds under these measures refer to funds raised by the Company from investors through public issue of securities (including initial public offering of shares, allotment of shares, additional issue of shares, issue of convertible corporate bonds and issue of detachable convertible corporate bonds, etc) and non-public issue of securities, but excluding the funds raised from the implementation of share incentive plans by the Company. Proceeds are subject to the review of and the issue of a verification report by an accounting firm with professional qualifications in security business.
- Article 3 Directors of the Company shall exercise their diligence and responsibility in respect of the management and use of proceeds. Before the fund raising, directors of the Company shall fully justify the feasibility of proposed investment projects using the proceeds based on factors including development strategies and principal activities of the Company, market trend and the PRC industry policies etc., specify the amount of funds to be raised, investment projects, schedules and estimated return etc., and seek approval from the general meeting of the Company.

Article 4 The Board of Directors and the Supervisory Committee of the Company shall strengthen the review of the use of proceeds to ensure that the utilization of proceeds is in compliance with the uses as committed in the prospectus on proceeds or those approved by the general meeting, and check whether the progress and effect of investment projects are up to the level of projections provided in the prospectus on proceeds. Independent directors shall perform necessary duties and responsibilities on the use of proceeds by the Company and whether the management and use of proceeds are in the interest of the Company and investors. Audit firms of the Company shall monitor whether the deposit and use of proceeds are consistent with the information disclosure of the Company.

CHAPTER II DEPOSIT OF PROCEEDS

Article 5 Proceeds shall be deposited in the designated account (hereinafter referred to as “Designated Account for Proceeds”) decided by the Board of Directors for the purpose of centralized management. The Designated Account for Proceeds shall not be used for the deposit of funds other than the proceeds or for other purposes.

Article 6 The Company shall enter into the Supervision Agreement among the Three Parties Regarding the Deposit of Proceeds (hereinafter referred to as “Agreement”) with the Sponsor and the commercial banks (hereinafter referred to as “Commercial Banks”) where the proceeds are deposited within two weeks after receiving the proceeds. The Agreement shall at least include the followings:

1. the proceeds shall be deposited to the centralized Designated Account for Proceeds by the Company;
2. the Commercial Banks shall provide monthly bank statements of the Designated Account for Proceeds to the Company and copy the same to the Sponsor;
3. the Company shall inform the Sponsor in a timely manner where over RMB50 million (which accounts for 20% of the net amount of gross proceeds from the issue less expenses incurred (hereinafter referred to as “Net Proceeds”)) is withdrawn from the Designated Account for Proceeds in one transaction or over a period of 12 months on an accumulative basis;

4. the Sponsor may approach the Commercial Banks for information of the Designated Account for Proceeds at all times;
5. the default liability of the Company, Commercial Banks and the Sponsor.

The Company shall file the aforesaid Agreement with the Shanghai Stock Exchange and make an announcement accordingly within two trading days upon its execution.

- Article 7 Where the aforesaid Agreement is terminated in advance of the expiration of its effective term due to change of the Sponsor or Commercial Banks, the Company shall enter into new agreements with the relevant parties within two weeks upon the termination of the Agreement, and file the same with the Shanghai Stock Exchange and make an announcement accordingly within two trading days upon the execution of the new agreements.

CHAPTER III USE OF PROCEEDS

- Article 8 The Company shall utilize proceeds in accordance with the plan for the utilization of proceeds set out in the documents issued in connection with the application for issue. Where circumstances emerge which has a significant impact on the normal progress of the plan for the utilization of proceeds, the Company shall report the same in a timely manner to the Shanghai Stock Exchange and publish an announcement accordingly.

- Article 9 The Company shall re-justify the feasibility and estimated return of an investment projects using proceeds (hereinafter referred to as “Proceeds Investment Projects”) to decide whether to proceed with such projects, and disclose the progress, causes of exceptions as well as the amended Proceeds Investment Projects (if any) in the latest regular report if any of the followings occur to the Proceeds Investment Projects:

1. substantial changes in the market conditions in which the Proceeds Investment Projects are involved;
2. the Proceeds Investment Projects has been suspended for over one year;

3. the planned completion date for the investment projects using previous proceeds is not met and less than 50% of the planned investment amount has been actually contributed;
4. other exceptions occurring to the Proceeds Investment Projects.

Article 10 Proceeds Investment Projects shall not be the holding of financial assets held for trade, financial assets available for sale or financial investments such as money lending and entrusted investment, as well as direct or indirect investment in companies mainly engaging in the trading of quoted securities.

Article 11 The Company shall not change in disguise the use of proceeds by way of pledge, entrusted loan or otherwise;

Article 12 Connected persons such as controlling shareholders and effective controllers shall not appropriate or embezzle the proceeds, and the Company shall adopt effective measures to prevent generation of unlawful benefits from the Proceeds Investment Projects by connected persons.

Article 13 Where the Company has disclosed in relevant documents issued in connection with the application for issue that it proposed to replace previously invested internal funds with the proceeds and that the previously invested amount has been ascertained, such replacement shall be implemented only after the accounting firm has performed relevant special audit, the Sponsor has issued its opinion on such replacement and the Board of Directors of the Company has reviewed and approved such replacement. The Board of Directors of the Company shall report to the Shanghai Stock Exchange and make an announcement accordingly within two trading days upon the completion of the replacement.

Save for the above, the Company shall perform corresponding procedures and disclosure obligations in accordance with the change of the Proceeds Investment Projects for any replacement of previously invested internal funds with proceeds.

Article 14 In order to prevent funds from remaining idle, and to achieve efficiency in the use of funds, raised proceeds can be used temporarily as supplement to working capital of the Company as long as it is permitted by laws, regulations and regulatory documents and subject to the following conditions:

1. there shall not be any disguised change in the use of proceeds and the normal progress of the investment plans of proceeds shall not be affected;
2. each single funding of additional liquidity shall not exceed 50% of the net proceeds;
3. each single funding of additional liquidity shall last for a period of no more than six months;
4. the previous temporary allocation of proceeds as additional liquidity (if applicable) has been reimbursed upon maturity.

Where the Company uses idle proceeds to replenish liquidity on a temporary basis, it shall be implemented only after the Board of Directors of the Company has reviewed and approved such supply and the independent directors, the Sponsor and the Supervisory Committee have issued their opinions on such supply. The Company shall report to the Shanghai Stock Exchange and make an announcement accordingly within two trading days.

Any use of idle proceeds as additional liquidity that exceeds 10% of the proceeds shall be reviewed and approved by the general meeting, with the option of on-line voting available to shareholders.

The Company shall return part of the additional liquidity to the Designated Account for Proceeds prior to the due date for such additional liquidity, report to the Shanghai Stock Exchange and make an announcement within two trading days after such funds has been fully repaid.

Article 15 Where any single Proceeds Investment Projects is completed and the Company proposes to use the balance of the proceeds (including interest income) in other Proceeds Investment Projects, it shall be implemented only after the Board of Directors has reviewed and approved such use and the independent directors, the Sponsor and the Supervisory Committee have issued their opinions on such use.

The balance of proceeds (including interest income) with a balance of less than RMB1 million or 5% of the committed investment amount of proceeds for such project may be exempted from the procedures set out in the preceding paragraph and the relevant utilization shall be disclosed in the annual report.

For the utilization of the balance of proceeds (including interest income) of any single Proceeds Investment Project in projects other than Proceeds Investment Projects (including as additional liquidity), the corresponding procedures and disclosure obligations for the change of the Proceeds Investment Projects shall be performed.

Article 16 Where any Proceeds Investment Project is completed and the balance of the proceeds (including interest income) accounts for more than 10% of the net proceeds, such balance shall be utilized only after the Board of Directors and general meeting have reviewed and approved such use and the independent directors, the Sponsor and the Supervisory Committee have issued their opinions on such use.

For the balance of the proceeds (including interest income) which is less than 10% of the net proceeds, such balance shall be utilized only after the Board of Directors has reviewed and approved such use and the independent directors, the Sponsor and the Supervisory Committee have issued their opinions on such use.

For the balance of the proceeds (including interest income) which is less than RMB5 million or 5% of the net proceeds, the Company shall be exempted from the procedures set out in the preceding paragraph and relevant utilization shall be disclosed in the latest regular report.

CHAPTER IV CHANGES IN USE OF PROCEEDS

Article 17 Any change of a Proceeds Investment Project shall be reviewed and approved by the Board of Directors and the general meeting.

A proposed change that involves only the location of implementation of a Proceeds Investment Project may be exempted from the procedures set out in the preceding paragraph, but shall be reviewed and approved by the Board of Directors and reported to the Shanghai Stock Exchange, and an announcement explaining the reasons for such change and opinions of the Sponsor shall be made within two trading days.

Article 18 The changed Proceeds Investment Projects shall be investment in a principal business of the Company.

Article 19 The Company shall conduct a feasibility analysis on the new Proceeds Investment Projects in an objective and prudent manner to ensure that the investment projects have promising market prospects and profitability, with an aim of minimizing investment risks and increasing the efficiency in the use of proceeds.

Article 20 Any proposed change of a Proceeds Investment Project shall be reported to the Shanghai Stock Exchange and an announcement containing the following information shall be made within two trading days after such proposal is being submitted to the Board of Directors for review:

1. an overview of the original Proceeds Investment Project and specific reasons for the proposed change;
2. an overview, a feasibility analysis and risk warnings regarding the new Proceeds Investment Project;
3. the investment plan of the new Proceeds Investment Project;
4. a statement specifying whether the new Proceeds Investment Project has obtained or is pending the approval of competent authorities (if applicable);

5. opinions of the independent directors, Supervisory Committee, and Sponsor in respect of the proposed change of the Proceeds Investment Project;
6. the change of the Proceeds Investment Project is subject to a statement specifying review by the general meeting;
7. such other information as required by the Shanghai Stock Exchange.

