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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)

- (1) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**  
**(2) PROPOSED AMENDMENTS TO RULES FOR**  
**SHAREHOLDERS' GENERAL MEETINGS**  
**(3) PROPOSED EXTENSION OF VALIDITY PERIOD OF**  
**SHAREHOLDERS' APPROVAL FOR DEBT FINANCING NOTES**  
**(4) PROPOSED AUTHORISATION TO DETERMINE**  
**REMUNERATION OF A NON-EXECUTIVE DIRECTOR**  
**AND**  
**(5) CLOSURE PERIOD OF REGISTER OF MEMBERS OF H SHARES**

**(1) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

In view of the change in the scope of business of the Company, and in accordance with the requirements under the Shanghai Listing Rules and Guidelines for Articles of Association of Listed Companies, amendments are proposed to be made to the Articles of Association.

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

## **(2) PROPOSED AMENDMENTS TO RULES FOR SHAREHOLDERS' GENERAL MEETINGS**

In accordance with the requirements under the Shanghai Listing Rules and Guidelines for Articles of Association of Listed Companies, amendments are proposed to be made to the Rules for Shareholders' General Meetings of the Company.

A special resolution to consider and approve the proposed amendments to the Rules for Shareholders' General Meetings of the Company will be proposed at the AGM.

## **(3) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE SHAREHOLDERS' APPROVAL FOR THE DEBT FINANCING NOTES**

At the 2012 annual general meeting of the Company held on 7 June 2013, the Shareholders resolved, among others, to approve the issuance of the debt financing notes and granted the Board the authority to proceed with the issue of such notes through private placement commencing from the date of passing of the resolution until the conclusion of the annual general meeting of the Company to be held in 2014. As the validity period of the Shareholders' approval will expire on 9 May 2014, and to allow the Board to have the flexibility in raising additional finance to fund the continued growth and development of the Company, the Board proposed to seek the approval of the Shareholders to extend the validity period of the Shareholders' authorisations granted to the Board in connection with the debt financing notes until the conclusion of the annual general meeting of the Company to be held in 2016.

A special resolution to consider and approve the Extension will be proposed at the AGM.

#### **(4) PROPOSED AUTHORISATION TO DETERMINE THE REMUNERATION OF A NON-EXECUTIVE DIRECTOR**

The Board proposed to seek authorisation from the Shareholders to determine the remuneration of Mr. Yuan in respect of his services as a non-executive Director.

In accordance with the Articles of Association, a special resolution to consider and approve the proposed grant of authorisation to the Board to determine Mr. Yuan's remuneration will be proposed at the AGM.

#### **(5) CLOSURE PERIOD OF REGISTER OF MEMBERS OF H SHARES**

In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the Company's H Shares register of members will be closed from Wednesday, 9 April 2014 to Friday, 9 May 2014 (both days inclusive) during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the H Shares register of members of the Company at 4:30 p.m. on Tuesday, 8 April 2014 shall be entitled to attend and vote at the AGM.

A circular containing, among others, details of the proposed amendments to the Articles of Association, proposed amendments to the Rules for Shareholders' General Meetings, proposed Extension, proposed change in remuneration of a non-executive Director and notice of AGM will be despatched to the Shareholders as soon as practicable.

#### **(1) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

In view of the change in the scope of business of the Company, and in accordance with the requirements under the Shanghai Listing Rules and Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by CSRC, amendments are proposed to be made to the Articles of Association. The proposed amendments are set out below:

**(i) Article 14**

Currently reads as follows:

*“The scope of business of the Company shall be in accordance with the items approved by the company registry. 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).”*

It is proposed to be amended to:

*“The scope of business of the Company shall be in accordance with the items approved by the company registry. 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).”*

**(ii) Article 103**

Currently reads as follows:

*“The following matters shall be resolved by way of an ordinary resolution of the shareholders’ general meeting:*

- 1. work reports of the board of directors and the board of supervisors;*
- 2. plans for the distribution of profits and making up of losses drafted by the board of directors;*

