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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
PROPOSED ADOPTION OF IMPLEMENTATION RULES OF
CUMULATIVE VOTING SYSTEM**

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; (ii) reflect the change in the scope of business of the Company; (iii) 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; and (iv) comply with the "Code of Corporate Governance for Listed Companies" (《上市公司治理準則》).

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.

PROPOSED ADOPTION OF IMPLEMENTATION RULES OF CUMULATIVE VOTING SYSTEM

The Board proposed to, subject to the approval of the Shareholders, adopt the Implementation Rules of Cumulative Voting System to ensure full compliance with the applicable PRC laws and regulations.

An ordinary resolution to consider and approve the proposed adoption of the Implementation Rules of Cumulative Voting System will be proposed at the next general meeting of the Company.

Details of the adoption of the Implementation Rules of Cumulative Voting System will be set out in the circular despatched to the Shareholders.

GENERAL

A circular containing, among other things, further details of the proposed amendments to the Articles of Association and proposed adoption of Implementation Rules of Cumulative voting System will be despatched to the Shareholders as soon as practicable.

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; (ii) reflect the change in the scope of business of the Company; (iii) 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; and (iv) comply with the "Code of Corporate Governance for Listed Companies" (《上市公司治理準則》). The proposed amendments are set out below:

(1) Article 5

Currently reads as follow:

“Domicile of the Company: 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:

“Domicile of the Company: 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”

(2) Article 14

Currently reads as follow:

“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).”

(3) Article 81

Currently reads as follow:

“If the shareholders’ general meeting intends to discuss the election of directors or supervisors, the notice of the shareholders’ general meeting should disclose full information of the candidates for directors and supervisors. The notice should at least include the following:

- 1. Personal circumstances such as education background, work experience, other simultaneous appointments;*
- 2. Whether there is associate relationship with the Company or a controlling shareholder and person with actual control of the Company;*
- 3. Disclose the number of shares held in the Company;*
- 4. Whether subject to punishment by China Securities Regulatory Commission and other relevant department and sanctioned by the securities exchange.*

Each candidate for director or supervisor should be separately proposed.”

It is proposed to be amended to:

“If the shareholders’ general meeting intends to discuss the election of directors or supervisors, the notice of the shareholders’ general meeting should disclose full information of the candidates for directors and supervisors. The notice should at least include the following:

- 1. Personal circumstances such as education background, work experience, other simultaneous appointments;*
- 2. Whether there is associate relationship with the Company or a controlling shareholder and person with actual control of the Company;*
- 3. Disclose the number of shares held in the Company;*
- 4. Whether subject to punishment by China Securities Regulatory Commission and other relevant department and sanctioned by the securities exchange.*

Each candidate for director or supervisor should be separately proposed, except for directors or supervisors elected by way of cumulative voting system.”

(4) Article 108

Currently reads as follow:

“The list of candidates for director and supervisor shall be proposed to the shareholders’ general meeting for voting. The board of directors and shareholders representing more than 3% of the voting shares of the Company shall have the right to raise relevant resolutions.

When the board of directors raises resolution concerning the candidates for director and supervisor, the written nomination shall, after consulting shareholders for suggestions by the existing board of directors, be submitted to the shareholders’ general meeting for election.

The staff representative candidate in the board of supervisor shall be nominated by the Labor Union of the Company and elected directly by the assembly of the worker’s representatives of the Company.”

It is proposed to be amended to:

“The list of candidates for director and supervisor shall be proposed to the shareholders’ general meeting for voting. The board of directors and shareholders representing more than 3% of the voting shares of the Company shall have the right to raise relevant resolutions.

When the board of directors raises resolution concerning the candidates for director and supervisor, the written nomination shall, after consulting shareholders for suggestions by the existing board of directors, be submitted to the shareholders’ general meeting for election. The board of directors shall announce the biographies and basic information of candidates for directors and supervisors to shareholders.

Cumulative voting system should be adopted for election of directors or supervisors at the shareholders’ general meetings when the shareholding percentage of the controlling shareholder of the Company is over 30%.