Any new Proceeds Investment Project that involves a connected transaction, asset acquisition or external investment, shall also be disclosed in accordance with the requirements of relevant rules.

Article 21 Any change of Proceeds Investment Projects by the Company for the acquisition of assets (including interests) of controlling shareholders or defacto controllers, shall be made only if the industry competition and connected transactions can be effectively averted or reduced upon the completion of such acquisition.

Article 22 Any proposed external transfer or replacement of Proceeds Investment Projects by the Company (excluding the complete external transfer or replacement of Proceeds Investment Projects during the reorganization of the listed company's material assets) shall be reported to the Shanghai Stock Exchange and an announcement containing the following information shall be made within two trading days after such proposal is being submitted to the Board of Directors for review:

1. the specific reasons for the external transfer or replacement of Proceeds Investment Projects;
2. the amount of proceeds already invested in the project;
3. the progress and realized benefits of the project;
4. an overview, a feasibility analysis and risk warnings regarding the substitute project (if applicable);
5. the basis of pricing of the transfer or replacement and underlying benefits;

6. the opinions of the independent directors, Supervisory Committee, and Sponsor in respect of the transfer or replacement of Proceeds Investment Projects;
7. a statement specifying that the transfer or replacement of Proceeds Investment Projects is subject to the review of the general meeting;
8. such other information as required by the Shanghai Stock Exchange.

The Company shall closely monitor the collection and use of the transfer consideration, the ownership change and the ongoing operation of the substitute assets, and perform its requisite obligation of information disclosure.

CHAPTER V MANAGEMENT AND SUPERVISION OF THE USE OF PROCEEDS

Article 23 The Board of Directors of the Company shall conduct a thorough audit on the progress of the Proceeds Investment Projects on a semi-annual basis, and a Special Report of the Deposit and Actual Use of Proceeds shall be issued in respect of the deposit and use of proceeds.

The Special Report of the Deposit and Actual Use of Proceeds is subject to review and approval of the Board of Directors and Supervisory Committee, and shall be reported to the Shanghai Stock Exchange, and an announcement shall be made accordingly within two trading days after such report has been submitted to the Board of Directors for review.

Article 24 A certified public accountant may be appointed by the audit committee of the Board, the Supervisory Committee, or more than one half of independent directors to conduct a special audit on the deposit and use of proceeds and issue a special audit report. The Board of Directors shall provide necessary support, while all necessary costs shall be assumed by the Company.

The Board of Directors shall report to the Shanghai Stock Exchange and make an announcement accordingly, within two trading days upon the receipt of the special audit report issued by the certified public accountant. Should there be any non-compliance of the management of proceeds as set out in the special audit report by the certified public accountant, the Board of Directors shall also make an announcement in respect of the non-compliance of the deposit and use of proceeds, any incurred or potential consequences thereof and measures already adopted or proposed to be adopted.

CHAPTER VI SUPPLEMENTARY PROVISIONS

- Article 25 The rules shall be applicable to any Proceeds Investment Project that has been executed by any subsidiary of the Company or any other entity controlled by the Company.
- Article 26 Matters not covered in these measures shall be executed in accordance with relevant laws, regulations and regulatory documents of the PRC and the relevant provisions of the Articles of Association. If there are any contraventions between these measures and the relevant laws, regulations, regulatory documents and relevant provisions of the Articles of Association, the provisions of relevant laws, regulations, regulatory documents, and the Articles of Association shall prevail.
- Article 27 Apart from strict compliance with relevant laws, regulations, regulatory documents, Share Listing Rules of Shanghai Stock Exchange and relevant requirements in respect of the use, deposit and changes in use of proceeds under the Rules, the Company also strictly complied with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in respect of issues including information disclosure etc..
- Article 28 Amendments to these measures by the general meeting shall be conducted in accordance with the requirements of the relevant laws and regulations and the specific circumstances of the Company.
- Article 29 Upon review and approval of the general meeting of the Company, these measures shall become effective and be implemented commencing from the date of completion of the A Share Issue and listing of A Shares.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR SHAREHOLDERS' GENERAL MEETINGS**CHAPTER 1 GENERAL PROVISIONS**

Article 1 In order to protect the lawful interests of China Molybdenum Co., Ltd. (“Company”) and its shareholders, clearly define the responsibilities and authorities of shareholders’ general meeting, enhance the efficiency of the procedures of the shareholders’ general meetings and ensure that the general meetings exercise the functions and powers thereof according to laws, the Rules are formulated in accordance with the Company Law of the People’s Republic of China (“Company Law”), the Rules for Shareholders’ General Meetings of Listed Companies, the Guide to Articles of Association of Listed Companies (2006 revised), the Articles of Association of China Molybdenum Co., Ltd. (“Articles of Association”), Listing Rules of Shanghai Stock Exchange and other applicable laws and regulations,

Article 2 The Board shall earnestly perform its duties and organise the general meeting in a careful and timely manner. All the directors of the listed company shall perform their due diligence obligations to ensure that the shareholders’ general meeting can be held in due manner and its powers can be exercised in accordance with the laws.

CHAPTER 2 NATURE AND FUNCTIONS AND POWERS OF THE GENERAL MEETING

Article 3 The nature of the shareholders’ general meeting: Shareholders’ general meeting is the highest authority of the Company.

Article 4 The general meeting shall exercise its powers within the scope of the Company Law and the Articles of Association.

Article 5 The general meetings are divided into annual general meeting and extraordinary general meeting. The annual general meetings shall be convened once a year and shall be held within six months after the close of the preceding accounting year.

Article 6 The Company shall convene an extraordinary general meeting within two months upon the occurrence of following circumstances:

- (1) the number of directors is below the minimum quorum as required by the Company Law, or is less than two-thirds of the number provided in the Articles of Association;
- (2) the outstanding losses of the Company reach one-third of the total amount of its paid-up share capital;
- (3) upon request by shareholders individually or collectively holding 10% or more of the Company's shares;
- (4) deemed as necessary by the Board;
- (5) the Supervisory Committee so requests;
- (6) other circumstances stipulated by laws, administrative regulations, department rules, Listing Place Regulations and the Articles of Association.

Article 7 The Board shall convene the general meeting within the time frame as required by Article 5 and 6 above on a timely basis.

**CHAPTER 3 EXTRAORDINARY GENERAL MEETINGS PROPOSED TO BE
CONVENED BY INDEPENDENT DIRECTORS, SUPERVISORY
COMMITTEE OR SHAREHOLDERS**

Article 8 Independent shareholders are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal from the independent directors.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. In the event that the Board does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 9 The supervisory committee is entitled to, by signing one or more copies of requisition(s) in the same form and content stating the topics to be discussed at the meeting, propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving aforesaid written requisition(s).

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the Supervisory Committee.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within ten days after receiving such requisition(s), the Board shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over such meeting by itself.

Article 10 Shareholders either individually or collectively holding more than 10 percents of the shares of the Company may, through signing one or more copies of requisition(s) in the same form and content stating the topics to be discussed at the meeting, require the Board to convene an extraordinary general meeting or a class meeting. The Board shall, in accordance with the laws, administrative regulations and Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving aforesaid written requisition(s).

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such requisition(s), shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee to convene the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receiving such proposal. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

Failure of the Supervisory Committee to issue the notice of the general meeting within required time frame shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, in which case, shareholders individually or collectively holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on his/her/their own.

- Article 11 Where the supervisory committee or shareholders decide(s) to convene the general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall file with the dispatched office of CSRC at the locality of the Company and the stock exchange. The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The Supervisory Committee or the convening shareholder shall submit relevant evidence to the dispatched office of CSRC at the locality of the Company and the stock exchange upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.
- Article 12 The Board and the secretary to the Board shall provide cooperation with respect to matters relating to a general meeting convened by the Supervisory Committee or shareholders on its/their own. The Board shall provide the register of shareholders as of the date of record date.
- Article 13 Expenses arising from convening of a general meeting by the Supervisory Committee or shareholders shall be born by the Company.

CHAPTER 4 PROPOSAL OR NOTICE OF THE GENERAL MEETING

Article 14 Content of proposals at the shareholders' general meeting shall be matters falling within the functions and powers of general meeting. It shall have definite topics to discuss and specific matters to resolve and comply with the laws, administrative regulations and the requirements in the Articles of Association.

Article 15 When the Company convenes a general meeting, the Board, Supervisory Committee or the shareholders either individually or collectively holding 3% or more of the Company's shares may put forward proposals to the Company.

Shareholders either individually or collectively holding 3% or more of the Company's shares may submit their provisional motions to the convener 10 days before the date fixed for convening of the meeting. The convener shall issue a supplementary notice of the general meeting 2 days after the motions have been received and announce the name of the shareholder submitting the provisional motions, shareholding percentage and the contents of the motions.

Other than the circumstances referred to in the preceding paragraph, after the convener has issued the notice on the general meeting, no changes shall be made to the motions listed in the notice of the meeting nor new motions shall be added .

The general meeting shall not vote on or resolve motions not listed in the notice of the general meeting or motions which do not meet the requirements in Article 14 of the Rules.

Article 16 A forty-five (45) days' written notice for convening the general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting,

The calculation of relevant time frame is exclusive of the date on which such meeting is held.

Article 17 The Company shall, based on the written replies received 20 days before the date of the general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting shares, the Company may hold the meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting and the Company may convene such meeting after making such announcement.

An extraordinary general meeting shall not transact matters not stated in the notice of meeting.