3. *the Company's annual budget, final accounts, balance sheet, profit statement and other financial statements;*
4. *the annual report of the Company; and*
5. *matters other than those that laws, administrative regulations or the Articles require to be passed by way of a special resolution."*

It is proposed to be amended to:

*"The following matters shall be resolved by way of an ordinary resolution of the shareholders' general meeting:*

1. *work reports of the board of directors and the board of supervisors;*
2. *plans for the distribution of profits and making up of losses drafted by the board of directors;*
3. *appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;*
4. *the Company's annual budget, final accounts, balance sheet, profit statement and other financial statements;*
5. *the annual report of the Company; and*
6. *matters other than those that laws, administrative regulations or the Articles of Association require to be passed by way of a special resolution."*

**(iii) Article 104**

Currently reads as follows:

*“The following matters shall be resolved by way of a special resolution of the shareholders’ general meeting:*

- 1. appointment and removal of members of the board of directors and the board of supervisors, their remuneration and method of payment of their remuneration;*
- 2. increase or reduction of the Company’s registered capital and issuance of any category of shares, warrants or other similar securities;*
- 3. issuance of Company’s bonds;*
- 4. division, merger, dissolution and liquidation of the Company;*
- 5. amendment of the Articles of Association;*
- 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 plans;*
- 9. matters as required by laws, administrative regulations or the Articles, or other matters that, as resolved by way of an ordinary resolution of the shareholders’ general meeting, may have a significant impact on the Company and require adoption by way of a special resolution.”*

It is proposed to be amended to:

*“The following matters shall be resolved by way of a special resolution of the shareholders’ general meeting:*

- 1. increase or reduction of the Company’s registered capital and issuance of any category of shares, warrants or other similar securities;*
- 2. repurchase of shares;*
- 3. issuance of Company’s bonds;*
- 4. division, merger, dissolution and liquidation of the Company;*
- 5. amendment to the Articles of Association;*
- 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. adjustment to the cash dividend policy of the Company;*
- 9. matters as required by laws, administrative regulations or the Articles of Association, or other matters that, as resolved by way of an ordinary resolution of the shareholders’ general meeting, may have a significant impact on the Company and require adoption by way of a special resolution.”*

**(iv) Article 145**

Currently reads as follows:

*“The board of directors shall exercise the following functions and powers:*

- 1. to be responsible for convening the shareholders’ general meeting and to report on its work thereto;*
- 2. to implement the resolutions of shareholders’ general meeting;*
- 3. to decide on the business plans and investment plans of the Company;*
- 4. to formulate the proposed annual financial budgets and final accounts of the Company;*
- 5. to formulate the plans for profit distribution and making up losses of the Company;*
- 6. to formulate plans for the increase or reduction in the registered capital of the Company, the issue of the Company bonds and other securities, and the listing of the Company;*
- 7. to draft plans for the Company with respect to significant takeovers, purchase of shares, mergers, divisions, winding up or changing the structure of the Company;*
- 8. within the scope authorized by the shareholders’ general meeting, to decide the Company’s external investment, purchase and sale of assets, offering assets as securities, external guarantees, appointment to manage finance or to manage associated transactions;*
- 9. to decide on the establishment of the Company’s internal management organization;*



10. *to hire or fire the Company's general managers and secretaries to the board of directors; in accordance with the general managers' nominations, to hire or fire senior executive officers such as assistance managers, financial controllers, and to decide on their remuneration, reward and disciplinary matters;*
11. *to nominate candidates for directors and supervisors to the shareholders' general meeting;*
12. *to formulate the basic management system of the Company;*
13. *to formulate proposals for amendment of the Articles of the Company;*
14. *to manage the disclosure of information by the Company;*
15. *to suggest to the shareholders at the general meeting on the hiring or replacement of the auditors of the Company;*
16. *to receive the working reports of the general manager and examine his work;*
17. *other duties authorized by the law, administrative regulations, departmental regulations, or the Articles.*

*Matters beyond the scope of authorization of the shareholders' general meeting should be submitted to the shareholders' general meeting for discussion.*

*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 more than two-thirds of all Directors, 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 rules of the Company."*

