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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 licensed securities dealer, 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 and the accompanying reply slips and forms of proxy 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.

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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)

**FINANCIAL REPORT AND BUDGET REPORT  
PROPOSED DISTRIBUTION OF FINAL DIVIDEND  
PROPOSED RENEWAL OF LIABILITY INSURANCE FOR  
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION  
PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES  
PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES  
PROPOSED MANDATE TO ISSUE SHORT-TERM FINANCING INSTRUMENTS  
PROPOSED MANDATE TO ISSUE MEDIUM-TERM NOTES  
PROPOSED MANDATE TO ISSUE BONDS IN OVERSEAS MARKET  
PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING  
NOTICE OF THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS**

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

Notices convening the AGM and the H Shareholders' Class Meeting to be convened on Friday, 26 June 2015 are set out on pages 50 to 60 of this circular. The forms of proxy and reply slips for use in connection with such meetings are enclosed herewith.

Whether or not you are able to attend the AGM and the H Shareholders' Class Meeting in person, you are requested to complete, sign and return the reply slips and forms of proxy applicable to the AGM and the H Shareholders' Class Meeting in accordance with the instructions printed thereon. For H Shareholders, the forms of proxy applicable to the AGM and the H Shareholders' Class Meeting 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 relevant meetings or any adjournments thereof (as the case may be). Completion and return of the forms of proxy applicable to the AGM and the H Shareholders' Class Meeting will not preclude you from attending and voting in person at the AGM and the H Shareholders' Class Meeting or any adjournment thereof should you so wish.

H Shareholders who intend to attend the AGM and the H Shareholders' Class Meeting in person or by proxy should return the reply slips to the office 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, 20 days before the relevant meetings, i.e. before Saturday, 6 June 2015 by hand, by post or by fax.

\* For identification purposes only

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## DEFINITIONS

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

“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 Renminbi (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the 2015 first class meeting of A Shareholders (and any adjournment thereof) to be held on Friday, 26 June 2015 after the AGM at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“AGM”	the annual general meeting of the Company (and any adjournment thereof) to be held at 1:00 p.m. on Friday, 26 June 2015 at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“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
“Controlling Shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the Eurozone
“Final Dividend”	the proposed distribution of a final dividend of RMB0.18 per Share (tax inclusive) for the year ended 31 December 2014 as described in the announcement of the Company dated 23 March 2015
“Financial Report”	the 2014 financial report of the Company as set out in Appendix I to this circular
“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
“H Shareholders’ Class Meeting”	the 2015 first class meeting of H Shareholders (and any adjournment thereof) to be held on Friday, 26 June 2015 after the AGM and the A Shareholders’ Class Meeting at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollar, the lawful currency of Hong Kong
“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

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## DEFINITIONS

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“Issuance Mandate”	subject to the conditions set out in the proposed resolution approving the issuance mandate to be proposed at the AGM, the general mandate to authorise the Board to exercise its authority to issue additional A Shares not exceeding 20% of the number of the A Shares in issue and additional H Shares not exceeding 20% of the number of the H Shares in issue on the date of passing of the said resolution
“Latest Practicable Date”	Thursday, 23 April 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“PRC”, “Mainland”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC and its local representative offices
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Repurchase Mandate”	subject to the conditions set out in the proposed resolution approving the repurchase mandate at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, the general mandate to authorise the Board to exercise its authority to repurchase H Shares of an aggregate number of not exceeding 10% of the number of H Shares in issue as at the date of passing of the said resolution
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Supervisor(s)”	supervisor(s) of the Company

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## DEFINITIONS

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“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Li Chaochun (Chairman)  
Li Faben  
Wang Qinxi  
Gu Meifeng  
Wu Wenjun

*Non-executive Directors:*

Zhang Yufeng  
Yuan Honglin

*Independent Non-executive Directors:*

Bai Yanchun  
Xu Shan  
Cheng Gordon  
Xu Xu<sup>(Note 1)</sup>

*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 54  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

30 April 2015

*To the Shareholders*

Dear Sir or Madam,

**FINANCIAL REPORT AND BUDGET REPORT  
PROPOSED DISTRIBUTION OF FINAL DIVIDEND  
PROPOSED RENEWAL OF LIABILITY INSURANCE FOR  
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT  
PROPOSED AMENDMENT TO ARTICLES OF ASSOCIATION  
PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES  
PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES  
PROPOSED MANDATE TO ISSUE SHORT-TERM FINANCING INSTRUMENTS  
PROPOSED MANDATE TO ISSUE MEDIUM-TERM NOTES  
PROPOSED MANDATE TO ISSUE BONDS IN OVERSEAS MARKET  
PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING  
NOTICE OF THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS**

\* For identification purposes only

Note 1: Mr. Xu Xu has tendered his resignation as an independent non-executive Director but continues to perform his duties as an independent non-executive Director, as well as the member of the nomination committee, remuneration committee and strategic committee of the Company until the conclusion of the AGM. For details, please refer to the Company's announcements dated 7 February 2014 and 23 March 2015 respectively.



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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

References are made to the announcements of the Company dated 7 January 2015 and 23 March 2015, in relation to, among others, the budget report; proposed distribution of Final Dividend; proposed amendment to the Articles of Association; proposed re-election and election of Directors and Supervisors; proposed mandate to issue short-term financing instruments; proposed mandate to issue medium-term notes; and proposed mandate to issue bonds in overseas market.

The purpose of this circular is to provide you with, among others, the notice of AGM and the notice of H Shareholders' Class Meeting, and to provide relevant details to you to make informed decisions on, among others, the below ordinary resolutions and special resolutions proposed for voting at the said meetings:

#### **AGM**

- (i) Financial Report and budget report;
- (ii) Proposed distribution of Final Dividend;
- (iii) Proposed renewal of liability insurance for Directors, Supervisors and senior management;
- (iv) Proposed amendment to the Articles of Association;
- (v) Proposed general mandate for repurchase of H Shares;
- (vi) Proposed general mandate for issue of Shares;
- (vii) Proposed mandate to issue short-term financing instruments;
- (viii) Proposed mandate to issue medium-term notes;
- (ix) Proposed mandate to issue bonds in overseas market; and
- (x) Proposed re-election and election of Directors and Supervisors.

#### **H Shareholders' Class Meeting**

- (i) Proposed general mandate for repurchase of H Shares.

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## LETTER FROM THE BOARD

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### 2. FINANCIAL REPORT AND BUDGET REPORT

As stated in the announcement of the Company dated 7 January 2015, the Board approved the financial budget report of the Company for the year ending 31 December 2015 (the “**Budget Report**”). For the year ending 31 December 2015, (1) the planned production volume and planned production cash costs of molybdenum concentrates (including 100% Mo) would be 16,323 tonnes and RMB63,358 per tonne (excluding resources tax, amortisation and depreciation, sales and general management costs), respectively; (2) the planned production volume and planned production cash costs of tungsten concentrates (including 100% WO<sub>3</sub>) would be 8,720 tonnes and RMB15,912 per tonne (excluding resources tax, amortisation and depreciation, sales and general management costs), respectively; and (3) the planned production volume and planned production cash costs of saleable copper produced from Northparkes in Australia would be 41,614 tonnes (on the basis of the Company’s 80% interest in Northparkes) with C1 cash costs of USD0.79 per pound, respectively while saleable gold would be 39,914 ounces (on the basis of the Company’s 80% interest in Northparkes). (C1 cash costs represent the cash operating costs (including mining, processing, on-site administrative expenses, logistic, smelting and refining expenses) net of income from by-products).

The Board approved the Financial Report on 23 March 2015, a copy of which is set out in Appendix I to this circular.

Ordinary resolutions regarding the consideration and approval of the Budget Report and Financial Report will be proposed at the AGM.

### 3. PROPOSED DISTRIBUTION OF FINAL DIVIDEND

As stated in the announcement of the Company dated 23 March 2015 relating to, among other things, annual results of the Company for the year ended 31 December 2014, the Board proposed to distribute the Final Dividend of RMB 0.18 per Share (tax inclusive) subject to the approval of the Shareholders at the AGM and an ordinary resolution will be proposed to the Shareholders for voting at the AGM.

It is expected that the Final Dividend will be paid on Friday, 31 July 2015, to H Shareholders whose names appear on the register of members of H Shares (the “**H Shares Register of Members**”) of the Company on Thursday, 9 July 2015 (the “**Reference Date**”). The Company will make further announcement regarding the proposed distribution of Final Dividend to A Shareholders.

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## LETTER FROM THE BOARD

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### **THE WITHHOLDING AND PAYMENT OF ENTERPRISE INCOME TAX FOR NON-RESIDENT ENTERPRISE SHAREHOLDERS AND PERSONAL INCOME TAX FOR INDIVIDUAL SHAREHOLDERS (APPLICABLE TO H SHAREHOLDERS)**

In accordance with the “*Enterprise Income Tax Law of the People’s Republic of China*” and its implementation regulations which became effective on 1 January 2008 and other relevant rules and regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% when distributing the 2014 Final Dividend to non-resident enterprise Shareholders as appearing on the H Shares Register of Members of the Company on the Reference Date. Any Shares registered in the name of non-individual Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations and groups will be treated as being held by non-resident enterprise Shareholders and therefore, the dividends attributable to such Shareholders should be paid after deducting the enterprise income tax. The Company will withhold and pay personal income tax at the rate of 10% for all the non-resident individual Shareholders. Therefore, dividends attributable to the non-resident individual Shareholders will be paid after deducting the 10% personal income tax. The Company assumes no responsibility and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any dispute over the arrangement of withholding. Shareholders are recommended to consult their tax advisors regarding the PRC, Hong Kong and other tax effects involved in their holding and disposing of H Shares of the Company.

#### **4. PROPOSED RENEWAL OF LIABILITY INSURANCE FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

Considering the risks of domestic and overseas litigations or regulatory investigations that the Directors, Supervisors and senior management may be exposed to when carrying out their duties in executing the business decisions and information disclosure; to allow the Directors, Supervisors and senior management to work without such concerns; to stimulate them to perform their duties in a diligent and responsible manner; and to better protect the Shareholders’ interests, the Board approved the renewal of liability insurance for the Company, the Directors, Supervisors and senior management. The insurance will cover management liabilities of the Directors, Supervisors and senior management, the Company’s securities claims and the Company’s inappropriate employment practices claims. The amount of insurance coverage will be USD15,000,000 per annum; at the total costs of not more than USD20,400 per annum; and with the term ending on 30 June 2016.

According to the requirements under the Company Law of the PRC, rules governing the listing of securities and the Articles of Association, an ordinary resolution to consider and approve the proposed renewal of liability insurance for Directors, Supervisors and senior management will be proposed at the AGM.

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## LETTER FROM THE BOARD

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### 5. PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Board hereby announces that, a special resolution in relation to the amendment to the Articles of Association will be proposed at the AGM to modify the number of Directors to “7 to 11” in view of the business operations of the Company and in compliance with the requirements under the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by CSRC. Given the above, the proposed amendment to Article 144 of the Articles of Association is set out below:

Article 144 currently reads as follows:

“The board of directors shall be composed of 11 directors, which shall include one chairman of the board and one vice chairman of the board. The chairman of the board and the vice chairman of the board shall be elected by more than half of all the directors.”

It is proposed to be amended to:

“The board of directors shall be composed of 7 to 11 directors, which shall include one chairman of the board and one vice chairman of the board. The chairman of the board and the vice chairman of the board shall be elected by more than half of all the directors.”

The proposed amendment to Article 144 of the Articles of Association is subject to Shareholders’ approval by way of special resolution at the AGM.

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

### 6. PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES

In view of the development requirements of the Company and in order to give the Company the flexibility to repurchase H Shares if and when appropriate, the Board will propose a special resolution at the AGM, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting to grant the Repurchase Mandate to the Board to repurchase H Shares of an aggregate number not exceeding 10% of the number of H Shares in issue as at the date of the passing of the resolutions proposed for approval of the Repurchase Mandate.

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## LETTER FROM THE BOARD

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The Company Law of the PRC (to which the Company is subject) provides that a joint stock limited company incorporated in the PRC shall not repurchase its shares unless such repurchase is effected for the purpose of: (a) reducing its registered share capital; (b) merger with another entity holding its shares; (c) granting shares as reward to the staff of the company; or (d) the repurchase is made at the request of its shareholders who disagree with the resolution regarding a merger or division made at the general meeting. The Articles of Association provides that subject to the approval of relevant regulatory authorities and in compliance with the Articles of Association, the Company shall repurchase its Shares for the purposes of reducing its registered capital, merger with another entity holding its Shares, granting Shares as reward to the staff of the Company, in such circumstances permitted by laws or administrative regulations. H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

The Hong Kong Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the directors to repurchase H Shares of such company that are listed on the Hong Kong Stock Exchange.