Article 18 A notice of a general meeting shall meet the following criteria:

- (1) be in writing;
- (2) specify the place, the form and the time of the meeting;
- (3) set out the matters to be considered at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such transaction must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other senior management members in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be passed at the meeting;

- (7) contain a noticeable writing statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting.
- (9) contain the record date for shareholders who are entitled to attend the general meeting;
- (10) contain the name and telephone number of the contact person for meeting affairs.

Article 19 The notice of the general meeting and the supplementary notice of the general meeting shall fully and completely disclose the specific content of the proposal and all the information and explanations necessary for the shareholders to make reasonable judgment on the matters to be discussed. In the event that the matters to be discussed need an advice from independent shareholders, their advices and reasons shall be disclosed when the notice of the general meetings or supplementary notice are dispatched.

Article 20 Where the election of directors and supervisors is proposed to be discussed at the general meeting, the notice of the meeting shall fully disclose the detailed information of the candidates for directors and supervisors, which should at least include the following:

- (1) educational background, working experience, and any part-time job;
- (2) whether there is any connected relationship between them and the Company or its controlling shareholder(s) or de facto controller;
- (3) disclosure of their shareholdings in the Company;
- (4) whether or not they have been subject to any punishment by CSRC or other related authorities or stock exchanges.

In addition to the adoption of the accumulative voting system to elect directors and supervisors, each of the candidates for directors or supervisors shall be proposed in a separate motion.

Article 21 Notice of a shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by personal delivery or prepaid mail to the address of the shareholders as shown in the register of shareholders. For the holders of Domestic-Invested Shares, notice of the meetings may also be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by CSRC within the interval between forty-five (45) days and fifty (50) days before the date of the meeting.

Article 22 After despatching the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The motions stated in the notice of general meeting shall not be cancelled. In the event that the general meeting was postponed or cancelled, the convener shall make announcement at least 2 business days prior to the date on which the meeting is originally scheduled and expatiate on the reasons. In the case of adjournment, the date for the postponed meeting shall be stated in the notice.

CHAPTER 5 REGISTRATION FOR THE MEETING

Article 23 All shareholders or their proxies whose names appeared in the Register of the Company at the record date are entitled to attend the general meeting, and exercise their voting rights in accordance with relevant laws, regulations and Articles of Associations of the Company. Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf.

Article 24 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney duly authorised in writing, or in the case the principal is a legal person, either under its official seal or under the hand of its director or its attorney duly authorised.

Article 25 The power of attorney appointing a proxy to attend the general meeting on his/her behalf as produced by the shareholder shall state the following:

- (1) name of the proxy;
- (2) whether empowered with right to vote or not;

- (3) instructions to vote in favour of, against or abstain from, as the case may be, each proposal set out in the agenda of the general meeting;
- (4) the date of issuance of the power of attorney and the valid period;
- (5) signature (seal) of the principal. In the case that the principal is a legal person shareholder, the power of attorney shall bear the official seal of that legal person.

Article 26 Any form issued to a shareholder by the Board of the Company for use by him for appointing a proxy to attend and vote at a meeting of the Company shall be such as to enable the shareholder to instruct at his/her own discretion the proxy to vote in favour of or against each resolution proposed at the meeting. Such proxy form shall specify, in the absence of specific instructions from the shareholder, whether the proxy may vote as his own discretion.

Article 27 The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

In the case that the principal is a legal person, the proxy shall be authorised by the legal representative, the Board or other authority body of that legal person to attend the Company's general meeting.

Article 28 The meeting attendance register shall be prepared by the Company. The register of attendance shall include names of individuals or entities present at the meeting, identification card numbers, addresses, number of shares held or represented with voting rights, the principals' (individuals or entities) names, etc.

Article 29 The chairman of the meeting and the persons (including but not limited to lawyers, external auditors or staff members of the share registrars) retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the name of the shareholders and the numbers of shares with voting rights in their possession. Registration for the meeting shall be ended before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession.

Article 30 The Board, independent directors and qualifying shareholders are entitled to solicit voting rights from other shareholders to attend and vote at the general meeting.

CHAPTER 6 HOLDING OF GENERAL MEETING

Article 31 The Board shall organise the general meeting in a careful and timely manner in strict accordance with the Company Laws and other laws and regulations.

All the directors of the Company bear the fiduciary obligations for the normal convening of the general meeting, and shall not counteract the lawful function and power performed by the general meeting.

Article 32 The Board shall appoint a lawyer to attend a general meeting and give legal opinions on the following matters which shall be published thereafter:

- (1) whether the procedures for convening and holding the general meeting comply with the relevant laws and regulations, the Rules for the Shareholders' General Meetings of Listed Companies as well as the Articles of Association;
- (2) whether the eligibility of attendees and the convenor is lawful and valid;
- (3) whether or not the voting procedure and the voting results of the general meeting is lawful and valid;
- (4) legal opinions on other matters on the request of the Company.

Article 33 The company shall hold the general meeting at its address or the place as required by the Articles of Association.

General meetings will set meeting venue and be convened by ways of on-site meetings. The company may provide convenience for shareholders by ways of internet or other ways which are safe, economical and convenient. Shareholders who attend the meeting in the aforesaid manners shall be deemed as present.

Article 34 In the event that the general meeting of the Company adopt online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

The beginning time for voting via internet or other ways for the general meeting shall not be earlier than 3:00 p.m. on the day prior to date when the on-site general meeting is convened, and shall not be later than 9:30 a.m. on the date when the on-site general meeting is convened. Its closing time shall not be earlier than 3:00 p.m. on the date when the onsite general meeting is concluded.

Article 35 The Board and other chairman of the meeting shall take such necessary measures to ensure the normal order of the general meeting. For any disturbance to the normal order of the meeting and acts infringing on the lawful interests of the shareholders, measures will be taken to prevent them, and the relevant authority will be reported to pursue the matter.

Article 36 When convening a general meeting by the Company, all directors, supervisors and the secretary to the Board shall attend the meeting while managers and other senior management members shall attend the meeting as non-voting attendees.

Article 37 The general meeting shall be presided over and chaired by the chairman of the Board; Should the chairman is unable or fails to perform his/her duties, a Vice-chairman shall preside over the meeting; should the Vice-chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a Director elected by more than half members of the Board.

The chairman of the supervisory committee shall preside over and act as the chairman of the meeting of any general meetings convened by the supervisory committee on its own. In event that the chairman of the supervisory committee fails to or is unable to perform his/her duty, a supervisor elected by more than half of the supervisors shall preside over the meeting.

For general meetings convened by Shareholders by themselves, a representative nominated by the convener shall preside over the meeting and take the chair of the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be the chairman of the meeting. If for any reason, the shareholders are unable to elect a chairman, then the shareholder (or its proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

When the general meeting is held and the chairman of the meeting violates these Rules which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 38 The Chairman of meeting shall announce the beginning of the meeting as scheduled. Issues and proposals set out in the agenda shall be resolved item-by-item. Reasonable time shall be given for the discussion of each issue and proposal at the general meeting.

Article 39 Chairman of the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares held by them with voting rights, and the number of shareholders and proxies present at the venue of meeting and the shares held by them with voting rights shall be the number as shown on the registration of the meeting.

Article 40 At the annual general meeting, the Board and the Supervisory Committee shall report to the general meeting on their work over the previous year, and each of the independent directors shall also submit his/her work report.

Article 41 Except information involving commercial secrets of the Company, Directors, Supervisors and senior management shall respond to and explain the enquiries raised by shareholders at the general meeting. They may refuse to answer the inquiries in connection with the following circumstances but specify the reason:

1. inquires not relating to issues;
2. inquiries subject to further investigation;
3. information involving commercial secrets of the Company that can not be disclosed at the shareholders' general meeting;
4. response to inquiries which shall damage the overall interests of shareholders.

Article 42 Shareholders who request to address the general meeting shall complete the enrollment at the secretariat of the meeting. Shareholders' speeches shall be arranged in an order in direct proportion to number of their shareholding based on the enrolment. Shareholders shall make a speech at a designated seat after approval of the chairman of the meeting, which shall focus on the major topics of the meeting.

Article 43 The Chairman of the meeting shall specify the speaking duration and times for each speaker based on the circumstances. Speech of shareholders shall not be interrupted within the time limit, unless in special circumstances such as when it relates to information involving commercial secrets. Nor shall the shareholders interrupt the report of the Board or the supervisory committee by requiring for a speech.

The chairman of the meeting may refuse or stop such shareholders who breach aforesaid provisions.

Article 44 The chairman of the meeting has the right to announce the adjournment of meeting in accordance with the progress and the time arrangement of the meeting. The Chairman of the meeting also has the right to announce the adjournment of the meeting as and when he/she thinks necessary.

CHAPTER 7 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 45 Shareholders holding different classes of shares are referred to as class shareholders.

A class of shareholders shall, in accordance with laws, administrative regulations and the articles of association, enjoy rights and assume obligations.

Article 46 Rights conferred on any class of shareholders in the capacity of shareholders (“Class Rights”) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 48 to 52.

Article 47 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

- (1) the increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting or equity rights, distribution rights, or privileges equal or superior to the shares of such class;
- (2) to convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
- (3) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) the reduction or removal of a dividend preference or a liquidation preference attached to shares of such class;

- (5) the increase, removal or reduction of conversion privileges, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;
- (7) the creation of a new class of shares having voting or equity rights, distribution rights or other privileges equal or superior to the shares of such class;
- (8) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;
- (9) the issue of rights to subscribe for, or convert into, shares of such class or another class;
- (10) the increase in rights or privileges of shares of another class;
- (11) the restructuring of the Company which will result in shareholders of different classes bearing a disproportionate burden of such proposed restructuring;
- (12) the variation or abrogation of the provisions of this chapter.

