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洛陽欒川鉬業集團股份有限公司

China Molybdenum Co., Ltd. *

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03993)

**PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
FINANCIAL BUDGET REPORT**

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The Board proposed to, subject to the approval of the Shareholders, amend the Articles of Association to (i) reflect the change in the Company's contact details; and (ii) meet the requirements on dividend policy under "Guideline No. 3 for the Supervision and Administration of Listed Companies — Cash Dividend for Listed Companies" issued by CSRC.

A special resolution to consider and approve the proposed amendments to the Articles of Association will be proposed at the next general meeting of the Company.

FINANCIAL BUDGET REPORT

On 11 January 2014, the Board approved the financial budget report of the Group for the year ending 31 December 2014. The financial budget report is subject to the approval of the Shareholders. An ordinary resolution to consider and approve the financial budget report will be proposed at the annual general meeting of the Company.

GENERAL

Further details of the proposed amendments to the Articles of Association and financial budget report will be despatched to the Shareholders as soon as practicable.

This announcement is made pursuant to Rules 13.09(2) and 13.51 of the Listing Rules and Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong).

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The Board proposed to, subject to the approval of the Shareholders, amend the Articles of Association to (i) reflect the change in the Company's contact details; and (ii) meet the requirements on dividend policy under "Guideline No. 3 for the Supervision and Administration of Listed Companies – Cash Dividend for Listed Companies" (《上市公司監管指引第3號—上市公司現金分紅》) issued by CSRC. The proposed amendments are set out below:

(i) Article 5

Currently reads as follow:

“The domicile of the Company is North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC

Postal code : 471500
Telephone number : 86-379-66819819
Fax number : 86-379-66824500”

It is proposed to be amended to:

“The domicile of the Company is North of Yihe, Huamei Shan Road, Chengdong New District, Luanchuan County, Luoyang City, Henan Province, the PRC

*Postal code : 471500
Telephone number : 86-379-68658017
Fax number : 86-379-68658030”*

(ii) Article 215

Currently reads as follow:

“The Company’s profits distribution is aimed at rewarding its investors with a reasonable investment return while taking into account the sustainable growth of the Company. The Company’s profits distribution policy shall remain consistent and stable.

The Company adopts a proactive dividend distribution policy in the form of cash or shares, and implements such policy in accordance with the legal, regulatory and other requirements imposed by the regulatory authorities. The Company may distribute interim dividend.

The Board determines dividend distribution of the Company for each year on the basis of the Company’s debts repayment abilities, business development and operating results. In addition, the Board determines the percentage of cash dividend over the distributable profits available for distribution for the relevant year and whether the Company should distribute dividend in the form of shares. The Board shall consult with the supervisory board of the Company before seeking approval from the shareholders at the general meeting. In accordance with the legal, regulatory and other requirements imposed by the regulatory authorities, profit distribution in the form of cash for each year shall not be less than 30% of the distributable profits available for distribution in the relevant year.

In the event that the Board does not propose an annual profit distribution in the form of cash, the Company shall disclose the reasons in its annual reports. The independent directors shall also provide an independent opinion in this regard.

Amendments to the profit distribution policy on the basis of the Company's production and operation conditions, investment strategies or long-term development needs shall not contravene any laws, regulations or requirements imposed by the regulatory authorities. The Board shall prepare a proposal for the amendments to the Company's profits distribution policy and seek advice from the supervisory board. The independent directors shall give an independent opinion on such proposal. Shareholders shall approve any proposal regarding amendments to the profits distribution policy in a general meeting following the Board's approval."

It is proposed to be amended to:

"The Company's profits distribution is aimed at rewarding its investors with a reasonable investment return while taking into account the sustainable growth of the Company. The Company's profits distribution policy shall remain consistent and stable.

Details of the profits distribution policy

Forms of profits distribution: the Company adopts a proactive dividend distribution policy in the form of cash or shares, and implements such policy in accordance with the legal, regulatory and other requirements imposed by the regulatory authorities. Priority in profits distribution should be in cash rather than in shares. The Company shall distribute profits in the form of cash should such conditions are met. The Company may distribute interim dividend in cash under certain conditions.

Specific conditions for dividend distribution in the form of cash: the Company distributes dividend in cash if it records earnings with positive profits distributable for the year and the cash flow of the Company can meet the needs of its daily operation and sustainable development.

The Company may not distribute cash dividend under any one of the following circumstances:

No profit is recorded in the consolidated financial statements or the financial statements of the parent company for the year;

Operational net cash flow or net cash flow in the consolidated financial statements or the financial statements of the parent company for the year is negative;

The gearing ratio as at the end of the period in the consolidated financial statements or the financial statements of the parent company exceeds 70% (inclusive);

The balance of distributable profits as at the end of the period in the consolidated financial statements or the financial statements of the parent company is negative;

Non-standard unqualified opinion is issued by auditors on the financial report of the Company;

The Company has substantial capital expenditure arrangements for a certain period in the foreseeable future and dividend distribution in cash may result in failure of the cash flow of the Company in meeting its operational or investment needs.