Such mandate is required to be given by way of special resolutions passed by Shareholders in general meeting and by holders of A Shares and H Shares respectively at the class meetings.

As H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any repurchase of H Shares will, therefore, be paid in Hong Kong dollars, the approval of SAFE and other relevant competent authorities is required.

In accordance with the requirements of Article 27 of the Articles of Association applicable to registered capital reduction, the Company shall notify its creditors within 10 days after the passing of such resolutions by the Board and shall publish a press announcement within 30 days after the passing of such resolutions by the Board. Creditors then have the right within 30 days of receiving the written notification from the Company or, if no such notification has been received, up to 45 days after the publication of the press announcement to require the Company to repay amounts due to them or to provide guarantees in respect of such amounts.

The Repurchase Mandate will be conditional upon (a) the special resolutions approving the grant of the Repurchase Mandate being approved at each of the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting; (b) the approval of the regulatory authorities (if applicable) as required by the laws, rules and regulations of the PRC being obtained; and (c) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 27 of the Articles of Association as described above. In the event that the Company determines to repay any amount to its creditors in the circumstances described in item (c) above, the Company is expected to repurchase Shares with its internal resources. No Repurchase Mandate shall be exercised by the Board without satisfying conditions set out above. The Directors hereby state that as at the Latest Practicable Date, they have no intention to repurchase any H Shares pursuant to the Repurchase Mandate.

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## LETTER FROM THE BOARD

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Details of special resolutions to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively to grant the Repurchase Mandate to the Board are set out in the Special Resolution No. 13 of the notice of AGM, the special resolution of the notice of A Shareholders' Class Meeting and the special resolution of the notice of H Shareholders' Class Meeting. H Shares which may be repurchased under the Repurchase Mandate shall not exceed 10% of the number of H Shares in issue as at the date of the passing of the resolutions approving the Repurchase Mandate.

Pursuant to the Hong Kong Listing Rules, the Company shall give an explanatory statement to Shareholders, which contains information reasonably necessary to enable Shareholders to make an informed decision on voting for or against the granting of Repurchase Mandate. The explanatory statement is set out in the Appendix IV to this circular.

### **7. PROPOSED GENERAL MANDATE FOR ISSUE OF SHARES**

In order to increase the flexibility and efficiency in the Company's operation, and to give discretion to the Board in the event that it becomes desirable to issue any Shares, the Board will propose a special resolution to grant to the Board the Issuance Mandate to issue, allot and deal with additional A Shares not exceeding 20% of the number of the A Shares in issue and additional H Shares not exceeding 20% of the number of the H Shares in issue on the date of passing of the resolution as set out in Resolution No. 14 of the notice of AGM.

As at the Latest Practicable Date, the Company had in issue an aggregate of 5,076,170,525 Shares, comprising 1,311,156,000 H Shares and 3,765,014,525 A Shares. Subject to the passing of the proposed resolution for the approval of the Issuance Mandate, the Company will be allowed to issue, allot and deal with up to a maximum of 1,015,234,105 Shares (comprising 262,231,200 H Shares and 753,002,905 A Shares), representing 20% of the Shares in issue on the date of the passing of such resolution, on the basis that no further Shares will be issued by the Company prior to the AGM.

The Board will only exercise its authority under the Issuance Mandate in accordance with the Company Law of the PRC, other applicable laws and regulations and the relevant provisions of the securities regulatory institutions at the place of listing of the Shares and only with the necessary approvals from the CSRC and other relevant PRC government departments. The Directors hereby state that as at the Latest Practicable Date, they have no intention to issue any new Shares pursuant to the Issuance Mandate.

The Board believes that it is in the best interests of the Company and the Shareholders to grant the Issuance Mandate to the Board to issue new Shares. Whilst it is not possible to anticipate in advance any specific circumstances in which the Board might think appropriate to issue Shares, the ability to do so would give them the flexibility to capture the opportunity if it so arises.

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## LETTER FROM THE BOARD

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### 8. PROPOSED MANDATE TO ISSUE SHORT-TERM FINANCING INSTRUMENTS

Reference is made to the announcement of the Company dated 23 March 2015. To better meet the rapid development of the Company, enhance the Company's financing flexibility and effectiveness, ensure sufficient funds are available to meet the development needs of the Company and to lower capital costs, the Board will propose a special resolution at the AGM to seek authorisation from Shareholders for the Board to issue in one or several tranches of short-term financing instruments, with the principal balance of not more than RMB3 billion. Details of the mandate for the issuance of short-term financing instruments are as follows:

1. authorise the Board to issue in one or several tranches of short-term financing instruments with the principal balance of not more than RMB3 billion;
2. authorise the Board to determine, in accordance with the relevant laws, regulations, rules of the stock exchanges where the Shares are listed, and subject to the market conditions and the needs of the Company, the substantive timing and scheme of issuance of the short-term financing instruments (including but not limited to the amount of the principal balance of the short-term financing instruments, terms, issuance method and engagement of qualified underwriter(s) to participate in this issuance of short-term financing instruments);
3. authorise the Board to enter into for and on behalf of the Company all relevant agreements in connection with this issuance of short-term financing instruments and other necessary documents, and to carry out appropriate disclosure of information; and
4. the authorisation from the general meeting of the Shareholders in relation to the mandate to issue short-term financing instruments shall be effective from the date of the resolutions being approved at the AGM until the conclusion of the 2017 annual general meeting of the Company.

The proposed mandate to issue short-term financing instruments is subject to Shareholders' approval by way of special resolution at the AGM and the approval obtained from appropriate authority.

### 9. PROPOSED MANDATE TO ISSUE MEDIUM-TERM NOTES

Reference is made to the announcement of the Company dated 23 March 2015. To better meet the strategic development of the Company, increase financing channels, improve the debt structure and lower financing costs, the Board will propose a special resolution at the AGM to seek approval from Shareholders for the Board to issue in one or several tranches of medium-term notes, with the aggregate principal amount of not more than 40% of the audited consolidated net assets of the Company. Details of the mandate for the issuance of medium-term notes are as follows:

1. authorise the Board to issue in one or several tranches of medium-term notes with the aggregate principal amount of not more than 40% of the audited consolidated net assets of the Company;

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## LETTER FROM THE BOARD

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2. authorise the Board to determine, in accordance with the relevant laws, regulations, rules of the stock exchanges where the Shares are listed, and subject to the market conditions and the needs of the Company, the substantive timing and scheme of issuance of medium-term notes (including but not limited to the amount of the principal balance of the medium-term notes, terms, issuance methods and engagement of qualified underwriter(s) to participate in this issuance of medium-term notes);
3. authorise the Board to enter into for and on behalf of the Company the relevant agreements in connection with this issuance of medium-term notes and other necessary documents, and to carry out appropriate disclosure of information;
4. the authorisation from the general meeting of the Shareholders in relation to the mandate to issue medium-term notes shall be effective from the date of the resolutions being approved at the AGM until the conclusion of the 2017 annual general meeting of the Company; and
5. in exercising the mandate, the Board shall ensure that the aggregate principal amount of the issued and to be issued medium-term notes shall not exceed 40% of the audited consolidated net assets of the Company in the previous year.

The proposed mandate to issue medium-term notes is subject to Shareholders' approval by way of special resolution at the AGM and the approval obtained from appropriate authority.

### **10. PROPOSED MANDATE TO ISSUE BONDS IN OVERSEAS MARKET**

Reference is made to the announcement of the Company dated 23 March 2015. As at 28 February 2015, the Company's interest bearing debt amounted to RMB6.176 billion, which comprised USD795 million (equivalent to approximately RMB4.896 billion), EUR44 million (equivalent to approximately RMB288 million) and RMB992 million, with the debt denominated in USD accounted for 79.27% of all the interest bearing debt.

To avoid the risks of having substantial amount of liabilities denominated in a single currency, reduce finance costs and mitigate exchange rate risk, adjust the debt structure of the Company, and enhance the Company's reputation in the international bonds market, to provide financial flexibility to raise capital to finance potential mergers and acquisitions in the future, the Board proposed to seek approval from Shareholders by way of special resolutions to be proposed at the AGM to give the Board a mandate to (i) issue in one or several tranches of bonds denominated in EUR or other foreign currency in overseas market, with the aggregate principal amount of not more than EUR500 million (or equivalent value); and (ii) provide related guarantee. Details of the mandate for the issuance of bonds in overseas market are as follows:

1. authorise the Board to issue in one or several tranches of bonds in overseas market denominated in EUR with the aggregate principal amount of not more than EUR500 million or other foreign currency bonds of equal value;



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## LETTER FROM THE BOARD

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2. authorise the Board to determine, in accordance with the relevant laws, regulations, rules of the stock exchanges where the Shares are listed, and subject to the market conditions and the needs of the Company, the substantive timing and scheme of issuance of bonds in overseas market (including but not limited to the actual amount of the bonds to be issued, interest rate, terms, target subscribers and use of proceeds);
3. authorise the Board to enter into for and on behalf of the Company the relevant agreements in connection with this issuance of bonds in the overseas market and other necessary documents, and to carry out appropriate disclosure of information;
4. agree to the use of an overseas subsidiary or the incorporation of a special purpose vehicle as the entity for the bonds issuance, and to provide to it guarantees or apply for third party credit enhancement method; and
5. the authorisation from the general meeting of the Shareholders in relation to the mandate to issue bonds in overseas market shall be effective from the date of the resolutions being approved at the AGM until the conclusion of the 2017 annual general meeting of the Company.

The proposed mandate to issue bonds in the overseas market and relevant terms of guarantee are subject to Shareholders' approval by way of a special resolution at the AGM and the approval obtained from appropriate authority.

### **11. PROPOSED RE-ELECTION AND ELECTION OF DIRECTORS AND SUPERVISORS**

#### **(i) Proposed re-election and election of Directors**

As at the Latest Practicable Date, the Board comprised of 11 members, including Mr. Li Chaochun, Mr. Li Faben, Mr. Wang Qinxi, Ms. Gu Meifeng and Mr. Wu Wenjun as executive Directors, Mr. Zhang Yufeng and Mr. Yuan Honglin as non-executive Directors, and Mr. Bai Yanchun, Mr. Xu Shan, Mr. Cheng Gordon and Mr. Xu Xu as independent non-executive Directors, with terms of office being three years commenced from 17 August 2012.

Pursuant to Article 134 of the Articles of Association, Directors shall have a term of office for three years and are eligible for re-election upon expiration of term of office. The term of office under the service contract entered into between the Company and the current session of the Board will expire at the conclusion of the AGM.

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## LETTER FROM THE BOARD

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Reference is made to the announcement of the Company dated 23 March 2015. The proposals on nomination of Directors for the fourth session of the Board were considered and approved at the sixteenth meeting of the third session of the Board held on 23 March 2015. The Board agreed to nominate Mr. Li Chaochun and Mr. Li Faben as candidates for re-election as executive Directors for the fourth session of the Board, nominate Mr. Yuan Honglin as a candidate for re-election as a non-executive Director for the fourth session of the Board, and nominate Mr. Bai Yanchun, Mr. Xu Shan and Mr. Cheng Gordon as candidates for re-election as independent non-executive Directors for the fourth session of the Board (collectively, the “**Re-elected Directors**”). They will retire from their Directors’ duties and, being eligible, offer themselves for re-election at the AGM. Their term of office will commence from the date on which the relevant resolutions are passed at the AGM and expire at the conclusion of the 2017 annual general meeting (the “**2017 AGM**”) of the Company.

The Board hereby announces that, Mr. Wang Qinxi, Ms. Gu Meifeng, Mr. Wu Wenjun, Mr. Zhang Yufeng and Mr. Xu Xu will cease to act as Directors due to expiration of the term of office of the third session of the Board with effect from the conclusion of the AGM.

Mr. Wang Qinxi, Ms. Gu Meifeng, Mr. Wu Wenjun, Mr. Zhang Yufeng and Mr. Xu Xu are not aware of any disagreement with the Board and there is no matter that needs to be brought to the attention of the Shareholders or the Hong Kong Stock Exchange. The Board would like to take this opportunity to extend its sincere gratitude to them for their precious contributions to the Company during their term of office and wish them successful careers in the future.

The Board further announces that, Mr. Ma Hui and Mr. Cheng Yunlei were nominated as candidates for election as non-executive Directors for the fourth session of the Board (collectively, the “**Candidates of Non-executive Directors**”) with a term of office commencing from the date on which the resolutions regarding their elections are passed at the AGM until the conclusion of the 2017 AGM of the Company.

The above resolutions in relation to the re-election of the retiring Directors and the appointment of Candidates of Non-executive Directors are subject to the approval of Shareholders at the AGM. The Board will propose special resolutions in relation to the re-election and election of Directors at the AGM for consideration and approval.