Article 48 Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) to (12) of Article 47, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:

- (1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under Article 29 of the Articles of Association, a controlling shareholder within the meaning of Article 61 in the Articles of Association;

- (2) in the case of a repurchase of share by an off-market agreement under Article 29 of the Articles of Association, a shareholder to whom the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 49 “Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class attending the class meeting who have the right to vote at the meeting according to Article 48”

Article 50 A 45 days' written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting class shares at the meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting again. The Company may convene such a meeting after such announcement.

Article 51 A notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

Any class meeting shall be conducted as nearly as possible as any general meeting. Provisions in the Articles of Associations which relate to any general meeting shall apply to any class meeting.

Article 52 Apart from holders of other classes of shares, holders of domestic shares and overseas listed overseas shares shall be regarded as holders of different classes of shares.

The special procedures for voting by a class of shareholders shall not apply to the following circumstances:

- (1) any proposed issuance of domestic invested shares and overseas listed foreign invested shares by the Company in every 12 months, whether separately or together, if such proposed issuance of domestic invested shares and overseas listed foreign invested shares are approved by the shareholders in a general meeting by way of special resolution, and the domestic invested shares and overseas listed foreign invested shares proposed to be issued by the Company of not exceeding 20% of the shares in issue of such class;
- (2) where the Company's plan to issue domestic shares and overseas-listed shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the securities authority under the State Council.
- (3) Shares held by holders of domestic shares are transferred to overseas investors under the approval by the securities regulatory authority of the State Council, and are dealt with on overseas stock exchanges. Any listing or trading of the transferred shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such overseas stock exchange.

CHAPTER 8 VOTING AND RESOLUTION OF GENERAL MEETING

Article 53 For connected transactions to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions, and the number of shares they represent carrying voting rights shall not be counted into the total number of shares with valid voting rights; the public announcements on resolutions passed at the general meeting shall fully disclose the voting of non-connected shareholders on the transactions.

If connected shareholders who are required to abstain from voting fail to do so, non-connected shareholders may request the connected shareholders to abstain from voting.

Shareholders (including proxies) shall exercise their voting rights based on the number of shares carrying voting rights represented by them, and each share has one vote. Voting on resolution at a general meeting may be conducted by registered poll.

The shares held by the Company itself carry no voting rights, and shall not be counted as the total number of shares with voting rights held by shareholders attending the meeting.

- Article 54 Apart from the accumulative voting mechanism, all the proposals shall be voted at the general meeting item by item. In case of different proposals for the same matter, the proposals shall be voted chronologically with resolutions adopted accordingly. The general meeting shall not vote on a proposal derived from combination of proposals or separation of a proposal or amend them in other ways. Unless a general meeting is suspended or no resolution can be reached due to force majeure or other special reasons, no proposal shall be set aside or receive no voting at the general meeting.
- Article 55 When considering a proposal at the general meeting, no change shall be made thereto. Otherwise, the relevant change shall be treated as a new proposal which shall not be voted at the said general meeting.
- Article 56 The same voting right can only be exercised by only one of the following means: on-site, via internet and other ways. In the event that the same voting right has been exercised twice, the result of the first voting shall prevail.
- Article 57 Shareholders attending the general meeting shall submit their voting in one of the following ways: “for”, “against” or “abstain”. Ballot papers that are left in blank, unduly completed or illegible or that have not been cast, are deemed as void votes which means the voter has waived his rights, and the voting results corresponding to the shares in their possession shall be treated as “Abstain from voting”.

Article 58 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be appointed by the chairman of the meeting to act as vote counters and scrutineers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in the vote counting or scrutinizing.

For resolutions voted on at the general meeting, lawyers, shareholder representatives, the audit bodies appointed by the Company or share registrar and supervisor representatives shall count and scrutinize the votes jointly, and the voting results shall be announced forthwith. Voting results of the meeting shall be recorded in the minutes of meeting.

Shareholders or their proxies that vote on line or in other ways shall have the right to check and inspect their voting results through the relevant voting system.

Article 59 The conclusion of on-site general meeting shall not be earlier than the general meeting via internet or by other ways. The presider of the meeting shall announce the voting results of each proposal, and announce whether the proposal is passed or not based on the voting results. Prior to announcement of the voting results, companies, vote counter, scrutineer, substantial shareholder, internet service provider and other relevant parties involved in the general meeting, whether on-site, via internet or other ways, are obliged to keep confidentiality for the voting results.

Article 60 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be passed by not less than half of the voting rights held or represented by the shareholders (including proxies) present at the meeting.

A special resolution shall be passed by votes representing more than two-thirds of the voting rights held or represented by the shareholders (including their proxies) present at the meeting.

Article 61 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) work reports of the Board and the supervisory committee;
- (2) profit distribution plan and loss offset plan formulated by the Board;
- (3) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;
- (4) the Company's annual report.
- (5) matters other than those required by the laws and administrative regulations or Articles of Association to be adopted by special resolution.

Article 62 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) appointment or removal of members of the Board and the supervisory committee, their remuneration and manner of payment;
- (2) increase or reduction of the registered share capital and issue of shares of any class, stock warrants or other similar securities of the Company;
- (3) issuance of corporate bonds;
- (4) demerger, merger, dissolution and liquidation of the Company;
- (5) amendments to the Articles of Association of the Company;
- (6) any guarantee provided by the Company within one year, the amount of which exceeds 30% of the net assets as presented in the latest audited consolidated financial statements of the Company;

- (7) any purchase or disposal of substantial assets made by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (8) share incentive scheme;
- (9) any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 63 Without a prior approval by way of special resolution is obtained in a general meeting, the Company shall not enter into any contract with any person other than the directors, general managers and other senior management members whereby the management and administration of the whole or any substantial part of the business of the Company is to be handed over to such person, save for special circumstances such as the Company is in a crisis.

Article 64 Resolutions of a general meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of shares carrying voting rights and the percentage of the total voting shares of the Company, means of voting, the voting result for each motion and the details of each of the resolutions passed.

Article 65 If a motion is not passed, or if a resolution of the previous general meeting is changed at the said general meeting, special notes in connection therewith should be made in the announcement of the resolutions of the general meeting.

Article 66 The chairman of the meeting should ensure that the meeting proceeds without interruption until resolutions have been reached. Where the meeting is interrupted or terminated due to special reasons such as force majeure, necessary measures should be taken to resume the meeting as soon as practicable, or to end the meeting directly with a timely announcement. The chairman should also report this situation to the local office of CSRC and the stock exchange(s).

- Article 67 The Board is responsible for the execution of the resolutions passed at the general meeting and asking for the chairman of the Board to arrange relevant staff to implement the resolutions based on the contents of resolutions; For resolutions to be implemented by the Supervisory Committee, they shall be organized and implemented by the Supervisory Committee directly.

- Article 68 Where a motion in relation to election of directors or supervisors is passed at a general meeting, the term of office for the newly elected directors or supervisors shall come into effect after resolutions have been passed at the general meeting.

- Article 69 Where a general meeting approves proposals regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within 2 months after the close of the general meeting.

- Article 70 The chairman of the Board shall report the implementation status of the resolutions passed at the general meeting to the Board, and the Board shall report it to the next general meeting. Supervisory Committee shall directly report the resolutions implementation undertaken by it to the general meeting, or when it deems necessary, to the Board in advance.

- Article 71 The resolutions passed at the general meeting are invalid should they are in violation of any laws, or administrative regulations. Should the procedures for convening a general meeting, or the way of voting, be in violation of any laws, administrative regulations or the Articles of Association of the Company, or a resolution be in violation of the Articles of Association of the Company, the shareholders may, within 60 days from the date when the resolution is made, request the People's Court to revoke it.

CHAPTER 9 MINUTES OF THE GENERAL MEETING

- Article 72 Minutes of a general meeting shall be recorded by the secretary to the Board and include the followings:
 - (1) time, place, agenda of meeting and name of the chairman of the meeting;

 - (2) names of the chairman of the meeting, Directors, supervisors, general managers and other senior management present at the meeting;

- (3) number of shareholders and proxies present at the meeting, total number of the shares carrying voting rights held or represented by them, and the percentage of shares carrying voting rights held or represented by them to the total number of shares of the Company;
- (4) process of consideration for each motion, the gist of speaking and voting results;
- (5) shareholders' questions or recommendations and reply or explanation thereto;
- (6) names of the lawyer, the vote counter and the scrutineer;
- (7) other matters which shall be recorded in the meeting minutes pursuant to the Articles of Association.

Article 73 The chairman of the meeting should ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, the secretary to the Board, the convener or his representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained together with the register for attendance of shareholders present in person, the proxy forms of their proxies and valid information on voting via internet and by other means for a period of not less than 10 years.

CHAPTER 10 MISCELLANEOUS

Article 74 The Rules, as an annex to the Articles of Association, shall take effect and be implemented from the date of completion of the A Share Issue and listing of A Shares of the Company, after being considered and approved at the shareholders' general meeting of the Company

- Article 75 The Rules shall be drafted by the Board and subject to approval of the general meeting. Matters not covered by the Rules shall be executed in accordance with the relevant laws, regulation, regulatory documents, regulatory rules and listing rules at the place of listing of the Shares of the Company including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange (“Listing Place Regulations”) and Articles of Association of the Company.. In case of any conflict between the Rules and the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company, the latter shall prevail.
- Article 76 In the Rules, references to “more than”, “within”, “below” “exceed” are all inclusive, while references to “not exceed”, “less than”, “beyond”, “lower than”, “higher than” are all exclusive.
- Article 77 The Rules shall be interpreted by the Board.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

RULES FOR BOARD MEETINGS

ARTICLE 1 PURPOSE

In order to further regulate meeting and decision-making procedures of the Board of Directors of China Molybdenum Co., Ltd. (hereinafter referred to as “the Company”), procure the Directors and the Board to effectively perform their duties and enhance the Board in terms of standardized operations and efficiency in decision-making, the Company has formulated the Rules in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines for the Governance of Listed Companies, Proposed Model Rules of Procedure for Board of Listed Companies on Shanghai Stock Exchange and the Articles of Association of China Molybdenum Co., Ltd. (the “Articles of Association”).