It is proposed to be amended to:

*“The board of directors shall exercise the following functions and powers:*

- 1. to be responsible for convening the shareholders’ general meeting and to report on its work thereto;*
- 2. to implement the resolutions of shareholders’ general meeting;*
- 3. to decide on the business plans and investment plans of the Company;*
- 4. to formulate the proposed annual financial budgets and final accounts of the Company;*
- 5. to formulate the plans for profit distribution and making up losses of the Company;*
- 6. to formulate the plans for adjustment of the cash dividend policy of the Company;*
- 7. to formulate plans for the increase or reduction in the registered capital of the Company, the issue of the Company bonds and other securities, and the listing of the Company;*
- 8. to draft plans for the Company with respect to significant acquisitions, purchase of shares, mergers, divisions, winding up or changing the structure of the Company;*
- 9. within the scope authorized by the shareholders’ general meeting, to decide the Company’s external investment, purchase and sale of assets, offering assets as securities, external guarantees, appointment to manage finance or to manage associated transactions;*
- 10. to decide on the establishment of the Company’s internal management organization;*

11. *to recruit or dismiss the Company's general managers and secretaries to the board of directors; in accordance with the general managers' nominations, to recruit or dismiss senior executive officers such as assistance managers, financial controllers, and to decide on their remuneration, reward and disciplinary matters;*
12. *to nominate candidates for directors and supervisors to the shareholders' general meeting;*
13. *to formulate the basic management system of the Company;*
14. *to formulate proposals for amendment of the Articles of Association of the Company;*
15. *to manage the disclosure of information by the Company;*
16. *to suggest to the shareholders at the general meeting on the hiring or replacement of the auditors of the Company;*
17. *to receive the working reports of the general manager and examine his work;*
18. *other duties authorized by the law, administrative regulations, departmental regulations, or the Articles of Association.*

*Matters beyond the scope of authorization of the shareholders' general meeting should be submitted to the shareholders' general meeting for consideration.*

*In respect of the Board resolutions relating to matters specified in preceding paragraph, except for those in subparagraphs (6), (7) and (13) which shall be passed by more than two-thirds of all Directors, 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 rules of the Company."*

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 AGM. 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.

## **(2) PROPOSED AMENDMENTS TO RULES FOR SHAREHOLDERS' GENERAL MEETINGS**

In accordance with the requirements under the Shanghai Listing Rules and Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by CSRC, amendments are proposed to be made to the Rules for Shareholders' General Meetings. The proposed amendments are set out below:

### **(i) Article 61**

Currently reads as follows:

*“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.”*

It is proposed to be amended to:

*“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) appointment or removal of members of the Board and the supervisory committee, their remuneration and manner of payment;*
- (4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;*
- (5) the Company’s annual report;*
- (6) matters other than those required by the laws, administrative regulations or Articles of Association to be adopted by special resolution.”*

**(ii) Article 62**

Currently reads as follows:

*“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.”*

It is proposed to be amended to:

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

- (1) *increase or reduction of the registered share capital and issue of shares of any class, stock warrants or other similar securities of the Company;*
- (2) *repurchase of shares 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) *to formulate the plans for adjustment of the cash dividend policy of the Company;*
- (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.”*

The Rules for Shareholders' General Meetings 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 Rules for Shareholders' General Meetings are subject to Shareholders' approval, and a special resolution to consider and approve the proposed amendments will be proposed at the AGM. The proposed amendments to the Rules for Shareholders' General Meetings will come into effect upon approval of the Shareholders at the AGM.

### **(3) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE SHAREHOLDERS' APPROVAL FOR THE DEBT FINANCING NOTES**

References are made to the announcements of the Company 29 July 2013 and 7 June 2013, and the supplemental circular of the Company dated 16 May 2013, in relation to, among others, the debt financing notes.