In addition, a special resolution will be proposed at the AGM to seek Shareholders’ approval to authorise the Board to determine the remuneration of the members of the new session of the Board and enter into new service contracts with them.

Details of the nominated Re-elected Directors and the Candidates of Non-executive Directors and their proposed remunerations are set out in Appendix III to this circular.

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## LETTER FROM THE BOARD

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**(ii) Proposed re-election and election of Supervisors**

As at the Latest Practicable Date, the supervisory committee of the Company (the “**Supervisory Committee**”) comprised of three members, including Mr. Yin Dongfang and Mr. Zhang Zhenhao as the Shareholder representative Supervisors and Ms. Wang Zhengyan as the staff representative Supervisor.

Pursuant to Article 174 of the Articles of Association, Supervisors shall have a term of office for three years and are eligible for re-election upon expiration of term of office. The term of office under the service contracts entered into between the Company and Shareholder representative Supervisors, Mr. Yin Dongfang and Mr. Zhang Zhenhao, commenced from 17 August 2012 and will expire at the conclusion of the AGM.

As stated in the announcement of the Company dated 23 March 2015, the Board agreed to nominate Mr. Zhang Zhenhao as a candidate for re-election and nominate Ms. Kou Youmin as a candidate for election as a Shareholder representative Supervisor of the fourth session of the Supervisory Committee, with a term of office commencing from the date on which the relevant resolutions are passed at the AGM until the conclusion of the 2017 AGM of the Company.

The Board hereby announces that Mr. Yin Dongfang will cease to act as a Supervisor due to the expiration of the term of office of the third session of the Supervisory Committee with effect from the conclusion of AGM. Mr. Yin confirmed that he has no disagreement with the Supervisory Committee and the Board during his term of office and there is no matter in relation to his retirement that needs to be brought to the attention of Shareholders or the Hong Kong Stock Exchange. The Board would like to take this opportunity to extend its sincere gratitude to Mr. Yin for his precious contributions to the Company during his term of office and wish him a successful career in the future.

As disclosed in the announcement of the Company date 19 January 2015, Ms. Wang Zhengyan was elected as the staff representative Supervisor by the staff representatives of the Company at the staff representatives general meeting held on 19 January 2015, with a term of office commenced from 19 January 2015 until 18 January 2018. Ms. Wang will not receive any emolument for her service as a Supervisor before the conclusion of the AGM.

The Board will propose special resolutions at the AGM for the purposes of the re-election and election of the above Supervisors and the authorisation to the Board to determine the remuneration of members of the new session of the Supervisory Committee.

Details of candidates for re-election and election as the Shareholder representative Supervisors and their proposed remunerations are set out in Appendix III to this circular.

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## LETTER FROM THE BOARD

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### **12. AGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING**

The Board proposed to seek the Shareholders' approval at the AGM to approve, among others: (i) the Financial Report and the Budget Report; (ii) the proposed distribution of Final Dividend; (iii) the proposed renewal of liability insurance for Directors, Supervisors and senior management; (iv) the proposed amendment to the Articles of Association; (v) the proposed general mandate for repurchase of H Shares; (vi) the proposed general mandate for issue of Shares; (vii) the proposed mandate to issue short-term financing instruments; (viii) the proposed mandate to issue medium-term notes; (ix) the proposed mandate to issue bonds in overseas market; and (x) the proposed re-election and election of Directors and Supervisors. The Board also proposed to seek the approval from A Shareholders and H Shareholders at the A Shareholders' Class Meeting and the H Shareholders' Class Meeting respectively to grant a general mandate to the Board to repurchase H Shares.

Notices of the AGM and the H Shareholders' Class Meeting to be held at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC, on Friday, 26 June 2015 are set out on pages 50 to 60 of this circular.

According to the requirements under the Rules of Shareholders' Meeting of Listed Companies of the CSRC, independent Directors shall issue a work report at the annual general meeting. Such report will be submitted to the shareholders' general meeting for consideration but not for shareholders' approval. The 2014 Work Report of Independent Directors of the Company is set out in Appendix II to this circular for Shareholders' information.

### **13. CLOSURES OF REGISTER OF MEMBERS**

In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM and the H Shareholders' Class Meeting, the Company's H Shares Register of Members will be closed from Wednesday, 27 May 2015 to Friday, 26 June 2015 (both days inclusive) during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the H Shares Register of Members of the Company at 4:30 p.m. on Tuesday, 26 May 2015 shall be entitled to attend and vote at the AGM and the H Shareholders' Class Meeting. In order for the H Shareholders to qualify for attending and voting at the AGM and the H Shareholders' Class Meeting, all transfer documents accompanied with the relevant H Share certificates must be lodged 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, 26 May 2015.

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## LETTER FROM THE BOARD

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In order to determine the list of H Shareholders who are entitled to receive the Final Dividend, the H Shares Register of Members will be closed from Saturday, 4 July 2015 to Thursday, 9 July 2015 (both days inclusive), during which period no transfer of H Shares will be effected. H Shareholders whose names appear on the H Shares Register of Members as at the Reference Date (i.e. Thursday, 9 July 2015) will be entitled to receive the Final Dividend. In order for the H Shareholders to qualify for the Final Dividend, 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 Friday, 3 July 2015.

### **14. PROXY ARRANGEMENT**

Forms of proxy for use at the AGM and the H Shareholders' Class Meeting are enclosed with this circular and such forms of proxy are also published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinamoly.com](http://www.chinamoly.com)). For H Shareholders, whether or not you are able to attend the AGM and the H Shareholders' Class Meeting in person, you are requested to complete the forms of proxy applicable to the AGM and the H Shareholders' Class Meeting in accordance with the instructions printed thereon, and return the same to Computershare Hong Kong Investor Services Limited, the Company's H Share registrar in Hong Kong, 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 relevant meetings or any adjournments thereof. Completion and return of the forms of proxy as applicable to the AGM and the H Shareholders' Class Meeting will not preclude you from attending and voting in person at the AGM and the H Shareholders' Class Meeting or any adjournments thereof should you so wish.

### **15. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39 of the Hong Kong Listing Rules, any votes of the Shareholders at the AGM and the H Shareholders' Class Meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The poll results announcement will be announced by the Company after the AGM and the H Shareholders' Class Meeting in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

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## LETTER FROM THE BOARD

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Resolutions Nos. 18, 19 and 20 of the AGM relate to the elections for the news session candidates of Directors and Supervisors. Pursuant to the requirements of the Articles of Association and the Company's "Rules of Procedure for the Shareholders' General Meetings", cumulative voting system will be adopted for such resolutions. Pursuant to the requirement of Article 108 of the Articles of Association, cumulative voting system should be adopted for election of Directors or Supervisors at Shareholders' general meetings when the shareholding percentage of the Controlling Shareholder of the Company is over 30%. Pursuant to the Company's "Implementation Rules of Cumulative Voting System", 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. The election of independent Directors (i.e. independent non-executive Directors), non-independent Directors (i.e. executive Directors and non-executive Directors) and Supervisors shall be carried out separately and the number of cumulative votes shall not be used repeatedly. Please fill in the voting intention on resolution when filling the "ways of cumulative voting" as indicated below:

- (i) In relation to Resolutions Nos. 18, 19 and 20, each Share held by a Shareholder will have the same number of voting rights which equals to the number of Directors or Supervisors to be elected. For instance, if a Shareholder holds 1 million Shares and 5 executive Directors and non-executive Directors will be elected at this election, the aggregate number of votes which the Shareholder will have is 5 million (i.e. 1 million Shares x 5 = 5 million Shares) regarding Resolution No. 18; as 3 independent non-executive Directors will be elected at this election, the aggregate number of votes which the Shareholder will have is 3 million (i.e. 1 million Shares x 3 = 3 million Shares) regarding Resolution No. 19; as 2 Supervisors will be elected at this election, the aggregate number of votes which the Shareholder will have is 2 million (i.e. 1 million Shares x 2 = 2 million Shares) regarding Resolution No. 20.
- (ii) Please fill in the sections entitled "Number of votes" with the number of votes the Shareholder intends to cast on each candidate of Director or Supervisor. Please note that the Shareholder may cast its/his/her votes which equal to the number of Shares on every candidate of Director or Supervisor; the Shareholder may also cast all its/his/her votes which represent the total number of Shares held by the Shareholder multiplied by the total number of Directors or Supervisors to be elected on one candidate; or cast its/his/her votes which represent the total or part of number of Shares held by the Shareholder multiplied by the total number of Directors or Supervisors to be elected on certain candidates.

For example, if a Shareholder holds 1 million Shares, the number of its/his/her votes regarding Resolution No. 18 is 5 million. The Shareholder may choose to cast the 5 million votes equally amongst the 5 candidates of Directors, or to cast all its/his/her votes on one single candidate, or to cast on candidate A with 3 million votes, to cast on candidate B with 1 million votes, to cast the remaining 1 million votes on candidate C, and not cast any vote on other candidates.

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## LETTER FROM THE BOARD

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- (iii) When the total votes, represented by the Shares held by the Shareholder multiplied by the number of Directors or Supervisors to be elected, are used up after voting for a number of candidates, the Shareholder will no longer have votes for other candidates of Directors or Supervisors. i.e. the total number of its/his/her votes cast on candidates of Directors or Supervisors shall not exceed the aggregate number of votes to which the Shareholder is entitled.
- (iv) Please take special note that if the total votes cast by the Shareholder for some candidates of Directors or Supervisors exceed the number of votes to which the Shareholder is entitled, all the votes cast will be void. If the total votes cast by the Shareholder for some candidates of Directors or Supervisors are less than the number of votes to which the Shareholder is entitled, the votes are valid and the remaining votes will be regarded as abstention votes.

For example, if a Shareholder holds 1 million Shares, the number of votes which the Shareholder will have regarding Resolution No. 18 is 5 million: (a) if the Shareholder fills in “Number of votes” under a particular candidate with “5 million Shares”, the Shareholder has used up all the votes to which it/he/she is entitled, which results in the Shareholder having no votes for the remaining 4 candidates. Should the Shareholder fill in the other columns under Resolution No. 18 with any number of Shares (other than “0”), all the votes on Resolution No. 18 will be void; or (b) if the Shareholder fills in “Number of votes” under candidate A with “2 million Shares” and fill in “Number of votes” under candidate B with “1 million Shares”, the 3 million votes cast by the Shareholder are valid and the remaining 2 million votes will be regarded as abstention votes.

- (v) Where the number of affirmative votes obtained by a particular candidate of executive Director and non-executive Director, independent non-executive Director, Supervisor are more than two-thirds of the total number of Shares with voting rights held by all Shareholders (including proxies) attending the general meeting, such candidate will be elected. Where the number of elected Directors or Supervisors in the first round of cumulative voting is less than the number of Directors or Supervisors as stipulated in the Articles of Association, new rounds of voting are required to be held for election of those Directors or Supervisors who do not have enough votes. The authorised proxies are entitled to vote on their own discretions in the second round of voting for election.
- (vi) When holding a new round of voting for Director or Supervisor election in accordance with (v) above, the number of cumulative votes of Shareholders shall be recounted based on the number of candidates to be elected in each round of election.

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## LETTER FROM THE BOARD

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### 16. RECOMMENDATIONS

The Board considers that, (i) the Financial Report and the Budget Report; (ii) the proposed distribution of Final Dividend; (iii) the proposed renewal of liability insurance for Directors, Supervisors and senior management; (iv) the proposed amendment to the Articles of Association; (v) the proposed general mandate for repurchase of H Shares; (vi) the proposed general mandate for issue of Shares; (vii) the proposed mandate to issue short-term financing instruments; (viii) the proposed mandate to issue medium-term notes; (ix) the proposed mandate to issue bonds in overseas market; and (x) the proposed re-election and election of Directors and Supervisors, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting (as the case maybe) as set out in the notices of AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting.

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



**2014 FINANCIAL REPORT OF CHINA MOLYBDENUM CO., LTD.****I. GENERAL**

The year of 2014 is a critical year for the Company to achieve continuous reform and development. The Company also faced adverse factors such as the general downturn in the non-ferrous metal industry and continuously falling prices of non-ferrous metal products. In this year, guided by the correct leadership of the Board and pursuant to the overall requirements of its annual budget, the group company completed the important work including the review of qualification for high and new technology enterprise, construction of demonstration base and pilot operation of comprehensive integrated management system through efforts in deepening internal reform, strengthening internal management, strictly controlling costs and advancing the optimisation of mining and processing arrangements. As such, we successfully completed the financial and operating targets set at the beginning of 2014 through elaborate production and organisation and the joint efforts of all staff.