Specific proportion for dividend distribution in the form of cash: the profits distributed by the Company in the form of cash each year shall not be less than 30% of distributable profits recorded in the year, subject to then prevailing laws, regulations and regulatory requirements.

The board of directors of the Company shall take various factors into consideration, including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and differentiate the following circumstances to propose a specific policy for distributing cash dividend:

Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits;

Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits;

Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.

The “substantial capital expenditure arrangement” mentioned herein refers to matters that the total assets of transactions, including asset acquisitions and external investments, entered into by the Company within a year account for 30% (inclusive) or more of the latest audited total assets of the Company.

Specific conditions for dividend distribution in the form of shares: where the Company records earnings with positive profit distributable for the year and the valuation on the shares of the Company is in a reasonable range, the Company may distribute dividend in the form of shares without prejudice to the scale of the share capital and the reasonable structure of shareholdings of the Company, while taking into consideration rewarding and sharing corporate value with investors.

Consideration procedures for profits distribution:

The board of directors determines profits distribution plan of the Company for each year on the basis of the Company's solvency, business development and operating results. In addition, the board of directors determines the percentage of cash dividend over the distributable profits for the relevant year and whether the Company should distribute dividend in the form of shares. The Board shall consult with the board of supervisors of the Company before seeking approval from the shareholders at the general meeting and independent directors shall provide explicit opinions upon such distribution.

Independent directors may collect advice from minority shareholders and prepare a distribution proposal which shall be directly proposed to the board of directors for its consideration.

When considering a specific proposal for cash dividend at general meeting, a variety of channels shall be adopted to actively communicate with shareholders, particularly the minority shareholders, including but not limited to online voting and inviting minority shareholders to attend meetings, to fully attend to the views of the minority shareholders and answer the questions they concern about in a timely manner.

Amendments to the profits distribution policy on the basis of the Company's production and operation conditions, investment strategies or long-term development needs shall not contravene any laws, regulations or requirements imposed by the regulatory authorities. The Board shall prepare a proposal for the amendments to the Company's profits distribution policy and seek advice from the supervisory board. The independent directors shall give an independent opinion on such proposal. Shareholders shall approve any proposal regarding amendments to the profits distribution policy in a general meeting following the Board's approval. Among which, a proposal regarding amendments to the cash dividend policy shall be approved by more than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting, and the amendments to the cash dividend policy shall not contravene the relevant requirements of China Securities Regulatory Commission and securities supervision and management authorities of the place(s) where shares of the Company are listed.

The Company shall disclose the formulation and implementation of cash dividend policy in detail in its annual report. The Board of the Company shall disclose the profits distribution plan and the arrangements or principles of the usage of retained undistributed profits in the annual report. The retained undistributed profits of the Company after the completion of the profits distribution for the then year shall be used to develop the operating business of the Company. If the Company generated profits in the then year while the Board did not make any cash dividend proposal, the reasons thereof and the application of funds retained by the Company not available for distribution, as well as the independent opinions from the independent directors, shall be explained in detail in the annual report.”

The Articles of Association are written in Chinese. The English version of the above articles is an unofficial translation of its Chinese version. In case of any inconsistency between the two versions, the Chinese version shall prevail.

The 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 next general meeting of the Company. The proposed amendments to the Articles of Association will come into effect upon obtaining the approval and registration by the relevant government and regulatory authorities in the PRC.

FINANCIAL BUDGET REPORT

On 11 January 2014, the Board approved the financial budget report of the Group for the year ending 31 December 2014. The planned production volume and estimated production cash costs for the year ending 31 December 2014, for (i) molybdenum concentrates (including 100% Mo), would be approximately 15,100 tonnes and RMB677 per tonne unit (excluding resources tax, amortisation and depreciation, sales and general management costs), respectively; (ii) tungsten concentrates (including 100% WO₃) would be approximately 7,000 tonnes and RMB201 per tonne unit (excluding resources tax, amortisation and depreciation, sales and general management costs), respectively; and (iii) Northparkes (saleable copper), would be approximately 43,000 tonnes (on the basis of the Company's 80% interest in Northparkes) and USD0.7 per pound (representing cash operating costs (including mining, processing, site administration, logistics, smelting and refining expenses and exploitation taxes) net of income from sale of by-products), respectively.

The financial budget report is subject to Shareholders' approval. An ordinary resolution to consider and approve the financial budget report will be proposed at the annual general meeting of the Company.

GENERAL

Further details of the proposed amendments to the Articles of Association and financial budget report will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

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| “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 |
| “Company” | 洛陽欒川鉬業集團股份有限公司 (China Molybdenum Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability, the A shares and H shares of which are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively |
| “CSRC” | China Securities Regulatory Commission (中國證券監督管理委員會) |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange |
| “Northparkes” | a copper-gold operation situated in Goonumbla, situated 27 kilometres north west of the town of Parkes in Central West New South Wales, Australia |

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| “PRC” | the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of the shares of the Company |
| “USD” | United States dollars, the lawful currency of the United States of America |

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

Luoyang City, Henan Province, PRC, 13 January 2014

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

* *for identification purposes only*