ARTICLE 2 OFFICE OF THE BOARD

The Office of the Board is established by the Board which is responsible for dealing with daily affairs of the Board.

The Secretary to the Board or Securities Representative concurrently acts as the head of Office of the Board to maintain the seals of the Board and the Office of the Board under authorization of the Board.

The Secretary to the Board shall ensure that procedures and all general rules of the Board are complied with.

ARTICLE 3 REGULAR MEETINGS

The meetings of the Board shall be in the form of either regular meetings or extraordinary meetings.

At least four regular meetings of the Board shall be held in each year, which means an approximately quarterly frequency.

ARTICLE 4 PROPOSALS FOR REGULAR MEETINGS

Before giving the notice on holding the regular board meetings, the Office of the Board shall thoroughly seek all Directors' opinions to preliminarily reaches the meeting proposals which will be handed to the Chairman for determination.

The Chairman shall, If necessary, seek opinions from the General Manager and other senior management before determining the proposals.

ARTICLE 5 EXTRAORDINARY MEETINGS

The Board shall convene an extraordinary meeting in any of the following circumstances:

- (1) when proposed by the shareholders representing more than one tenth of voting rights;
- (2) when proposed jointly by more than one third of the Directors;
- (3) when proposed by the Supervisory Committee;
- (4) when proposed by the General Manager;
- (5) when proposed by the Chairman;
- (6) when proposed by two or more Independent Directors;
- (7) when required by Listing Place Regulations of the company or the securities regulatory authority;
- (8) other circumstances provided by the Articles of Association.

ARTICLE 6 PROPOSING PROCEDURES FOR EXTRAORDINARY MEETINGS

Where an extraordinary meeting of the Board is proposed in accordance with the provisions set out in the preceding paragraph, a written proposal signed under the hand (or seal) of the proponent shall be submitted through the Office of the Board or directly to the Chairman of the Board. The following shall be indicated in the written proposal:

- (1) the name of the proponent;
- (2) the reasons for the proposal or objective facts/causes on which the proposal is based;
- (3) the time or timeframe, venue and form of the proposed meeting;
- (4) the proposals in clear and specific terms; and
- (5) the contact information of the proponent and the date of proposal, etc.

The proposals shall be concerning matters that fall within the scope of the authorities of the Board as prescribed in the Articles of Association, and be submitted together with the relevant materials.

After receiving the aforesaid written proposals and the relevant materials, the Office of the Board shall forward such to the Chairman on the same day. If the Chairman considers the contents of the proposals not clear and not specific, or consider the relevant materials insufficient, they may request the proponent to revise or supplement the relevant contents.

The meeting of the Board shall be convened and presided over by the Chairman within 10 days upon receipt of the proposals or the request of the securities regulatory authority.

ARTICLE 7 THE CONVENING AND CHAIRING OF THE MEETING

The meeting of the Board shall be convened and presided over by the Chairman of the Board. Where the Chairman of the Board is unable to or fails to perform his/her duties and responsibilities, the Vice Chairman shall convene and preside over the meeting. When the Vice Chairman is unable to or fails to perform his/her duties and responsibilities, one of the Directors shall be elected by half or more of the Directors to convene and preside over the meeting.

ARTICLE 8 NOTICES ON THE MEETING

To hold regular meetings and extraordinary meetings of the Board, the Office of the Board shall deliver written notice of the meeting bearing its seal to all the Directors, Supervisors, the General Manager and the Secretary to the Board by hand, fax, email or other means within fourteen days and five days in advance respectively. If not delivered by person, the delivery shall be confirmed by calls and relevant records shall be made.

Where the circumstance is urgent and requires an extraordinary meeting of the Board to be held as soon as practical, appropriate notice on the meeting may be circulated at any time by phone or other verbal means, but the convener shall make explanations at the meeting.

ARTICLE 9 CONTENTS OF THE NOTICE ON THE MEETING

A written notice on the meeting shall at least include:

- (1) the time and venue of the meeting;
- (2) the form in which the meeting is convened;
- (3) the matters (proposals) to be reviewed;
- (4) the convener and the presider of the meeting, the proponent of the extraordinary meeting as well as its written proposals;
- (5) meeting materials necessary for the Directors' voting;
- (6) the requirement on that a Director shall attend the meeting in person or shall appoint other Directors to attend the meeting on his/her behalf;
- (7) the contact person and contact method;

A verbal notice on meeting shall at least include the contents set out in paragraphs (1) and (2) above, as well as explanations for the convening of an extraordinary meeting of the Board under urgent circumstances.

ARTICLE 10 ALTERATION OF THE NOTICE ON THE MEETING

After a written notice on the regular meeting of the Board is circulated, if the time or venue or such other details of the meeting needs to be changed or the proposals for the meeting need to be supplemented, revised or cancelled, a written notice on changes specifying the circumstances, the relevant details of the new proposals, and other relevant materials shall be distributed three days before the original date of the meeting. If the meeting is less than three days away, the meeting shall be correspondingly postponed or held as originally scheduled with the unanimous approval of all Directors attending the meeting.

After a notice on an extraordinary meeting of the Board is issued, if the time or venue or such other details of the meeting needs to be changed or the proposals for the meeting need to be added, changed or cancelled, prior approval of all the attending Directors shall be obtained and corresponding records shall be made.

ARTICLE 11 HOLDING OF THE MEETINGS

The meeting of the Board shall be held only when over half of the Directors attend the meeting. If the quorum of the meeting cannot be met as a result of Directors' refusal to attend or absence without reasons, the Chairman of the Board and the Secretary of the Board shall timely report such circumstances to the regulatory authority.

Supervisors may attend the meeting as non-voting delegates; the General Manager, or the Secretary of the Board who is not a Director shall attend the meeting as non-voting delegates. If considered necessary, the presider of the meeting may notify other relevant persons to attend the meeting as non-voting delegates.

ARTICLE 12 PERSONAL ATTENDANCE AND ATTENDANCE BY PROXY AT THE MEETING

In principle, Directors shall attend the meeting of the Board in person. If they are not able to attend the meeting due to certain reasons, they shall read the meeting materials in advance, form clear opinions and appoint other Directors in written to attend the meeting on their behalf.

A letter of authorization shall indicate:

- (1) the names of the appointing party and his/her proxy;
- (2) Brief opinions on every proposal made by the appointing party;
- (3) the scope of authorization of the appointing party and his/her instructions on voting intention in respect of the proposals;
- (4) reasons of the appointing party failing to attend meeting;
- (5) the signature of the appointing party and his/her proxy and the date, etc.

In case a Director authorizes any other Director to sign a written confirmation for a regular report, he shall make a special authorization in the letter of authorization.

The Director so appointed shall submit a letter of authorization to the presider of the meeting, stating the details of such appointment on the shareholders' attendance list of the meeting.

ARTICLE 13 RESTRICTIONS ON ATTENDANCE BY PROXY

The following principles shall be observed by Directors appointing proxies to attend the meeting of the Board and the proxies so appointed:

- (1) when a connected transaction is being reviewed, a Director who is not a related party shall not appoint a Director who is a related party to attend the meeting, and a Director who is a related party shall not accept the appointment of any Director who is not a related party;
- (2) an independent Director shall not appoint any non-independent Director to attend and vote at the meeting, and a non-independent Director shall not accept the appointment of any independent Director;
- (3) a Director shall not appoint any other Director to attend the meeting to act on his/her behalf with full discretion without having explained his/her opinions and voting intentions on the proposals, and the relevant Directors shall not accept any appointment with full discretion or with unclear scope of authorization;
- (4) a Director shall not accept the appointment from more than two Directors, nor shall a Director appoint any Director that has accepted the appointment from two Directors to attend the meeting on his/her behalf.

ARTICLE 14 FORM IN WHICH A MEETING IS HELD

In principle, the meeting of the Board shall be held on-site. When necessary, the meeting may also be held as voting via video, telephone, fax, or e-mail, etc. upon consent of the convener (presider) and the proponents so long as the Directors are able to fully express their opinions. The meeting of the Board can also be held on-site in combination with other means.

In the case of meetings other than meetings held on-site, the number of attending Directors shall be calculated by including the Directors who are on the spot as shown by video, the Directors who have expressed opinions in the telephone conference, valid votes actually received within the prescribed deadline via faxes, e-mails, or the written confirmation letters submitted by the Directors proving that they have attended the meeting.

ARTICLE 15 CONSIDERATION PROCEDURES OF THE MEETINGS

The presider shall request all the Directors attending the meeting of the Board to express clear opinions in respect of each proposal.

With respect to the proposals that shall be approved in advance by the independent Directors according to relevant provisions, the presider shall, before considering relevant proposals, designate one independent Director to read out the written approval opinions reached by the independent Directors.

The presider shall restrain in a timely manner any Director who obstructs the normal conduct of the meeting or interrupts the speech of other Directors.

Unless it is unanimously agreed by all attending Directors, the meeting of the Board shall not vote on any proposal not included in the notice on the meeting. Where a Director accepts the appointment of any other Director to attend the meeting of the Board on his/her behalf, he shall not vote on the proposal not included in the notice on the meeting on behalf of any other Director.

ARTICLE 16 EXPRESSING OPINIONS

The Directors shall carefully read relevant meeting materials, and independently and prudently express their opinions in a fully informed manner.