The overall financial conditions for the year were as follows:

As at 31 December 2014, the total consolidated assets of the Group amounted to RMB28,054,880,000, the total liabilities amounted to RMB12,910,340,000, and the total net assets amounted to RMB15,144,530,000, of which the equity attributable to shareholders of the parent company was RMB14,633,570,000 and the minority interests was RMB510,960,000.

In 2014, the Group recorded a consolidated sales revenue of RMB6,662,380,000, representing an increase of RMB1,125,910,000 or 20% as compared with the same period last year. The net profit was RMB1,800,200,000, representing an increase of RMB715,290,000 or 66% as compared with the same period last year. Among this, the net profit attributable to owners of the parent company amounted to RMB1,824,260,000, representing an increase of RMB650,050,000 or 55% as compared with the same period last year.

**II. COMPLETION OF PROFIT BUDGET**

Net profit of the Group for the year 2014 amount to RMB1,800.20 million, representing an increase in RMB715.29 million or 66% as compared with RMB1,084.91 million of 2013. The major factors affecting the net profit are as follows:

**1. Gross profit on sales**

- (1) Year-on-year increase in sales volume of principal products contributed to an increase of RMB1,204.51 million in total profits as compared with last year.
- (2) Lower selling price of principal products as compared with last year contributed to a decrease of RMB428.75 million in the total profits of 2014.
- (3) Lower unit selling cost of principal products as compared with last year contributed to an increase of RMB212.19 million in the total profits of 2014.

**2. Business taxes and levies**

Business taxes and levies for the year amounted to RMB349.98 million, representing an increase of RMB79.30 million or 29.3% as compared with RMB270.68 million of the same period in 2013, mainly attributable to the increase of RMB66.84 million of business taxes and levies related to NPM during the period.

**3. Selling expenses**

Selling expenses for the year amounted to RMB99.82 million, representing an increase of RMB72.91 million or 270.9% as compared with RMB26.91 million of the same period in 2013, mainly attributable to the increase in selling expenses related to income from NPM during the period.

**4. Administrative expenses**

Administrative expenses for the year amounted to RMB448.35 million, representing a decrease of RMB237.85 million or 34.7% as compared with RMB686.2 million of the same period in 2013. The decrease in administrative expenses was mainly attributable to the stamp duties and intermediary expenses of RMB298 million incurred for the acquisition of the business in Australia by the Group during the period. There was no such expenses incurred for the year.

Administrative expenses for the year included technology development expenses of RMB126.54 million, and the major projects included Research on Applications of Reasonable Ore Mixing with Different Lithological Nature (不同岩性礦石合理配礦應用研究), Research on the Integration Technology for the Intensified Mining of the Open Pit and Treatment of the Open Areas in Sandaozhuang and Specification (三道莊露天礦強化開採與空區處理一體化工藝與規範研究), Experimental Research on Processing of Chlorite Molybdenum Raw Mines (高綠泥石鉬原礦選礦試驗研究) and Research on Increase of Recovery Rate in Molybdenum Roughing (提高鉬粗選作業回收率的研究).

**5. Financial expenses**

Financial expenses for the year amounted to RMB181.7 million, representing an increase of RMB78.47 million or 76.0% as compared with RMB103.23 million of the same period in 2013, mainly attributable to the interest expenses incurred from newly-added long-term borrowings during the period after the acquisition of NPM at the end of 2013.

**6. Investment income**

Investment income of the Group for the year amounted to RMB531.76 million, representing an increase of RMB158.34 million or 42.4% as compared with RMB373.42 million of the same period in 2013, mainly attributable to the increase in equity transfer income after the disposal of the equity interests in a subsidiary during the period.

**7. Non-operating income**

Non-operating income of the Group for the year amounted to RMB66.66 million, representing a decrease of RMB179.94 million or 73.0% as compared with RMB246.6 million of the same period last year, mainly attributable to the increase in RMB200.5 million in respect of the discount on acquisition of an Australian business in the previous period. There was no such income during the period.

**8. Non-operating expenses**

Non-operating expenses of the Group for the year amounted to RMB56.79 million, representing an increase of RMB36.41 million or 178.6% from RMB20.38 million for the same period in 2013. Such increase was mainly attributable to the suspension of production for repair and maintenance of Yongning Gold & Lead and retirement of part of obsolete fixed assets during this period.

**9. Income tax expenses**

The income tax expenses of the Group for the year amounted to RMB347.86 million, representing an increase of RMB196.59 million or 130.0% from RMB151.27 million for the same period last year. Such increase was mainly attributable to the increase in total amount of profit as compared with the same period last year and a relative high income tax rate of NPM.

**III. CHANGES IN THE BALANCE SHEET****(i) Changes in total assets**

As at 31 December 2014, the total assets of the Company amounted to RMB28,054,880,000, representing an increase of RMB6,155,740,000 or 28% as compared with that at the beginning of the year. Of which, current assets were RMB14,764,860,000 and non-current assets were RMB13,290,020,000, representing an increase of RMB7,592,240,000 or 105.9% and a decrease of RMB1,436,500,000 or 9.8% as compared with the beginning of the year, respectively.

The increase in current assets was mainly attributable to the increase in bank balances and cash resulting from the issuance of A Share convertible bonds during the period, disposal of subsidiaries, production and operation. The decrease in non-current assets was mainly attributable to the decrease in non-current liabilities due to the reduction of subsidiaries disposal by the Group during the period.

(ii) *Changes in total liabilities*

As at 31 December 2014, the total liabilities of the Company amounted to RMB12,910,340,000, representing an increase of RMB3,903,860,000 or 43.3% as compared with the beginning of the year, of which: the current liabilities were RMB2,999,870,000 and the non-current liabilities were RMB9,910,470,000, representing an increase of RMB955,850,000 or 46.8% and RMB2,948,000,000 or 42.3% as compared with the beginning of the year, respectively. The increase in current liabilities was mainly attributable to the increase in short-term financing; the increase in non-current liabilities was mainly due to the issuance of A Share convertible bonds during the period.

(iii) *Changes in minority interests*

As at 31 December 2014, the total minority interests of the Group amounted to RMB510,960,000 representing a decrease of RMB203,420,000 or 28.5% as compared with the RMB714,380,000 of the same period last year, mainly attributable to the loss incurred from the controlled subsidiaries for the year.

(iv) *Changes in equity attributable to shareholders of the parent company*

As at 31 December 2014, the total equity attributable to shareholders of the parent company amounted to RMB14,633,570,000, representing an increase of RMB2,455,290,000 or 20% as compared with the RMB12,178,280,000 at the beginning of the year, mainly attributable to the increase in the net profit for the year and the increase in capital reserve due to the convertible equity value incurred from the issuance of convertible bonds.

#### IV. COMPLETION OF KEY FINANCIAL INDICATORS

(i) *Solvency indicators*

1. *Assets-liabilities ratio*

In 2014, the assets-liabilities ratio was 46%, representing an increase of 5 percentage points or 12% as compared to 41% of last year, mainly attributable to the issuance of convertible bonds.

2. *Current ratio and quick ratio*

The current ratio for the year was 4.92, representing an increase of 1.41 as compared with 3.51 of last year, while the quick ratio was 4.78, representing an increase of 1.67 as compared with 3.11 for the previous year. The increase was mainly attributable to the increase in bank balances and cash resulting from the issuance of convertible bonds, disposal of subsidiaries, production and operation.

(ii) *Financial indicators for asset-liability management capability*

Among financial indicators for asset-liability management capability, the inventory turnover significantly increased as compared with that of last year, the accounts receivable turnover remain similar to that of last year and the total assets turnover and the current assets turnover declined as compared with those of last year. The increase in inventory turnover was mainly attributable to the significant decrease in closing inventory balance as compared with the opening inventory balance, and the reasons for the decline in other ratios were the issuance of convertible bonds and the profit for this year which leads to the increase in asset size as compared with that of the last year.

(iii) *Financial indicators for profitability*

Among the various financial indicators for profitability for the year, the increase in the net profit margin on sales, the return on total assets, the return on net assets, EPS and net assets per share (“NAPS”) was mainly attributable to the significant increase in the level of profitability of the Group for the year as compared with that of the last year.

## V. CHANGES IN CASH FLOWS

Net inflows of cash and cash equivalents for the year were RMB3,821,000,000, representing an increase of RMB3,480,050,000 as compared with the RMB340,950,000 for last year, of which, the operating net cash flows increased by RMB2,263,330,000 as compared with that of last year, the net cash flows from investing activities increased by RMB231,090,000 as compared with that of last year, the net cash flows from financing activities increased by RMB1,004,330,000 as compared with that of last year, and the influence of exchange rate movement on cash and cash equivalents decreased by RMB18,700,000 as compared with that of last year.

The net cash flows generated from operating activities for the year was RMB3,635,050,000; net cash flow generated from investment activities for the year was RMB-4,079,260,000; net cash flows generated from financing activities for the year was RMB4,289,250,000; influence of exchange rate movement on cash and cash equivalents amounted to RMB-24,040,000.

## CHINA MOLYBDENUM CO., LTD.\*

## 2014 WORK REPORT OF INDEPENDENT DIRECTORS

As the independent Directors of China Molybdenum Co., Ltd.\* (hereinafter referred to as the “Company”), we have honestly, diligently, responsibly and independently performed the duties of independent directors in strict compliance with the Company Law, the Provisions on Strengthening the Protection of Rights and Interests of Public Shareholders, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Guidelines on the Establishment of Independent Directorship of Listed Companies and other relevant laws, regulations, regulatory documents, and the stipulations and requirements of the Articles of Association of China Molybdenum Co., Ltd.\*, the Working Rules for Independent Directors and relevant rules. We have actively attended the relevant meetings, issued our independent opinions in an objective and fair manner on significant matters of the Company, played an important role as the independent Directors and safeguarded the legal interest of the Company and Shareholders and, in particular, the minority Shareholders. The performance description for the year 2014 is set out as follows:

**I. BIOGRAPHICAL DETAILS OF THE INDEPENDENT DIRECTORS****(i) Personal working experience, professional background and part-time situation**

1. Bai Yanchun, has been an independent non-executive Director of the Company, chairman of both of the nomination committee and remuneration committee and a member of the strategic committee since August 2012. He is currently a member of All China Lawyers Association holding a practising solicitor certificate in the PRC. Mr. Bai graduated from China University of Political Science and Law with a bachelor’s degree of laws in 1988. He studied the postgraduate courses at the Center for Chinese and American Studies of Johns Hopkins University in the United States in 1992 and obtained a master’s degree from the School of Law of Stanford University in the United States in 2003. From 1988 to 1992, he worked at the China Council for the Promotion of International Trade. In 1993, he participated in the founding of King & Wood Mallesons and has been engaging in professional legal services such as securities, mergers and acquisitions. Mr. Bai currently serves as an arbitrator of China International Economic and Trade Arbitration Commission. Mr. Bai was appointed as a member of the ninth session of Issuance Examination Committee of China Securities Regulatory Commission in 2008. Mr. Bai currently engages in legal services for Commerce & Finance Law Offices in Beijing.

2. Xu Shan: has been an independent non-executive Director of the Company since August 2012. He is also the chairman of the audit committee and a member of the nomination committee of the Company. He is a PRC certified public accountant and a PRC registered tax agent. Mr. Xu graduated from the Department of Computing and Systematic Science of Xiamen University in 1991 and obtained a doctorate degree in management (accounting) from Xiamen University in 2001. At present, he concurrently acts as the chairman of Xiamen Tianjian Consulting Firm\* (廈門天健諮詢公司) and an independent director of Sunshine Insurance Group Corporation Limited\* (陽光保險集團股份有限公司), Beijing Kalends Science & Technology Company Limited\* (北京昆侖萬維科技股份有限公司) and Xin Hee Co., Ltd. (欣賀股份有限公司), a part-time professor of the MPAcc Program of Xiamen University and a consultant of the Private Banking Center of Xiamen Branch of China Construction Bank. Mr. Xu served as the manager of Xiamen Nongxin Accounting Firm\* (廈門農信會計師事務所) from June 1994 to August 1996, the manager of the Accounting Firm of Xiamen University\* (廈門大學會計師事務所) from September 1996 to December 1998 as well as a director and partner of Tianjian Zhengxin Accounting Firm\* (天健正信會計師事務所) from December 1998 to December 2011. He concurrently served as a special member of the ninth session of Issuance Examination Committee of China Securities Regulatory Commission from 2007 to 2008.
3. Cheng Gordon: has been an independent non-executive Director and a member of the audit committee and nomination committee of the Company since August 2012. Mr. Cheng graduated from the University of Sydney (Australia) with bachelor degree in commerce (1996) and bachelor degree in law (1998). He is the President and Managing Partner of GD China Clean Energy Capital Partners. He also serves as the senior advisor of Deutsche Bank Global Climate Change Advisors and United Nations Industrial Development Organization (UNIDO) in China. From 2010 to 2011, Mr. Cheng had been the China Chief Representative of LaSalle Fund. Prior to 2010, he served as the Chief Financial Officer and Chief Investment Officer of Sunshine 100 Real Estate Development Group (“Sunshine 100”). Before joining Sunshine 100, he served as the Executive Vice President of Vimicro International Corporation (“Vimicro”), which was successfully listed on NASDAQ in the United States in 2005. Before joining Vimicro, he has worked for reputable global investment banks, including J.P. Morgan and Credit Suisse. Mr. Cheng has extensive experience in financing, investing as well as merger and acquisitions, both globally and in China.