At the 2012 annual general meeting of the Company held on 7 June 2013, the Shareholders resolved, among others, to approve the issuance of the debt financing notes and granted the Board the authority to proceed with the issue of the debt financing notes through private placement commencing from the date of passing of the resolution until the conclusion of the annual general meeting of the Company to be held in 2014. As the validity period of the Shareholders' approval will expire on 9 May 2014, and to allow the Board to have the flexibility in raising additional finance to fund the continued growth and development of the Company, the Board proposed to seek the approval of the Shareholders to extend the validity period of the Shareholders' authorisations granted to the Board in connection with the debt financing notes until the conclusion of the annual general meeting of the Company to be held in 2016.

A special resolution to consider and approve the Extension will be proposed at the AGM.

#### **(4) PROPOSED AUTHORISATION TO DETERMINE THE REMUNERATION OF A NON-EXECUTIVE DIRECTOR**

References are made to the announcements of the Company dated 25 November 2013 and 30 September 2013, and the circular of the Company dated 8 November 2013, in relation to, among others, the appointment of Mr. Yuan as a non-executive Director with a fixed annual remuneration of RMB90,000.

Having regard to Mr. Yuan's involvement in the oversight of the Company's governance and operations, as well as the expansion of his role in serving in various Board-level committees, and in line with the authorisations given by the Shareholders to the Board to determine the remuneration of the other Directors, the Board proposed to seek authorisation from the Shareholders to determine the remuneration of Mr. Yuan in respect of his services as a non-executive Director. Mr. Yuan's remuneration will be determined by the Board and the remuneration committee of the Company with reference to the Group's results and performance and Mr. Yuan's performance, roles and responsibilities. Mr. Yuan's remuneration will be subject to the review by the Board and the remuneration committee of the Company from time to time.

In accordance with the Articles of Association, a special resolution to consider and approve the proposed grant of authorisation to the Board to determine Mr. Yuan's remuneration will be proposed at the AGM.

Save as disclosed above, there are no other matters relating to Mr. Yuan that need to be brought to the attention of the Shareholders nor any information that is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules.



## **(5) CLOSURE PERIOD OF REGISTER OF MEMBERS OF H SHARES**

In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the Company's H Shares register of members will be closed from Wednesday, 9 April 2014 to Friday, 9 May 2014 (both days inclusive) during which period no transfer of H Shares will be effected. Holders of H Shares whose names appear on the register of members of the Company at 4:30 p.m. on Tuesday, 8 April 2014 shall be entitled to attend and vote at the AGM. In order for the H Shareholders to qualify for attending and voting at the AGM, H Shareholders whose H Shares are not registered in their names should complete and lodge their respective instruments of transfer with the relevant H Share certificates with Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and in any case no later than 4:30 p.m. on Tuesday, 8 April 2014.

A circular containing, among other things, details of the proposed amendments to the Articles of Association, proposed amendments to the Rules for Shareholders' General Meetings, proposed Extension, proposed authorisation to the Board to determine the remuneration of a non-executive Director and notice of AGM will be despatched to the Shareholders as soon as practicable.

## **DEFINITIONS**

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

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

“AGM”	the annual general meeting of the Company to be held on Friday, 9 May 2014 at the International Conference Room of Mudu-Lee Royal International Hotel at No.239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC, to consider, and if thought fit, to approve, among other things, the proposed amendments to the Articles of Association, proposed amendments to the Rules for Shareholders’ General Meetings, proposed Extension, proposed authorisation to the Board to determine the remuneration of a non-executive Director
“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 Committee (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Extension”	the proposed extension of the validity period of the Shareholders’ approval for the authorisations granted to the Board by the Shareholders in connection with the debt financing notes at the 2012 annual general meeting of the Company held on 7 June 2013
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange and are traded in Hong Kong dollars

“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Mr. Yuan”	Mr. Yuan Honglin, a non-executive Director
“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
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares

By Order of the Board  
**China Molybdenum Co., Ltd.\***  
**Li Chaochun**  
*Chairman*

Luoyang City, Henan Province, People’s Republic of China, 26 February 2014

*As at the date of this announcement, the executive Directors are Mr. Li Chaochun, Mr. Li Faben, Mr. Wang Qinxi, Ms. Gu Meifeng and Mr. Wu Wenjun; 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*