A Director may inquire, prior to the meeting, the Office of the Board, the convener, the General Manager and other senior officers, the Special Committee of the Board, the accountant firm, the legal firm and other relevant persons and institutions to obtain necessary information for decision-making, and may also propose to the presider during the course of the meeting to request the aforesaid persons or representatives of the institutions to attend the meeting to give relevant explanations.

ARTICLE 17 VOTING AT THE MEETING

After each proposal has been fully discussed on, the presider shall at an appropriate timing require the attending Directors to vote on it.

Voting for the meeting shall be executed by way of show of hands, written vote or open ballot on the basis of one vote per person.

Resolutions of the Board meeting may be made by means of fax signed by Directors present at the meeting on the basis that each Director is ensured to fully express his/her opinions.

The voting intention of the Directors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending Directors shall choose any one of the aforesaid voting intentions. If any Director does not choose any intentions or simultaneously chooses two or more intentions, the presider shall require such Director to make a new choice. If such Director refuses to do so, he/she shall be deemed as abstaining from voting. If any Director leaves the meeting venue halfway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

ARTICLE 18 CALCULATION OF VOTING RESULTS

After the voting of the Directors present at the meeting, the Securities Representative and relevant personnel of the Office of the Board shall timely collect the Directors' votes, and pass them to the Secretary to the Board for calculation under the supervision of one Supervisor or Independent Director.

If the meeting is convened on site, the presider of the meeting shall announce the voting results forthwith. In other cases, the presider of the meeting shall require the Secretary to the Board to notify the Directors of the voting results before the next business day after the close of the specified voting time.

If the Directors vote after announcement of the voting results by the presider of the meeting or after close of the specified voting time, their votes shall be disregarded.

ARTICLE 19 FORMATION OF RESOLUTIONS

Except for matters provided in Article 20 herein, a resolution on a proposal considered and passed at the Board meeting shall be voted for by more than half of all the Directors. Where any provision in any laws, administrative regulations or the Articles of Association prescribes a higher proportion of affirmative votes cast by Directors for the adoption of resolutions by the Board, such provision shall prevail.

Where the Board makes a resolution for guarantee matters and external investment matters within the scope of its powers according to the provisions in the Articles of Association and internal regulations of the Company, there shall be more than three fourths of all Board members who cast affirmative votes.

In case there is any conflict between different resolutions in terms of contents or meaning, the resolution formed at a later time shall prevail.

ARTICLE 20 ABSTAINING FROM VOTING

A Director shall abstain from the voting on the relevant proposals in any of the following circumstances:

- (1) where such abstaining is prescribed in the regulatory requirements in the Company's listing place ;
- (2) where the Director is of the view that he/she should abstain;
- (3) any other circumstances under which the Director shall abstain as a result of his/her being related to the enterprise involved in the proposal as prescribed in the Articles of Association;
- (4) any resolution in which the Director or his/her connected person is materially interested.

Under the circumstances where any Director abstains from voting, relevant Director shall not be counted in the quorum of the meeting. Relevant meeting of the Board can be held if more than half of the non-related Directors attend the meeting, and the resolution thus formed shall be passed by more than half of the non-related Directors. Where there are less than three non-related attending Directors, the relevant matters shall instead be submitted to the General Meeting for consideration.

ARTICLE 21 NON-EXCEEDING THE SCOPE OF AUTHORITY

The Board shall transact business in strict compliance with its scope of authority as mandated by the general meeting and laid down in the Articles of Association, and shall not adopt any resolution beyond its authority.

ARTICLE 22 SPECIAL PROVISIONS ON DISTRIBUTION OF PROFITS

Where the meeting of the Board needs to make a resolution regarding the distribution of profits, it may first notify the certified public accountant of the preliminary distribution plan to be submitted to the Board for review, and require the certified public accountant to issue a draft of audit report based thereon (all financial data other than those relating to the distribution of profits shall have been ascertained). After making a resolution on the distribution of profits, the Company shall require the certified public accountant to issue a formal audit report, on the basis of which the Board shall make resolutions on other relevant matters of the regular report.

ARTICLE 23 ABORTED PROPOSALS

Where a proposal fails to be passed at a meeting of the Board, any proposal with the same contents shall not be considered again before the period of one month has lapsed in the absence of any significant changes in the relevant conditions and factors.

ARTICLE 24 SUSPENSION OF VOTING

The presider of the meeting shall require the subject matter to be postponed for voting at the meeting if more than half of the Directors present at the meeting or more than two Directors consider the proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons including inadequate meeting materials.

The Directors who suggest suspending the voting shall put forward specific requirements necessary for the resubmission of a proposal.

ARTICLE 25 AUDIO RECORDS OF MEETING

Audio records may be made where necessary for the whole process of a meeting of the Board held on-site, via video or telephone and by other means.

ARTICLE 26 MINUTES OF MEETING

The Secretary of the Board shall arrange the staff members of the Office of the Board to prepare the minutes of meeting for the meeting of the Board as early as possible. The minutes of meeting shall include:

- (1) the number of session, time, venue of the meeting and the form in which it is convened;
- (2) the delivery of the notice on the meeting;
- (3) the convener and the presider of the meeting;
- (4) whether the Directors attended the meeting in person or by proxy;
- (5) proposals considered at the meeting, the gist of every Director's speaking and main opinions in respect of relevant matters and voting intents for the proposals;
- (6) the voting method and results of each proposal (the number of affirmative, negative and abstaining votes shall be specifically indicated);
- (7) such other matters which the attending Directors consider necessary to record.

Where a reasonable notice is given by any Director, the Board shall provide relevant meeting minutes for his/her inspection at reasonable time.

ARTICLE 27 MEETING SUMMARY AND RESOLUTION RECORDS

In addition to the minutes of meeting, the Secretary of the Board may also arrange the staff members of the Office of the Board to make summarized record of the meeting when necessary, and to make separate records of the resolutions formed at the meeting based on the voting results.

ARTICLE 28 SIGNATURE OF DIRECTORS

The attending Directors shall sign their names on the minutes of meeting and record of resolution for confirmation on behalf of themselves or the Directors who appoint them to attend the meeting. If any Director holds dissenting opinions to the minutes of meeting or record of resolution, he/she may make a written note when signing his/her name. Where necessary, the Director may report the same to the regulatory authority or make a public declaration.

If any Director refuses to give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, report his/her dissenting opinions to the regulatory authority or deliver a public declaration, such Director shall be deemed to be in total agreement with the contents of the minutes of meeting and records of resolutions.

ARTICLE 29 ANNOUNCEMENT OF RESOLUTIONS

The announcement of the resolutions adopted by the Board shall be made by the Secretary of the Board according to Listing Place Regulations. Before the disclosure of an announcement of resolutions, the attending Directors, the persons attending the meeting as non-voting delegates, the personnel for recording and other services, etc. shall be obliged to keep the resolutions confidential.

ARTICLE 30 IMPLEMENTATION OF RESOLUTIONS

The Chairman of the Board shall procure the relevant persons to implement the resolutions formed by the Board, check the implementation of resolutions, and report at future meetings of the Board the implementation of resolutions adopted.

ARTICLE 31 MAINTENANCE OF MEETING ARCHIVES

The Board meeting archives including meeting notices, meeting materials, attendance lists of the meeting, letter of authorization for appointment of Director's proxy, audio record of the meeting, votes, meeting minutes signed by the Directors for confirmation, meeting summary, announcement of resolutions, shall be kept by the Secretary to the Board.

The meeting archives of the meeting of the Board shall be kept for 10 years or more.

ARTICLE 32 SUPPLEMENTARY PROVISIONS

In the Rules, reference to "over" or "more than" shall be inclusive.

Matters not covered by the Rules shall be executed in accordance with the relevant laws, regulation, regulatory documents, regulatory rules and listing rules at the place of listing of the Shares of the Company including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange ("Listing Place Regulations") and Articles of Association of the Company. In case of any conflict between the Rules and the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company, the latter shall prevail.

The Rules, as an annex to the Articles of Association, shall take effect and be implemented from the date of completion of the A Share Issue and listing of A Shares of the Company, after being considered and approved at the shareholders' general meeting of the Company.

The Rules shall be subject to the interpretation by the Board.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

DETAILED WORKING RULES FOR SUPERVISORY BOARD MEETINGS**ARTICLE 1 PURPOSE**

In order to further regulate meeting and decision-making procedures of the Supervisory Committee of China Molybdenum Co., Ltd. (hereinafter referred to as “the Company”), procure the Supervisors and the Supervisory Committee to effectively perform their duties and enhance legal person governance structure, the Company has formulated the Rules in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines for the Governance of Listed Companies, Proposed Model Rules of Procedure for Supervisory Committee of Listed Companies on Shanghai Stock Exchange and the Articles of Association of China Molybdenum Co., Ltd. (the “Articles of Association”).

ARTICLE 2 OFFICE OF THE SUPERVISORY COMMITTEE

The Office of the Supervisory Committee is established by the Supervisory Committee to attend to the daily affairs of the Supervisory Committee.

Chairman of the Supervisory Committee acts as the head of the Office of Supervisory Committee and maintains the seals. The Chairman of the Supervisory Committee may require the Securities Representative or other personnel of the Company to assist him/her in dealing with the daily business of the Supervisory Committee.

**ARTICLE 3 REGULAR MEETINGS AND EXTRAORDINARY MEETINGS OF THE
SUPERVISORY COMMITTEE**

Meetings of the Supervisory Committee shall be in the form of regular meetings and extraordinary meetings.