4. Xu Xu: has been an independent non-executive Director and a member of the nomination committee, remuneration committee and strategic committee of the Company since August 2012. Mr. Xu graduated from the English department of the Advance Learning Institute for Civil Servants of State Economic and Trade Commission (國家經貿部幹部進修學院) in 1984. Mr. Xu acquired his MBA degree from the School of Management, University at Buffalo, the State University of New York in 2001 and doctoral degree in industrial economics from the School of Business in Renmin University of China in 2005. In April 1975, Mr. Xu joined the Ministry of Foreign Trade (國家對外貿易部) (subsequently renamed as the Ministry of Foreign Trade and Economic Cooperation (經貿部), the Ministry of Foreign Trade and Economic (外經貿部), the Ministry of Commerce (商務部)) and served in various positions including third-class secretary, director, deputy director and special commissioner at Chinese embassies. From November 2008 to May 2012, Mr. Xu served as the president of China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters. From 2004 to 2008, Mr. Xu served as a member of the Certification and Accreditation Administration of the PRC (Mr. Xu has tendered his resignation as an independent non-executive Director of the Company, but continues to perform his duties as an independent non-executive Director, a member of the nomination committee, remuneration committee and strategic committee of the Company until the conclusion of the AGM. (For details, please refer to the announcement of the Company dated 7 February 2014).

**(ii) Statement on whether the independence is affected**

We are qualified as the independent Directors. As the independent Directors of the Company, none of us holds any duties other than that of the independent Directors, or holds any duties of major Shareholders of the Company. There are no relationship between us and the Company and its major Shareholders that may have impact on our independent and objective judgments.

**II. OVERVIEW OF THE PERFORMANCE OF DUTIES BY THE INDEPENDENT DIRECTORS FOR THE YEAR**

Since we were appointed as independent Directors of the Company, we were diligent and responsible to actively attend the Board meetings and meetings of specialized committees convened by the Company, carefully reviewed meeting materials, participated in the discussion of various proposals, and gave our clear opinions on the meeting agendas, thus contributing to sound decision-making of the Board.



**(i) Attendance at the Board meetings, general meetings and the meetings of specialized committees for the year of 2014**

	Attendance in person/Required attendance						Extraordinary
	Board Meeting	Meeting of the Remuneration Committee	Meeting of the Audit Committee	Meeting of the Nomination Committee	Meeting of the Strategic Committee	Annual General Meeting	General Meeting/Class Meeting of Shareholders
Mr. Bai Yanchun	19/19	3/3	N/A	1/1	3/3	1/1	0/3
Mr. Xu Shan	19/19	N/A	4/4	1/1	N/A	0/1	0/3
Mr. Cheng Gordon	18/19	N/A	3/4	1/1	N/A	0/1	3/3
Mr. Xu Xu	19/19	3/3	N/A	1/1	3/3	1/1	0/3

**(ii) Voting at the meetings**

Since we were appointed as the independent Directors of the Company, the Board meetings and general meetings of the Company have been convened in compliance with statutory requirements, and all significant matters have passed relevant approval procedures. We have carefully reviewed various proposals at the Board meetings, and considered that these proposals do not impair the interest of Shareholders and, in particular, the minority Shareholders. All of us voted in favor of the relevant proposals, without against and abstentions.

**(iii) Issuance of independent opinions**

Since we were appointed as the independent Directors of the Company, we have earnestly reviewed the proposals submitted to the Board and each specialized committee prior to the meetings, and honestly, diligently and independently performed the duties as independent Directors, in accordance with the provisions and requirements under the Articles of Association and the Rules of Procedure for the Board of Directors. We have actively attended relevant meetings and issued independent opinions on significant matters of the Company, thereby safeguarding the legal interest of the Company and Shareholders and, in particular, the minority Shareholders. The detailed independent opinions are set out as follows:

<b>No.</b>	<b>Date of opinions given</b>	<b>Issues involved in independent opinions</b>
1	14 January 2014	Relevant matters in relation to the election of the Chairman of the third session of the Board, relevant matters in relation to the appointment of deputy general manager, and relevant matters in relation to the adjustment of remuneration of Mr. Li Chaochun and Mr. Jiang Zhongqiang
2	26 February 2014	Matters in relation to the re-appointment of the external auditors for 2014 and the remuneration arrangement thereof, matters in relation to the 2014 self-assessment reports of internal control, matters in relation to the authorisation granted to the Board to adjust the remuneration of Mr. Yuan Honglin as Director proposed at Shareholders' meeting, and specific explanation and independent opinions on external guarantee of the Company
3	15 April 2014	Matters in relation to the transfer of 70% equity of Luoyang Kunyu Mining Co., Ltd.
4	25 April 2014	Matters in relation to the adjustment of the standard on provision for production maintenance fee of Sandaozhuang Mine area
5	14 May 2014	Matters in relation to the amendments to Articles of Association of the Company
6	8 December 2014	Matters in relation to the provision of guarantees for CMOOC Mining Pty Limited
7	12 December 2014	Matters in relation to the purchase of bank financing product
8	18 December 2014	Matters in relation to the use of proceeds for replacement of self-raised funds in the fund raising project in advance

**(iv) On-site inspection and listed company's cooperation in the work with independent Directors**

During the reporting period, the Company has provided us with the necessary conditions to perform the duties of independent Directors according to the regulatory requirements where the Company is listed. Firstly, the Company designated us and some other Directors, Supervisors and senior management to conduct an on-site inspection at Northparkes Mines, a copper-gold mine in Australia. During the inspection, we were given an introduction made by the Company and the representatives at the copper-gold mine. Through conducting the on-site inspection on the production line at the inner area of the mine and discussing with relevant officers from the local government, we learnt about the development of such copper-gold mine and recognized the problems faced by it and also proposed our own independent opinions and advices on relevant issues. Secondly, when we visited the Company and attended the meetings, the Company could provide relevant materials and information in a timely manner and reported its operating performance, thus protecting our rights to know. Prior to giving our independent opinions, the Company was able to provide the intermediaries' opinions on related matters as well as special instructions and other materials issued by the responsible department of the Company, thus providing the supporting basis for our independent opinions. Thirdly, the Company delivered to us the resolutions and records of general meetings, Board meetings and meetings of specialized committees and the status of implementation thereof for our review and inspection in a timely manner. In addition, the Company circulated the monthly report on the production and operation of the Company regularly and promptly notified us on significant events and material information via telephone, emails, WeChat and other various manners, which helped us to keep abreast of the Company's condition and provided us with important reference for decision-making.

**III. KEY CONCERNS ON THE PERFORMANCE OF DUTIES OF INDEPENDENT DIRECTORS FOR THE YEAR**

**(i) Connected transactions**

In 2014, the Company did not enter into any connected transactions as defined in the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## (ii) External guarantee and funds occupation

## 1. External Guarantee of the Company

Unit: RMB0'000

Guarantor	Relationship between guarantor and listed company	Guarantee	External Guarantee of the Company (excluding those provided to subsidiaries)				The guarantee is fully performed	Overdue	Overdue amount	Is counter guarantee available	Guarantee provided to the related parties	Connected relationship
			Guaranteed amount	Date of guarantee (Date of signing agreement)	Commencement date of guarantee	Expiry date of guarantee						
The Company	Major office of the Company	Luoyang Fuchuan	14,850.00	23 May 2014	23 May 2014	22 May 2017	Suretyship of joint and several liability	No	No	No	No	
The Company	Major office of the Company	Luoyang Fuchuan	2,750.00	31 July 2014	31 July 2014	30 July 2017	Suretyship of joint and several liability	No	No	No	No	
The Company	Major office of the Company	Luoyang Fuchuan	5,500.00	4 August 2014	4 August 2014	3 August 2017	Suretyship of joint and several liability	No	No	No	No	

Total guarantee incurred during the reporting period (excluding those provided to subsidiaries) 23,100.00

Total balance of guarantee as at the end of the reporting period (A) (excluding those provided to subsidiaries) 23,100.00

**Guarantees given by the Company for its subsidiaries**

Total guaranteed amount for subsidiaries during the reporting period -27,535.50

Total balance of the guaranteed amount for subsidiaries at the end of the reporting period (B) 520,873.18

Total guarantee given by the Company (including the guarantees for subsidiaries)

Total guaranteed amount (A+B) 543,973.18

Percentage of the total guaranteed amount to absolute net assets of the Company (%) 35.92

**Including:**

Guaranteed amount provided to shareholders, de facto controlling parties and their connected parties (C)	0
Guaranteed amount provided directly or indirectly to the guaranteed party with gearing ratio over 70% (D)	0
Total guaranteed amount over 50% of the net asset (E)	0
Sum of the above three guarantees (C+D+E)	0

*Note:* The Company was involved in the guarantee denominated in foreign currencies, the amount of which have been presented in RMB based on the standard exchange rate announced by the State Administration of Foreign Exchange on 31 December 2014.

**2. Fund Occupancy of the Company**

There was no occupation of fund of the Company in 2014.

**(iii) Use of proceeds**

As approved by Zheng Jian Xu Ke Document [2014] No. 1246 of China Securities Regulatory Commission, the Company issued A Share convertible corporate bonds on 2 December 2014, with the proceeds raised amounted to RMB4,900,000,000. The actual proceeds were RMB4,843,548,000 after deduction of issuance fees of RMB56,452,043.80. In order to fully utilize the efficiency of the use of proceeds and lower the financial cost of the Company, following the principle of maximization of Shareholders' benefits, we are of the view that the use of self-raised funds for the investment of proceeds projects is meeting the need of maintaining the interests of development of the Company. The use of proceeds was in compliance with the relevant stipulations of the "Regulations on Listed Companies' Management of Raised Funds of the Shanghai Stock Exchange" and "Management System for Raised Fund of China Molybdenum Co., Ltd.", and did not impair the interests of the Shareholders, and thus we agreed that the Company could utilise the self-raised funds including the proceeds of RMB4,843,580,000 and its yields for the replacement of the previous investment in the proceeds project.

**(iv) Nomination and remuneration of senior management****1. *Nomination of senior management***

During the reporting period, the Company has elected Mr. Li Chaochun as the chairman of the Board of the Company and appointed Mr. Jiang Zhongqiang as a deputy general manager of the Company. After examining the information provided by the nomination committee, we consider that the qualifications of the candidates are legitimate and in compliance with the provisions of the Company Law and the Articles of Association; the nomination eligibility of the nominators complies with the provisions of the Company Law and the Articles of Association; the nomination and consideration procedures are also in compliance with the provisions of the Company Law and the Articles of Association.

**2. *Remuneration of senior management***

During the reporting period, the remuneration committee of the Board considered and passed the Resolution in Relation to Adjustment to Basic Remuneration of Newly Appointed Chairman Li Chaochun, the Resolution in Relation to Determination of Basic Remuneration of Deputy General Manager Jiang Zhongqiang, the Resolution in Relation to Adjustment to Remuneration of Director Yuan Honglin at General Meeting and the Resolution in Relation to Offer Operation Reward to Directors and Senior Management, adjusted and determined the basic salaries and rewards for operation for certain directors and senior management. We considered that the remuneration packages of the Directors and senior management disclosed in 2014 Annual Report of the Company were in compliance with the administrative provisions on the performance evaluation and remuneration system of the Company and the actual payment was in accordance with the disclosure in 2014 Annual Report of the Company. Adjustments to the basic remuneration of some directors and senior management are in compliance with the requirements on management of the Company's remuneration system, which did not impair the interests of the Company and Shareholders.

**(v) Preliminary results announcement and results updates**

During the reporting period, the Company published one preliminary result announcement, i.e. Positive Profit Alert for the Year 2014 of CMOC. For details, please refer to the announcement dated 10 January 2015 published by the Company on the websites of the Shanghai Stock Exchange and the Company.

There were no adjustments made on forecasted figures upon the release of the preliminary results announcement by the Company.

**(vi) Appointment or change of auditors**

During the reporting period, the Company continued to appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) as its external auditor, with the terms of office ending until the conclusion of the forthcoming annual general meeting of the Company; the Company did not change its accounting firm.