The cumulative voting system referred to in the previous Article means that during the election of directors and supervisors at the shareholders’ general meeting, each share entitled to vote carries a number of voting rights equivalent to the number of directors or supervisors to be elected. A shareholder may freely allocate its/his/her votes among the candidates for directors and supervisors, either to allocate to a number of persons, or to vote all in favor of one person. Candidates for directors or supervisors will be sorted by number of voting in their favor. Those who have more votes shall be elected according to the number of directors or supervisors proposed to be elected.

In the cumulative voting system, independent directors and other members of the board of directors shall be elected separately.

The staff representative candidate in the board of supervisor shall be nominated by the Labor Union of the Company and elected directly by the assembly of the worker’s representatives of the Company.”

(5) Article 109

Currently reads as follow:

“The shareholders’ general meeting will vote on all resolutions individually. If one matter has different resolutions, they will be voted in the chronological order of the proposals being proposed. The shareholders’ general meeting shall not combine or divide each resolution to vote or amend resolutions in any other way. Except under special circumstances such as force majeure, leading to the suspension or inability to make resolutions to make decisions at the shareholders’ general meeting, the shareholders’ general meeting shall not set aside the resolutions and leave the resolutions undecided.”

It is proposed to be amended to:

“Apart from the cumulative voting system, the shareholders’ general meeting will vote on all resolutions individually. If one matter has different resolutions, they will be voted in the chronological order of the proposals being proposed. The shareholders’ general meeting shall not combine or divide each resolution to vote or amend resolutions in any other way. Except under special circumstances such as force majeure, leading to the suspension or inability to make resolutions to make decisions at the shareholders’ general meeting, the shareholders’ general meeting shall not set aside the resolutions and leave the resolutions undecided.”

(6) 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.

(I) Details of the profits distribution policy

- 1. 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 laws, regulations and other regulatory requirements. 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 if conditions permit.*
- 2. Specific conditions for dividend distribution in the form of cash: in accordance with the laws, regulations and other regulatory requirements, the Company distributes dividend in cash if it records positive distributable profits and the cash flow of the Company can accommodate the needs of both its daily operation and sustainable development.*
- 3. If the Company distributes cash dividends, the percentage of cash dividends shall comply with the following requirements simultaneously:*
 - (1) 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, in accordance with applicable laws, regulations and regulatory requirements;*
 - (2) 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 more than 30% (inclusive) of the latest audited total assets of the Company.

The board of directors of the Company shall propose a specific cash distribution plan by differentiating the aforesaid circumstances after taking 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.

- 4. Specific conditions for dividend distribution in the form of shares: where the Company records earnings and positive distributable profits 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.*

(II) Review procedures for profits distribution

- 1. The board of directors will determine profits distribution plan of the Company on the basis of the Company’s solvency, business development and operating results, as well as 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. Such distribution plan shall be submitted by the Board after consulting with the board of supervisors of the Company to the shareholders’ general meeting for approval while the independent directors shall provide explicit opinions upon the same.*
- 2. 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.*

3. *When considering a specific proposal for cash dividend at shareholders' 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.*

(III) 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 other regulatory requirements. The board of directors shall prepare a proposal for the amendments to the Company's profits distribution policy and submit the same to shareholders' general meeting for approval after seeking advice from the supervisory board. The independent directors shall give an independent opinion on such proposal. 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 directors 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 of directors 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.

PROPOSED ADOPTION OF IMPLEMENTATION RULES OF CUMULATIVE VOTING SYSTEM

The Board proposed to, subject to the approval of the Shareholders, adopt the Implementation Rules of Cumulative Voting System to ensure full compliance with the applicable PRC laws and regulations.

An ordinary resolution to consider and approve the proposed adoption of the Implementation Rules of Cumulative Voting System will be proposed at the next general meeting of the Company.

Details of the adoption of the Implementation Rules of Cumulative Voting System will be set out in the circular to be despatched to the Shareholders.

GENERAL

A circular containing, among other things, further details of the proposed amendments to the Articles of Association, adoption of the Implementation Rules of Cumulative Voting System and notice of general meeting will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“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”	洛陽樂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)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“PRC”	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
“Shareholder(s)”	holder(s) of the shares of the Company

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

Luoyang City, Henan Province, PRC, 14 May 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*