At least one regular meeting of the Supervisory Committee shall be held every six months. The Supervisory Committee shall convene an extraordinary meeting within ten days in any of the following circumstances:

- (1) When any Supervisor so requests;

- (2) When the General Meeting or a meeting of the Board passed resolutions in violation of the provisions and requirements of laws, rules, regulations and supervisory authorities, the Articles of Association, the resolutions of General Meeting and other relevant provisions;
- (3) When the malpractice of the Directors and the Senior Management may cause material damage or result in material adverse effect in the market;
- (4) When lawsuits are filed by shareholders against the Company, Directors, Supervisors and the Senior Management;
- (5) When the Company, Directors, Supervisors and Senior Management are punished by securities regulatory authorities or censured publicly by the Shanghai Stock Exchange;
- (6) When the securities regulatory authorities so requests;
- (7) Other circumstance required by the Articles of Association.

ARTICLE 4 PROPOSALS FOR REGULAR MEETINGS

The Office of the Supervisory Committee shall collect proposals from all Supervisors prior to issuing the notice to convene a regulatory meeting and shall seek opinions from the employees of the Company for two days at least and preliminarily reaches the meeting proposals for the Chairman's decision.

The Chairman shall seek the General Manager and other senior managers' opinions (where necessary) before determining the proposals. In respect of proposal collecting and opinion seeking, the Office of the Supervisory Committee shall explain that the focus of the Supervisory Committee is on the supervision of the standardized operation of the Company and the acts of Directors and Senior Management rather than the decision on the operation and management of the Company.

ARTICLE 5 PROPOSING PROCEDURES FOR EXTRAORDINARY MEETINGS

Where the Supervisors propose to convene the extraordinary meeting, written proposal signed by the proposing Supervisors shall be submitted through the Office of the Supervisory Committee or directly to the Chairman of the Supervisory Committee. The written proposal shall include:

- (1) the name of the proposing Supervisor;
- (2) the reasons for the proposal or objective facts/causes on which the proposal is based;
- (3) the time or timeframe, venue and form of the proposed meeting;
- (4) the proposals in clear and specific terms;
- (5) the contact information of the proposing Supervisor and the date of proposal, etc.

The Office of the Supervisory Committee shall issue the notice to convene the extraordinary meeting within three days upon the Office of the Supervisory Committee or the Chairman receives the written proposal of the Supervisor.

Where the Office of the Supervisory Committee deliberately delays or withholds such notice, the proposing Supervisor shall timely report to the supervisory authorities.

ARTICLE 6 THE CONVENING AND CHAIRING OF THE MEETING

The meeting of the Supervisory Committee shall be convened and presided over by the Chairman of the Supervisory Committee. Where the Chairman of the Supervisory Committee is unable to or fails to perform his/her duties and responsibilities, one of the Supervisors shall be elected by half or more of the Supervisors to convene and preside over the meeting.

ARTICLE 7 NOTICES ON THE MEETING

To hold regular meetings and extraordinary meetings of the Supervisory Committee, the Office of the Supervisory Committee shall submit written notice of the meeting bearing its seal to all Supervisors by hand, fax, email or other means within ten days and five days in advance respectively.. If not delivered by person, the delivery shall be confirmed by calls and relevant records shall be made.

Where the circumstance is urgent and requires an extraordinary meeting of the Supervisory Committee to be held as soon as practical, the notice on the meeting may be delivered at any time by phone or other verbal means, but the convener shall make explanations at the meeting.

ARTICLE 8 CONTENTS OF THE NOTICE ON THE MEETING

A written notice on the meeting shall at least include:

- (1) the time and venue of the meeting;
- (2) the matters (proposals) to be reviewed;
- (3) the convener and the presider of the meeting, the proponent of the extraordinary meeting as well as the written proposals;
- (4) meeting materials necessary for the Supervisors' voting;
- (5) the requirement on personal attendance by Supervisors;
- (6) the contact person and contact method.

A verbal notice on meeting shall at least include the contents set out in paragraphs (1) and (2) above, as well as explanations for the convening of an extraordinary meeting of the Supervisory Committee under urgent circumstances.

ARTICLE 9 FORM OF MEETING

Meeting of the Supervisory Committee may be held on-site, by fax or telecommunication means.

In case of emergencies, the meetings of the Supervisory Committee may vote by telecommunication, however, the convener of the meeting (presider) shall describe the emergency in details to present Supervisors. In case of voting by telecommunication, the Supervisors shall fax their written opinions on the matters under consideration and the voting intention to the Office of the Supervisory Committee after confirmation by signature. The Supervisors shall not provide their voting intention only without written opinions or the reason for voting.

ARTICLE 10 HOLDING OF THE MEETINGS

The meeting of the Supervisory Committee shall be held only when two third or more of the Supervisors attend the meeting. If the quorum of the meeting cannot be met as a result of Supervisors' refusal to attend or absence without reasons, other Supervisors shall timely report such circumstances to the regulatory authority.

The Secretary to the Board and the Securities Representative shall attend the meeting of the Supervisory Committee as non-voting participants.

ARTICLE 11 REVIEW PROCEDURES OF THE MEETINGS

The presider shall request the Supervisors present at the meeting to express definite opinions on each proposal.

Upon proposal by the Supervisors, the presider of the meeting shall require relevant Directors, Senior Management, other employees of the Company or the personnel of relevant intermediary bodies to attend the meeting to receive inquiry.

ARTICLE 12 RESOLUTION OF MEETING OF THE SUPERVISORY COMMITTEE

Voting on resolutions at a meeting of the Supervisory Committee shall be executed in open ballot and in written with each person having one vote.

The voting intention of the Supervisors shall be divided into the following categories: affirmative, negative or abstaining from voting. The attending Supervisors shall choose any one of the aforesaid voting intentions. If any Supervisor does not choose any intentions or simultaneously chooses two or more intentions, the presider shall require such Supervisor to make a new choice. If such Supervisor refuses to do so, he/she shall be deemed as abstaining from voting. If any Supervisor leaves the meeting venue halfway without returning and thus does not make a choice, he/she shall be deemed as abstaining from voting.

Resolutions of the Supervisory Committee shall be passed by two-thirds or more of its members.

ARTICLE 13 AUDIO RECORDS OF MEETING

In respect of a meeting of the Supervisory Committee, audio record may be made, if necessary, for the whole meeting.

ARTICLE 14 MINUTES OF MEETING

The staff members of the Office of the Supervisory Committee shall prepare the minutes of meeting for on-site meetings. The minutes of meeting shall include:

- (1) the number of session, time, venue of the meeting and the form in which it is held;
- (2) the circulation of the notice on the meeting;
- (3) the convener and the presider of the meeting;
- (4) the attendance of the meeting;
- (5) proposals considered at the meeting, the gist of every Supervisor's speaking and main opinions in respect of relevant matters and voting intentions for the proposals;

- (6) the method and results of voting on each proposal (the number of affirmative, negative and abstaining votes shall be specifically indicated);
- (7) such other matters which the attending Supervisors consider necessary to record.

In respect of the meeting of the Supervisory Committee convened by telecommunication, the Office of the Supervisory Committee shall prepare minutes of the meeting with reference to the aforesaid stipulations.

ARTICLE 15 SIGNATURE OF SUPERVISORS

Minutes of meetings shall be confirmed by the Supervisors present at the meeting with their signatures. If any Supervisor holds dissenting opinions to the minutes of meeting or records of resolution, he/she may make a written note when signing his/her name. Where necessary, the Supervisor may also report the same to the regulatory authority or make a public declaration.

If any Supervisor refuses to give confirmation by signature in accordance with the preceding paragraph, nor does he/she express dissenting opinions with written explanation, report his/her dissenting opinions to the regulatory authority or make a public declaration, such Supervisor shall be deemed to be in total agreement with the contents of the minutes of meeting and records of resolutions.

ARTICLE 16 ANNOUNCEMENT OF RESOLUTIONS

The announcement of the resolutions adopted by the Supervisory Committee shall be made by the Secretary to the Board according to the regulatory rules and listing rules at the place of listing of the Shares of the Company including the Proposed Model Rules of Procedure for Supervisory Committee of Listed Companies on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Place Regulations”).

ARTICLE 17 IMPLEMENTATION OF RESOLUTIONS

The Chairman of the Supervisory Committee shall procure the relevant persons to implement the resolutions formed by the Supervisory Committee. The chairman of the Supervisory Committee shall report at future meetings of the Supervisory Committee the implementation of resolutions adopted.

ARTICLE 18 MAINTENANCE OF MEETING ARCHIVES

The Supervisory Committee meeting archives including meeting notices, meeting materials, attendance lists of the meeting, audio record of the meeting, votes, meeting minutes signed by the Supervisors for confirmation, announcement of resolutions, shall be kept by personnel designated specially by the Chairman of the Supervisory Committee.

The meeting archives of the meeting of the Supervisory Committee shall be kept for 10 years or more.

ARTICLE 19 SUPPLEMENTARY PROVISIONS

Matters not covered by the Rules shall be executed in accordance with Rules of Procedure for Board Meetings of the Company.

In the Rules, reference to “over” or “more than” shall be inclusive.

Matters not covered by the Rules shall be executed in accordance with the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company. In case of any conflict between the Rules and the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company, the latter shall prevail.

The Rules, as an annex to the Articles of Association, shall take effect and be implemented from the date of completion of the A Share Issue and listing of A Shares of the Company, after being considered and approved at the shareholders’ general meeting of the Company.

The Rules shall be subject to the interpretation by the Supervisory Committee.

If there is any discrepancy between the English text and the Chinese text in respect of this appendix, the Chinese text shall prevail.

DETAILED WORKING RULES FOR INDEPENDENT DIRECTORS**CHAPTER 1 GENERAL PROVISIONS**

Article 1 In order to further improve the corporate governance structure of China Molybdenum Co., Ltd. (hereinafter referred to as “the Company”) and enhance the standardised operation of the Company, the Company has formulated the Rules in accordance with the Guidance on Establishment of Independent Director System at Listed Companies (the “Guidance”) by China Securities Regulatory Commission (“CSRC”), Guidance for Corporate Governance of Listed Companies and the Articles of Association of China Molybdenum Co., Ltd. (the “Articles of Association”).