**(vii) Cash dividends and other returns to investors**

On 9 May 2014, the 2013 profit distribution plan was considered and approved at the 2013 annual general meeting of the Company. The particulars of the profit distribution were as follows: the Company distributed a cash dividend to all Shareholders of the Company of RMB710,663,873.50 (RMB0.14 per Share (tax inclusive)) based on the total outstanding issued Shares of 5,076,170,525 Shares. The said profit distribution plan had been completely implemented. We are of the view that the above mentioned profit distribution of the Company complied with the provisions of the Company Law, the Articles of Association and the relevant laws and regulations.

**(viii) Performance of undertakings of the Company and its shareholders**

During the reporting period, the Company, the controlling Shareholder and substantial Shareholders of the Company and the related parties strictly performed their undertakings made during the reporting period and the previous periods.

**(ix) Execution of information disclosures**

During the reporting period, in order to comprehensively, accurately, and fairly handle information disclosures of the Company in a timely manner, the Company formulated the Registration and Filing System of Insiders of Inside Information to strengthen the management of the insiders of inside information and promote the Company and related parties to fulfill the information disclosure obligation in compliance with laws. The examination indicated that during the reporting period, the Company published 141 announcements and documents on the Shanghai Stock Exchange; 157 announcements and documents on the Hong Kong Stock Exchange; and 22 announcements and documents on the interbank market. The contents of information disclosures included periodic reports and other temporary announcements, basically covering all significant matters of the Company. Although there was negligence on the disclosure in the 2013 annual report, the Company promptly adopted remedial measures to ensure the truthfulness, accuracy and completeness of the overall disclosure of information, thereby to enable investors to be aware of the recent development of the Company more rapidly through these announcements and protect the interests of investors.

(x) **Execution of internal control**

During the reporting period, we have carefully verified the internal control system of the Company, and reviewed the 2014 Self-Evaluation Report on Internal Control issued by the Company. We considered that the Company had basically established a relatively comprehensive internal control system, which could be effectively executed. The 2014 Self-Evaluation Report on Internal Control objectively and truly reflected the establishment and operation of the internal control system of the Company.

(xi) **Matters regarding the review of Company's compliance with the corporate governance responsibilities**

After reviewing, we are of the view that all Directors have actively attended relevant meetings and participated in the Company's affairs, and have allocated sufficient time to perform their duties; all Directors attended the training courses of corporate governance and regulation development organized by the Company, received and read the relevant materials including updates of laws and regulations provided by the office of the Board of the Company. During the year 2014, the Directors, Supervisors and senior management in accordance with their duties attended various trainings and warning educations organized by the Shanghai Stock Exchange, China Securities Regulatory Committee, Henan Branch and Association of Listed Companies in Henan. Upon issuance of A Share convertible corporate bonds of the Company, all Directors attended the training courses of subsequent compliance and regulation requirements regarding issuance of convertible corporate bonds organized by China Merchants Bank Co., Ltd. The Company encouraged all Directors and seniors management to participate in continuous professional development in order to develop and update their knowledge and skills, so as to ensure their continuous contributions to the Board with comprehensive and required information; the corporate governance policies and practice of the Company are relatively completed, and the detailed policies and practice are set out in the Corporate Governance Report. In addition, the Company also formulated completed internal rules and regulations to ensure the compliance with applicable laws and regulatory requirements. During the year 2014, the Directors and employees of the Company have all complied with the requirements in the Corporate Governance Code and internal system. Save for the absence of all of the members of the audit committee from the annual general meeting of the Company held on 9 May 2014 due to other work commitment, the Company has complied with the Corporate Governance Code, the Listing Rules and all of the laws and regulations applicable to the Company, and the Company did not receive any report on the deviation of the above codes, the Corporate Governance Code, the Listing Rules and all of the applicable laws and regulatory requirements. Relevant information on the compliance with the Corporate Governance Code has been fully disclosed in the Corporate Governance Report; the Company has strictly executed Shareholders Communication Policy, encouraging Shareholders to actively develop a close relationship with the Company, thereby improving effective communications with Shareholders and other stakeholders and facilitating Shareholders to effectively exercise their rights as Shareholders. During



the reporting period, the Company has reviewed the effectiveness of internal control system, including the sufficiency of resources, qualifications and experience of employees from accounting and financial reporting department and their training courses and budgets. During the review period, we did not discover any material problems, and we are satisfied with the results of the review of all of the above matters.

**(xii) Operation of the Board and its specialized committee**

During the reporting period, the Board of the Company functioned in an orderly manner in accordance with relevant provisions and requirements of the Articles of Association and the Rules for Board Meeting. The specialized committees of the Board faithfully performed their duties in an earnest, responsible, diligent and honest manner and functioned in an orderly manner in accordance with the respective Terms of Reference and Working Rules.

**IV. OVERALL EVALUATION AND RECOMMENDATIONS**

In 2014, in the spirit of integrity and diligence, we performed the duties of independent Directors in an objective, fair and independent manner, made use of our professional knowledge and experience to provide independent, objective and reasonable opinions and recommendations on the production, operation and relevant matters of the Company, and earnestly safeguarded the legal interest of all Shareholders especially of the minority Shareholders. Our independent performance of duties was not influenced by the substantial Shareholders, the de facto controller and other companies or individuals that are interested parties of the Company. We would hereby express our heartfelt gratitude to the full cooperation and substantial support extended by all Shareholders, the Board, the Supervisory Committee and the management when the independent Directors were performing their duties.

In 2015, we will further enhance the learning of laws, regulations and relevant systems. By integrating with our professional advantages, we will continue to be committed to our duties, and faithfully and diligently perform the duties as independent Directors to boost the function of the Company in an orderly manner. We will also further strengthen communication with the Board, the Supervisory Committee and the management, closely monitor the corporate governance, production and operation of the Company, utilize the role as independent Directors, enhance the decision-making ability and leadership of the Board, make use of our professional knowledge and experience to provide more positive and effective opinions and recommendations, thereby promoting the stable operation and the orderly function of the Company, improving the decision-making ability and operating performance, so as to keep the Company developing in a continuous, stable and sound way. We will give satisfactory returns to substantial investors and safeguard the legal interests of all Shareholders and, in particular, the minority Shareholders.

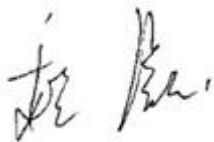
*Signatures of independent Directors:*



**Bai Yanchun**



**Xu Shan**



**Cheng Gordon**



**Xu Xu**

The biographical details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM are as follows:

#### **Executive Directors**

**Mr. Li Chaochun**, aged 38, is an executive Director since January 2007 and chairman of the Board since January 2014. He is also the vice chairman of our nomination committee since 17 August 2012 and the chairman of our strategic committee since 14 January 2014. Mr. Li graduated from Shanghai Jiaotong University with a bachelor's degree in law in July 1999. From July 1999 to December 1999, he was a staff accountant of the tax division of Arthur Andersen (Shanghai) Business Consulting Co., Ltd. He was with Arthur Andersen Hua Qiang CPA from January 2000 to March 2002, where his last position was a senior consultant of the tax division. From April 2002 to February 2003, he was a deputy manager of planning and strategy implementation of the general representative office of The Hong Kong and Shanghai Banking Corporation Limited. From July 2003 to January 2007, Mr. Li was an executive director of the investment department of Cathay Fortune Corporation, one of the founders of the Company. Mr. Li has been a director of China Molybdenum (Hong Kong) Company Limited, Luoyang High Tech Molybdenum & Tungsten Materials Co., Ltd., CMOC Mining Pty Limited, CMOC Limited, CMOC Mining Services Pty Limited, Schmocker (Shanghai) International Trading Co., Ltd. and CMOC Mining USA Ltd. since 16 August 2007, 27 May 2010, 25 July 2013, 27 August 2013 and 9 September 2013, 20 April 2014 and 29 May 2014, respectively. From January 2007 to 14 January 2014, Mr. Li was the vice chairman of the Board.

The term of office under the existing service contract between the Company and Mr. Li will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Li as an executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Li's annual director's remuneration at RMB400,000 with discretionary bonus to be determined by the Board, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Li does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Li does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Li as an executive Director 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.

**Mr. Li Faben**, aged 51, professor-level senior engineer, has been our executive Director since August 2006. He is also the general manager and a member of the strategic committee of the Company since October 2012. Mr. Li graduated from the Central South Mining & Metallurgical College (subsequently renamed as the Central South University of Technology, now known as the Central South University) with a bachelor's degree in engineering in 1983 (major in mining engineering) and the Xi'an University of Architecture and Technology with a master's degree in engineering in 2004 (specialised in mining engineering). From August 1988 to January 1999, Mr. Li held various positions at Luoyang Luanchuan Molybdenum Company, in which he served as the deputy head and head of the technical division, quarry supervisor, head of the open-pit mining construction department and deputy manager of Luoyang Luanchuan Molybdenum Company. Mr. Li served as deputy general manager of Luoyang Luanchuan Molybdenum Group Co., Ltd. between January 1999 and November 2002. From November 2002 to August 2006, Mr. Li was the deputy general manager and vice chairman of Luoyang Luanchuan Molybdenum Group Co., Ltd. as well as a director of Luoyang Mining Group Co., Ltd. from July 2006 to November 2009. Mr. Li was the standing deputy general manager of the Company from August 2006 to October 2012. Mr. Li is also a director of China Molybdenum (Hong Kong) Company Limited since 16 August 2007.

The term of office under the existing service contract between the Company and Mr. Li will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Li as an executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Li's annual director's remuneration at RMB400,000 with discretionary bonus to be determined by the Board, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Li does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Li does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Li as an executive Director 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.

**Non-Executive Director**

**Mr. Yuan Honglin**, aged 47, has been our non-executive Director and a member of remuneration committee since November 2013. He has over 20 years of experience in the banking industry. Mr. Yuan graduated from Nanjing University in July 1990 with a bachelor's degree in economics. In July 2004, Mr. Yuan obtained a MBA degree from Shanghai Jiaotong University. From August 1990 to May 2000, Mr. Yuan worked at Bank of China Limited, Nantong Branch where he held various positions including vice president of the Rudong sub-branch and manager of the credit management department of Nantong Branch. Between June 2000 and August 2007, Mr. Yuan worked at China Merchants Bank Limited, Shanghai Branch where he held various positions including president of Jiang Wan sub-branch and general manager of corporate banking department. From September 2007 to September 2012, Mr. Yuan worked at PingAn Bank Co., Ltd. where he held various positions including assistant to the president of the Shanghai Branch, vice president (responsible for the overall business operations) of the Shanghai Branch and general manager of the corporate banking department responsible for the northern region of China. From October 2012 to the present, Mr. Yuan has been the deputy general manager of Cathay Fortune Capital Limited, a wholly-owned subsidiary of Cathay Fortune Corporation, a controlling shareholder of the Company.

The term of office under the existing service contract between the Company and Mr. Yuan will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Yuan as a non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Yuan's annual director's remuneration at RMB90,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Yuan does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Yuan does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Yuan as a non-executive Director 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.

**Independent Non-Executive Directors**

**Mr. Bai Yanchun**, aged 48, has been our independent non-executive Director, chairman of both of the nomination committee and remuneration committee and a member of the strategic committee since August 2012. He is currently a member of All China Lawyers Association holding a practicing solicitor certificate in the PRC. Mr. Bai graduated from China University of Political Science and Law with a bachelor's degree of laws in 1988. He studied the postgraduate courses at the Center for Chinese and American Studies of Johns Hopkins University in the United States in 1992 and obtained a master's degree from the School of Law of Stanford University in the United States in 2003. From 1988 to 1992, he worked at the China Council for the Promotion of International Trade. In 1993, he participated in the founding of King & Wood Mallesons and has been engaging in professional legal services such as securities, mergers and acquisitions. Mr. Bai currently serves as an arbitrator of China International Economic and Trade Arbitration Commission. Mr. Bai was appointed as a member of the ninth session of Issuance Examination Committee of China Securities Regulatory Commission in 2008. Mr. Bai currently engages in legal services for Commerce & Finance Law Offices in Beijing.

The term of office under the existing service contract between the Company and Mr. Bai will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Bai as an independent non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Bai's annual director's remuneration at RMB200,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

As at the Latest Practicable Date, Mr. Bai does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Bai does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Bai as an independent non-executive Director 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.

**Mr. Xu Shan**, aged 46, has been our independent non-executive Director since August 2012. He is also the chairman of our audit committee and a member of the nomination committee. He is a PRC certified public accountant and a PRC registered tax agent. Mr. Xu graduated from the Department of Computing and Systematic Science of Xiamen University in 1991 and obtained a doctor's degree in management (accounting) from Xiamen University in 2001. At present, he concurrently acts as the chairman of Xiamen Tianjian Consulting Firm\* (廈門天健諮詢公司) and an independent director of Sunshine Insurance Group Corporation Limited\* (陽光保險集團股份有限公司), Beijing Kalends Science & Technology Company Limited\* (北京昆侖萬維科技股份有限公司) and Xin Hee Co., Ltd. (欣賀股份有限公司), a part-time professor of the MPAcc Program of Xiamen University and a consultant of the Private Banking Center of Xiamen Branch of China Construction Bank. Mr. Xu served as the manager of Xiamen Nongxin Accounting Firm\* (廈門農信會計師事務所) from June 1994 to August 1996, the manager of the Accounting Firm of Xiamen University\* (廈門大學會計師事務所) from September 1996 to December 1998 as well as a director and partner of Tianjian Zhengxin Accounting Firm\* (天健正信會計師事務所) from December 1998 to December 2011. He concurrently served as a special member of the ninth session of Issuance Examination Committee of China Securities Regulatory Commission from 2007 to 2008.

The term of office under the existing service contract between the Company and Mr. Xu will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Xu as an independent non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Xu's annual director's remuneration at RMB200,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

As at the Latest Practicable Date, Mr. Xu does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Xu does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Xu as an independent non-executive Director 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.

**Mr. Cheng Gordon**, aged 39, has been our independent non-executive Director and a member of the audit committee and nomination committee since August 2012. Mr. Cheng graduated from the University of Sydney (Australia) with bachelor degree in commerce (1996) and bachelor degree in law (1998). He is the President and Managing Partner of GD China Clean Energy Capital Partners. He also serves as the senior advisor of Deutsche Bank Global Climate Change Advisors and United Nations Industrial Development Organization (UNIDO) in China. From 2010 to 2011, Mr. Cheng had been the China Chief Representative of LaSalle Fund. Prior to 2010, he served as the Chief Financial Officer and Chief Investment Officer of Sunshine 100 Real Estate Development Group (“**Sunshine 100**”). Before joining Sunshine 100, he served as the Executive Vice President of Vimicro International Corporation (“**Vimicro**”), which was successfully listed on NASDAQ in the United States in 2005 under his leadership. Before joining Vimicro, he had worked at the investment banking department of internally renowned J.P. Morgan and Credit Suisse. Mr. Cheng has extensive experience in financing, investing as well as merger and acquisitions, both globally and in China.

The term of office under the existing service contract between the Company and Mr. Cheng will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Cheng as an independent non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Cheng’s annual director’s remuneration at RMB200,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

As at the Latest Practicable Date, Mr. Cheng does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Cheng does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Cheng as an independent non-executive Director 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.



The biographical details of the Candidates of Non-executive Directors nominated for election at the AGM are as follows:

#### **Non-Executive Directors**

**Mr. Ma Hui**, aged 44, is a senior accountant, certified accountant and certified asset valuer. Mr. Ma graduated from Central Institute of Finance and Economics and obtained a Bachelor's degree in economics in 1994. From September 1994 to March 2008, he worked in Luoyang Zhong Hua Certified Public Accountants Company Limited (洛陽中華會計師事務所有限責任公司) (formerly known as Luoyang Certified Public Accounting Firm (洛陽會計師事務所)) engaging in work such as audit, evaluation and financial consultancy, and had served as the department manager of evaluation department, a director and an assistant to the president. He served as the chief financial officer of Luoyang Mining Group Co., Ltd. (洛陽礦業集團有限公司) since April 2008; and the deputy general manager of Luoyang Guohong Investment Group Co., Ltd. (洛陽國宏投資集團有限公司) and the chief financial officer of Luoyang Mining Group Co., Ltd. since July 2013.

As at the Latest Practicable Date, Mr. Ma has not entered into a service contract as a non-executive Director. The Board proposed to elect Mr. Ma as a non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Ma's annual director's remuneration at RMB90,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the service contract to be entered into and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ma does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Ma does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed election of Mr. Ma as a non-executive Director 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.

**Mr. Cheng Yunlei**, aged 33, is an accountant and certified accountant. Mr. Cheng graduated from Henan University of Science and Technology and obtained a Bachelor's degree in management in 2006. From July 2006 to October 2007, he worked in the No. 2 Audit Department of Luoyang Zhong Hua Certified Public Accountants Company Limited engaging in audit and financial consultancy work. He has served as the chief accountant and the person in charge of the finance and audit department of Luoyang Mining Group Co., Ltd. since November 2007. He served as the person in charge of the finance department of Luoyang Non-ferrous Mining Group Co., Ltd. (洛陽有色礦業集團有限公司) from September 2011 to June 2014, during which, he concurrently served as a supervisor of Luoyang Non-ferrous Mining Group Co., Ltd., Luoyang Jinqiao Mining Co., Ltd. (洛陽錦橋礦業有限公司) and Luoning Jinlong Mining Co., Ltd. (洛寧金龍礦業有限公司). Since January 2015, Mr. Cheng has served as the general manager of the planning and finance department of Luoyang Guohong Investment Group Co., Ltd. and the general manager of finance department of Luoyang Mining Group Co., Ltd..

As at the Latest Practicable Date, Mr. Cheng has not entered into a service contract as a non-executive Director. The Board proposed to elect Mr. Cheng as a non-executive Director with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Cheng's annual director's remuneration at RMB90,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the service contract to be entered into and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Cheng does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Cheng does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed election of Mr. Cheng as a non-executive Director 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.

The biographical details of the Shareholder representative Supervisor nominated for re-election at the AGM are as follows:

### Shareholder Representative Supervisor

**Mr. Zhang Zhenhao**, aged 41, has been our Supervisor and chairman of the supervisory committee since August 2009. Mr. Zhang concurrently acts as a director of Cathay Fortune Corporation, a director of Cathay Fortune Investment Limited (鴻商投資有限公司), a director of Cathay Fortune International Company Limited (鴻商產業國際有限公司), a director of Cathay Fortune Singapore Pte. Ltd. (鴻商產業新加坡(私人)有限公司), a director of Shanghai CFC Puyuan Investment Management Co., Ltd (上海鴻商普源投資管理有限公司), a director of Shanghai CFC Datong Industrial Co., Ltd. (上海鴻商大通實業有限公司), a director of Shanghai Shanglue Trading Co., Ltd (上海商略貿易有限公司), a director of Beijing Huiqiao Investment Co., Ltd (北京匯橋投資有限公司) and a supervisor of Cathay Fortune Capital Equity Investment Co., Ltd.\* (鴻商資本股權投資有限公司). Mr. Zhang graduated from Tianjin Polytechnic University with a bachelor's degree in textile engineering. Mr. Zhang also obtained a master degree in finance from the Graduate School of The Chinese Academy of Social Sciences and the CFA qualification from the CFA Institute. From 1993 to 1999, Mr. Zhang held positions at Tianjin Yarn-dyed Company (天津色織公司), Tianjin Weaving Materials Exchange, Hainan Zhongshang Futures Exchange\* (海南中商期貨交易所). From May 1999 to December 2001, Mr. Zhang was employed by Zhongfu Securities Dealer Co. Ltd. as member of the preparatory division, general manager of the business management department and Supervisor of the company. From January 2002 to May 2007, Mr. Zhang was employed by Zhongfu Securities Co. Ltd. as member of the preparatory division, general manager of the sales department of Haikou Securities, executive director of the sales management department, secretary to the board of directors of the company and general manager of the chief executive office and the human resources department. Since June 2007, Mr. Zhang has been the general manager of the finance department of Cathay Fortune Corporation.

The term of office under the existing service contract between the Company and Mr. Zhang will expire at the conclusion of the AGM. The Board proposed to re-elect Mr. Zhang as a Supervisor with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. His remuneration will be determined by the Board with reference to his duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Mr. Zhang's annual supervisor's remuneration at RMB90,000, subject to the approval of the Shareholders at the AGM. His remuneration will be covered by the renewed service contract and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Mr. Zhang does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Zhang does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed re-election of Mr. Zhang as a Supervisor 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.

The biographical details of the Shareholder representative Supervisor nominated for election at the AGM are as follows:

#### Shareholder Representative Supervisor

**Ms. Kou Youmin**, aged 50, a senior accountant. Ms. Kou graduated from Henan Institute of Finance and Economics majoring in accounting in 1999. She served as a technician at Luoyang Liming Plastic Plant (洛陽黎明塑料總廠) from August 1986 to January 1988; an accountant of Luoyang Changfeng Construction Material Store (洛陽長豐建材商店) from January 1988 to October 1992; an accountant of Luoyang Bearings Group Plastic Packing Manufacturing Plant (洛陽軸承集團塑料包裝製品廠) from October 1992 to September 1997; and the head of financial department of Luoyang Bearings Group Railway Bearings Co., Ltd. (洛陽軸承集團鐵路軸承有限公司) from September 1997 to March 2009. Ms. Kou has served as the head of financial department and the chief financial officer of Luoyang State-owned Assets Operation Company Limited and concurrently served as a supervisor of Luoyang Luozhou Assets Operation and Management Company Limited (洛陽洛軸資產經營管理有限公司) and Luoyang Glory Property Co., Ltd. (洛陽國瑞置業有限公司) since March 2009. She also served as an executive supervisor of Luoyang Guochen Commerce and Trade Co., Ltd. (洛陽國辰商貿有限公司) since September 2012; a director of Luoyang Coal Power Group Company Limited (洛陽煤電集團有限公司) since August 2013; an executive supervisor of Luoyang Guorun Medium and Small Enterprise Services Co., Ltd. (洛陽國潤中小企業服務有限公司) since March 2014; and an assistant to general manager and the general manager of supervisory and audit department of Luoyang Guohong Investment Group Co., Ltd. since January 2015.

As at the Latest Practicable Date, Ms. Kou has not entered into a service contract as a Supervisor. The Board proposed to elect Ms. Kou as a Supervisor with a term of office commencing from the date on which the relevant special resolution is passed at the AGM until the conclusion of the 2017 AGM of the Company, subject to retirement by rotation and re-election at the 2017 AGM pursuant to the Articles of Association. Her remuneration will be determined by the Board with reference to her duties, responsibilities and the performance and results of the Company, and shall be reviewed by the remuneration committee from time to time. The Board proposes to fix Ms. Kou's annual supervisor's remuneration at RMB90,000, subject to the approval of the Shareholders at the AGM. Her remuneration will be covered by the service contract to be entered into and any subsequent revision approved by the Board.

Save as disclosed above, as at the Latest Practicable Date, Ms. Kou does not have any relationship with any Directors, senior management or substantial shareholders of the Company, and does not hold any other positions in the Company or any subsidiaries of the Company or any other directorships in listed public companies in the last three years.

As at the Latest Practicable Date, Ms. Kou does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other matters in relation to the proposed election of Ms. Kou as a Supervisor 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.

This explanatory statement contains the information required under Rule 10.06(1)(b) of the Hong Kong Listing Rules. Its purpose is to provide Shareholders with information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution in relation to granting of the Repurchase Mandate.

## **1. HONG KONG LISTING RULES**

The Hong Kong Listing Rules permit companies with a primary listing on the Hong Kong Stock Exchange to repurchase their securities subject to certain restrictions. Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the applicable laws of the jurisdiction in which the company is incorporated or otherwise established. Any repurchase must be made out of funds which are legally available for the purpose and in accordance with the laws of the PRC and the memorandum and articles of association of the company. Any premium payable on a repurchase over the par value of the shares may only be deducted from the balance of distributable profits and the proceeds from issuance of new shares for the purpose of repurchase of the existing shares.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the registered share capital of the Company was RMB1,015,234,105 comprising 1,311,156,000 H Shares of RMB0.20 each and 3,765,014,525 A Shares of RMB0.20 each.

Subject to the passing of the proposed resolutions in respect of the granting of the Repurchase Mandate and the approval of the regulatory authorities as required by the laws, rules and regulations of the PRC being obtained and the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure under Article 27 of the Articles of Association, on the basis that no further Shares are issued prior to the AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 131,115,600 H Shares (representing 10% of the number of the H Shares in issue as at the date of granting of the Repurchase Mandate) during the proposed repurchase period.

## **3. REASONS FOR REPURCHASE OF H SHARES**

The Board believes that the repurchase of H Shares is in the best interests of the Shareholders as a whole and the Company. It can strengthen the investors' confidence on the Company and promote a positive effect for maintaining the Company's image in the capital market. The repurchase of H Shares will only be exercised when the Directors believe such repurchase will benefit the Company and the Shareholders.

#### 4. EXERCISE OF THE REPURCHASE MANDATE

Subject to the passing of the special resolutions approving the granting of the Repurchase Mandate to the Board proposed at the forthcoming AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting, respectively, the Board will be granted the Repurchase Mandate until the conclusion of Relevant Period (as defined in the special resolutions set out in the notices of AGM, A Shareholders' Class Meeting and H Shareholders' Class Meeting, respectively). In addition, the exercise of the Repurchase Mandate shall be subject to: (1) the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained; and (2) the Company not being required by its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to relevant requirements in respect of reducing the registered capital under the Articles of Association.