Article 2 Independent director refers to director holding no position other than the directorship in the Company and having no relationship with the Company and its substantial shareholders which may hinder his/her independent and objective judgement.

Article 3 Independent directors have the obligation to act in good faith and due diligence towards the Company and all of its shareholders.

Independent directors shall perform their duties conscientiously in accordance with the requirements of relevant laws, regulations regulatory documents and Articles of the Association to protect the Company’s interests, especially the legal interests of minority shareholders from damage.

Independent directors shall perform their duties independently without being affected by the Company’s substantial shareholders, de facto controller or other entities or individuals who are interested in the Company.

Independent directors shall not concurrently hold the position of independent director in more than 5 listed companies, and shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

There shall be at least three independent directors and the number of independent directors should represent at least one third of all Board members. Independent directors should possess appropriate professional qualifications or accounting or related financial management expertise. In addition, at least one of the independent directors should be a Hong Kong resident.

Article 4 Independent directors shall spend not less than 15 working days in his work for the Company each year and ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

CHAPTER 2 QUALIFICATION

Article 5 Independent directors shall satisfy the following requirements:

- (1) being qualified for directors of listed companies in accordance with laws, administrative regulations and other relevant provisions;
- (2) possessing the independence as required by the Guidance issued by CSRC;
- (3) having the basic knowledge about the operations of listed companies and being familiar with relevant laws, administrative codes, regulations and rules;
- (4) having five years or more of work experiences in legal, economic areas or other experiences necessary for performing the duties as independent directors;
- (5) other requirements as provided in the Articles of Association.

Article 6 Independent directors must possess independence. The following persons shall not serve as independent directors:

- (1) the employees of the Company or its affiliate enterprises, and their lineal relatives and major social connections (the former refers to spouses, parents and children, etc., and the latter refers to brothers and sisters, parents-in-law, daughters-in-law, sons-in-law, spouses of brothers and sisters, and brothers and sisters of spouses, etc.);
- (2) the natural person shareholders directly or indirectly holding 1% or more of issued shares of the Company or any of the top ten shareholders of the Company and their lineal relatives;
- (3) persons who hold position in the shareholder directly or indirectly holding 5% or more of issued shares of the Company or any of the top five shareholders of the Company and their lineal relatives;

- (4) persons falling within the circumstances as set out in paragraphs (1), (2) and (3) in past one year;
- (5) persons providing financial, legal and consulting services to the Company or its affiliate enterprises;
- (6) other persons provided in the Articles of Association;
- (7) other persons stipulated by CSRC.

Article 7 Independent directors and potential independent directors shall follow the requirements of the CSRC to participate in trainings organized by CSRC and institutions authorized by it.

CHAPTER 3 NOMINATION, ELECTION AND APPOINTMENT

Article 8 The Board, Supervisory Committee, or shareholders individually or jointly holding 1% or more of shares of the Company are entitled to nominate candidates for independent directors for election at the shareholders' general meetings.

Article 9 Nominator(s) of independent directors shall secure the consent of the nominee prior to the nomination.

The nominator shall acquire all the personal particulars of his/her nominee as to their profession, education, academic title, specifics of work experiences, and all part time jobs, and provide opinion on their qualifications and independence for the post of independent directors. The nominee shall make statements that they have no relationship with the Company which may affect its independent and objective judgement.

Article 10 Prior to the general meeting for election of independent directors, the Board of the Company shall make announcement regarding the above matters pursuant to relevant regulations.

CSRC will review the qualification and independence of the independent directors within 15 working days. The nominee who was objected by CSRC can serve as the candidate for directors of the Company, but can not serve as the candidate for independent director of the Company.

At the general meeting for election of independent directors, the Board shall make an explanation as to whether CSRC objects to the candidates for independent directors.

Article 11 The term of office for independent directors shall be the same as that of other directors of the Company, and they may stand for re-election upon expiry of their term, but the re-appointment shall not exceed six years.

Article 12 Should an independent director fail to attend in person the Board meetings for three times in succession, the Board may propose to the general meeting for replacing such directors. Unless under the abovementioned circumstances, the circumstances as stipulated in the Company Law of the People's Republic of China ("Company Law") that prohibit a person from taking the post of director, an independent director has lost the independence as stated in the preceding Article 6, independent directors shall not be removed without any reason before expiry of their terms. When an independent director is removed prior to the expiration of his/her term of office, the Company shall disclose it as a special event. Should an independent director think he or she was dismissed without proper reasons, he or she may make public announcement in respect of it.

Article 13 Independent directors may resign before expiry of their terms. Independent directors shall submit to the Board a written resignation report stating any situation relating to their resignation or which they consider to be necessary to draw to the attention of the shareholders and creditors.

Should the resignation of independent directors result in the proportion of independent directors in the Board of the Company falling below the minimum requirement as stipulated in the Articles of Associations, the resignation report of the said independent director(s) shall not become effective until the vacancy resulting from his/her resignation is filled up by succeeding independent director(s).

CHAPTER 4 POWERS

Article 14 Independent directors shall be vested with the following special powers in addition to the powers entitled under the Company Law, the Listing Place Regulations and other relevant laws and regulations:

- (1) to approve connected transactions conducted between the Company and related parties whose amounts are more than RMB3 million or more than 5% of the Company's latest audited net assets value) before submitting them to the Board for discussion, where independent directors may engage intermediaries to prepare independent financial reports as the basis for their judgement before making any judgement;

- (2) to propose to the Board for the appointment or dismissal of accounting firms;
- (3) to propose to the Board to convene extraordinary general meetings;
- (4) to propose to convene the board meetings;
- (5) to independently employ external auditors and consulting firms;
- (6) to publicly solicit the voting rights from the shareholders prior to the general meetings;

To exercise the above mentioned powers, independent directors shall secure the consent of half or more of all independent directors of the Company. In the event that the abovementioned proposals were not accepted or abovementioned powers can not be normally exercised, the Company shall disclose relevant circumstance.

Article 15 Apart from the above duties, independent directors shall issue their independent opinions to the Board or shareholders' general meetings in respect of the following matters:

- (1) nomination, appointment and dismissal of directors;
- (2) appointment or dismissal of senior management members;
- (3) remuneration of directors and senior management members;
- (4) borrowings or other fund transfers, existing or occurred, made between the Company and the shareholders, de facto controllers of the Company and their related enterprises involving the amounts more than RMB3 million or 5% of the Company's latest audited net assets value, and whether the Company has adopted any effective measures to recover the arrears;
- (5) any matter deemed by independent directors as possibly infringing the rights of minority shareholders;
- (6) other matters specified in the Articles of Association.

The opinions issued by independent directors in respect to the abovementioned matters shall be as follows: consent; qualified opinion and the reasons hereto; objection opinion and the reasons hereto; and unable to provide opinions and the obstacles hereto. Such opinions shall be explicit and clear.

In the case that relevant matters are discloseable, the company shall make announcement on the opinion of the independent directors. Should no consensus is reached by the independent directors, the Board of Directors shall disclose the opinions of each independent director respectively.

Article 16 To guarantee the effective exercise of the duties and powers by independent directors, the Company shall provide the independent directors with the following necessary conditions:

- (1) The Company shall undertake that independent directors will enjoy the same right of access to information as other directors. For any matters subject to decisions by the Board, the Company shall lawfully advise the independent directors in advance and provide them with adequate information; and if the said information is deemed as inadequate, the independent directors are entitled to request supplement information. When two or more independent directors hold that the information is inadequate or the grounds are indefinite, they may jointly propose in writing to the Board to postpone the board meeting or the consideration of the matter, and the Board is obliged to accept such proposal.

The Company and independent directors shall keep the information provided by the Company to the independent directors for a period no less than 10 years.

- (2) The Company shall provide the independent directors with necessary working conditions to perform their duties. The Secretary to the Board shall proactively assist independent directors in their discharge of duties. With regard to independent opinion, proposal and written statement made by independent directors which shall be announced, the Secretary to the Board shall make timely arrangement with the stock exchange for such announcement.

- (3) In the exercise of duties and powers by the independent directors, the relevant personnel of the Company shall actively cooperate with them, and shall not reject, hinder the provision of or conceal relevant information, or interfere with their exercising duties and powers independently.
- (4) The expenses incurred by the independent directors in the engagement of intermediaries and other expenses in the performance of their duties and powers shall be borne by the Company.
- (5) The Company shall offer appropriate allowances to independent directors. The rate of such allowances shall be proposed by the Board for revision and approval by shareholders' meetings and shall be disclosed in the annual report and interim report of the Company and other documents provided in the Listing Place Regulations.
- (6) Save for the above allowances, independent directors shall not receive any other additional and undisclosed benefits from the Company and its substantial shareholders or interested parties and persons.
- (7) The Company may establish the requisite system of liability insurance for independent directors to mitigate the risks that may arise in the normal performance of their duties and responsibilities.

CHAPTER 5 SUPPLEMENTARY PROVISIONS

- Article 17 The Rules, after being considered and approved at the shareholders' general meeting of the Company, shall take effect and be implemented from the date of completion of the A Share Issue and listing of A Shares of the Company.
- Article 18 Matters not covered by the Rules shall be executed in accordance with relevant laws, regulation, regulatory documents, regulatory rules and listing rules at the place of listing of the Shares of the Company including the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and Listing Rules of Shanghai Stock Exchange ("Listing Place Regulations") and Articles of Association of the Company. In case of any conflict between the Rules and the relevant laws, regulation, regulatory documents, Listing Place Regulations and Articles of Association of the Company, the latter shall prevail.
- Article 19 The Rules shall be subject to the interpretation by the Board the Company.