#### 5. FUNDING OF REPURCHASES

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its H Shares. Under the PRC laws, H Shares so repurchased shall be treated as cancelled and the Company's registered capital shall be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not repurchase securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules as amended by the Hong Kong Stock Exchange from time to time.

There might be an adverse impact on the working capital or gearing ratio of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report of the Company for the year ended 31 December 2014 in the event that the repurchase of H Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of H Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company.

**6. H SHARES PRICES**

The highest and lowest traded prices for the H Shares on the Hong Kong Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	<b>H Share prices</b>	
	<i>(per share)</i>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2014</b>		
April	4.00	2.99
May	3.96	3.39
June	4.18	3.51
July	5.42	3.97
August	5.68	4.97
September	5.63	4.63
October	4.99	4.28
November	5.79	4.58
December	5.15	4.42
<b>2015</b>		
January	5.20	4.44
February	5.20	4.64
March	5.92	4.81
April (up to the Latest Practicable Date)	9.30	5.50

**7. GENERAL INFORMATION**

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Hong Kong Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

None of the Directors, to the best of their knowledge upon having made all reasonable enquiries, nor their close associates, has any present intention to sell any H Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the Shareholders.

No other core connected persons (as defined in the Hong Kong Listing Rules) have notified the Company that they have a present intention to sell H Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 8. TAKEOVERS CODE

If on the exercise of the powers to repurchase H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Cathay Fortune Corporation and Luoyang Mining Group Co., Ltd. held approximately 35.05% and 35.00% of the total registered capital of the Company, respectively. In the event that the Directors should exercise the proposed Repurchase Mandate in full, the shareholding of Cathay Fortune Corporation and Luoyang Mining Group Co., Ltd. would be increased to approximately 35.98% and 35.93% of the total registered capital of the Company, respectively (if both parties do not participate in such repurchase). The Directors are not aware of any consequences which will arise under the Takeovers Code and/or other relevant applicable law, as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not repurchase shares on the Hong Kong Stock Exchange if such repurchase would violate the requirements under Rule 8.08 of the Hong Kong Listing Rules.

## 9. H SHARES REPURCHASED BY THE COMPANY

The Company had not repurchased any H Shares (whether on the Hong Kong Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

## 10. OTHER MATTERS IN RELATION TO THE REPURCHASE OF H SHARES

### (I) The Price Range for Repurchase

Pursuant to the Hong Kong Listing Rules, the repurchase price shall not be higher than 5% of the average closing price for the five trading days prior to the actual repurchase. The repurchase price shall be determined according to the actual condition of the market and the Company when the repurchase is made.

### (II) Disposal of Shares Repurchased

Pursuant to requirements of applicable laws and regulations, H Shares repurchased under this general mandate can only be cancelled and the registered capital of the Company shall be reduced accordingly.

### (III) Time Constraint for Repurchase

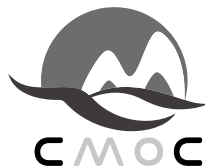
In accordance with the requirements of regulatory authorities, a listed company shall not repurchase its shares prior to convening meetings of board of directors for periodic reports and publishing periodic reports (i.e. within 60 days prior to the annual results announcement and 30 days prior to other periodic results announcement), or during the existence of inside information (including, but not limited to, the major asset acquisitions, asset restructuring, disposal of assets), during the period from formal negotiations to the release of inside information.



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## NOTICE OF ANNUAL GENERAL MEETING

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### 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 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of China Molybdenum Co., Ltd.\* (the “**Company**”) will be held at 1:00 p.m. on Friday, 26 June 2015 at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the People's Republic of China (the “**PRC**”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 30 April 2015 (the “**Circular**”).

#### ORDINARY RESOLUTIONS

1. “To receive and consider the proposal in respect of the financial report of China Molybdenum Co., Ltd.\* for the year 2014.”
2. “To receive and consider the proposal in respect of the financial statements of China Molybdenum Co., Ltd.\* for the year 2014.”
3. “To consider and approve the proposal in respect of the budget report of China Molybdenum Co., Ltd.\* for the year 2015.”
4. “To consider and approve the proposal in respect of the profit distribution plan of China Molybdenum Co., Ltd.\* for the year 2014.”
5. “To receive and consider the proposal in respect of the report of the Board of China Molybdenum Co., Ltd.\* for the year 2014.”
6. “To receive and consider the proposal in respect of the report of the supervisory committee of China Molybdenum Co., Ltd.\* for the year 2014.”
7. “To receive and consider the proposal in respect of the annual report of China Molybdenum Co., Ltd.\* for the year 2014.”
8. “To consider and approve the proposal in respect of the re-appointment of the external auditors for the year 2015 and its remuneration arrangement.”

\* *For identification purposes only*

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## NOTICE OF ANNUAL GENERAL MEETING

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9. “To consider and approve the proposal in respect of the renewal of liability insurance for the Directors, Supervisors and senior management.”
10. “To consider and approve the proposal in respect of the authorisation to the Board to deal with all matters in relation to the distribution of interim dividend and quarterly dividend for the year 2015.”

### SPECIAL RESOLUTIONS

11. “To consider and approve the proposal in respect of the amendment to the Articles of Association of the Company.”
12. “To consider and approve the proposal in respect of the determination of the basic remuneration of members of the fourth session of the Board and the supervisory committee of the Company.”
13. “To consider and approve the proposed grant of a general mandate to the Board to repurchase H Shares as follows:
  - (a) subject to paragraphs (b) and (c) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Hong Kong Stock Exchange or of any other governmental or regulatory body;
  - (b) the number of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the number of H Shares in issue as at the date of the passing of this resolution;
  - (c) the approval in paragraph (a) above shall be conditional upon:
    - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the A Shareholders’ Class Meeting (or on such adjourned date as may be applicable) and the H Shareholders’ Class Meeting (or on such adjourned date as may be applicable);
    - (ii) the approval of all the competent regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
    - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 27 of the Articles of Association;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
  - (i) the conclusion of the 2015 annual general meeting of the Company; or
  - (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting; and
  
- (e) Subject to the approval of all relevant government authorities in the PRC for the repurchase of such H Shares being granted, to authorise the directors of the Company to:
  - (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of shares to be repurchased, timing of repurchase and period of repurchase etc;
  - (ii) notify creditors and make announcement in accordance with the requirements of relevant laws, regulations and normative documents as well as the Articles of Association;
  - (iii) open overseas share accounts and to carry out related change of foreign exchange registration procedures;
  - (iv) carry out relevant approval and filing procedures as required by regulatory authorities and the stock exchanges where the Shares of the Company are listed;
  - (v) carry out cancellation procedures for repurchased shares, reduce the registered capital of the Company, and make corresponding amendments to the Articles of Association relating to total share capital and shareholding structure etc, and to carry out statutory registrations and filings within and outside China; and
  - (vi) execute and handle other documents and matters related to share repurchase.”

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## NOTICE OF ANNUAL GENERAL MEETING

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14. For the purpose of increasing the flexibility and efficiency in operation of the Company, to give a general mandate to the Board to issue, allot and deal with additional A Shares not exceeding 20% of the number of A Shares in issue on the date of passing of this special resolution and additional H Shares not exceeding 20% of the number of H Shares in issue on the date of passing of this special resolution and authorise the Board to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the allotment or issuance of Shares:

**“THAT**

- (a) To authorise the Board a general mandate to allot, issue and deal with, or agree conditionally or unconditionally to allot, issue and deal with additional H Shares and A Shares with the number of Shares not exceeding 20% of the number of the same class of shares in issue on the date of passing of this special resolution, and subject to paragraph (b) below to determine the number of Shares to be allotted and issued;
  - (b) To authorise the Board to exercise the general mandate in accordance with the applicable laws (including but not limited to the Company Law of the PRC, the Hong Kong Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange) and obtain approvals from all governmental and/or regulatory institutions (if any);
  - (c) The general mandate shall remain effective from the passing of this resolution until the earlier of the following:
    - (i) the conclusion of the 2015 annual general meeting of the Company; or
    - (ii) the date on which the general mandate under this resolution is revoked by an ordinary resolution approved by shareholders of the Company at a general meeting;
  - (d) To authorise the Board to approve, execute and act, or to procure the execution and acts for, all such documents, deeds and things as it may consider necessary in connection with the allotment and issue of any new Shares pursuant to the exercise of the general mandate referred to in the above paragraphs; and
  - (e) To authorise the Board to make appropriate amendments to the Articles of Association after completion of the allotment and issuance of new Shares in accordance with the method, type and number of new Shares to be allotted and issued by the Company and the actual share capital structure of the Company upon completion of the allotment and issuance of new Shares.”
15. “To consider and approve the proposal in respect of the mandate to the Board to issue short-term financing bonds.”
16. “To consider and approve the proposal in respect of the mandate to the Board to issue medium-term notes.”

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## NOTICE OF ANNUAL GENERAL MEETING

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17. “To consider and approve the proposal in respect of the mandate to the Board to issue bonds in overseas market and provide related guarantee.”
18. “To consider and approve the proposal in respect of the elections of executive Directors and non-executive Directors of the fourth session of the Board:- (cumulative voting system is adopted for these resolutions)
- 18.1 To elect Mr. Li Chaochun as an executive Director
- 18.2 To elect Mr. Li Faben as an executive Director
- 18.3 To elect Mr. Yuan Honglin as a non-executive Director
- 18.4 To elect Mr. Ma Hui as a non-executive Director
- 18.5 To elect Mr. Cheng Yunlei as a non-executive Director”
19. “To consider and approve the proposal in respect of the elections of independent non-executive Directors of the fourth session of the Board:- (cumulative voting system is adopted for these resolutions)
- 19.1 To elect Mr. Bai Yanchun as an independent non-executive Director
- 19.2 To elect Mr. Xu Shan as an independent non-executive Director
- 19.3 To elect Mr. Cheng Gordon as an independent non-executive Director”
20. “To consider and approve the proposal in respect of the elections of Supervisors of the fourth session of the supervisory committee:- (cumulative voting system is adopted for these resolutions)
- 20.1 To elect Mr. Zhang Zhenhao as a Supervisor
- 20.2 To elect Ms. Kou Youmin as a Supervisor”

**Pursuant to Article 108 of the Articles of Association, cumulative voting system should be adopted for election of Directors and Supervisors at general meetings. Cumulative voting system will be adopted for the Resolutions Nos. 18, 19 and 20. Cumulative voting system represents that each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected in the course of the election of directors and supervisors at the general meeting. A shareholder may freely allocate its/his/her votes among the candidates of directors and supervisors, either to allocate to a number of persons, or to vote all in favour of one person. According to the number of votes that the candidates of directors and supervisors have got and the number of directors or supervisors proposed to be elected, those who have got more votes shall be appointed.**

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## NOTICE OF ANNUAL GENERAL MEETING

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**Under the cumulative voting system, independent non-executive Directors and other members of the Board shall be elected separately. The election of the candidates of Directors, independent non-executive Directors and the supervisory committee at the AGM shall each be treated as a group of resolutions and numbered respectively. Shareholders shall vote in respect of each candidate under each group of resolutions. The number of shares reported shall represent the votes entitled to cast for the election. The number of votes entitled for each Share held by the Shareholder shall equal to the number of Directors or Supervisors to be elected under each group of resolutions.**

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

Luoyang City, Henan Province, the PRC, 30 April 2015

*Notes:*

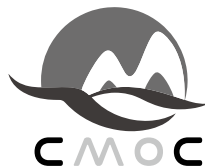
- (1) Pursuant to the requirements under the Rules of Shareholders' Meeting of Listed Companies of the China Securities Regulatory Commission, independent directors shall issue a work report at the annual general meeting. Such report will be submitted to shareholders for consideration but not for shareholders' approval. The 2014 Work Report of Independent Directors of the Company is set out in Appendix II to the Circular for shareholders' information.
- (2) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- (3) H Shareholders who intend to attend the annual general meeting in person or by proxy should return the reply slip to the office of the Board at the Company's principal place of business in the PRC 20 days before the meeting, i.e. before Saturday, 6 June 2015 by hand, by post or by fax. The contact details of the Company's office of the Board are set out in note (10) below.
- (4) Each H Shareholder who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the AGM. The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. In case that an appointor 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 authorising that attorney to sign, or other documents of authorisation, must be certified by a notary public. For H Shareholders, 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 (9) below by post or facsimile (for H Shareholders only), not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the AGM or any adjournment should he/she so wish.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (5) In order to determine the list of H Shareholders who will be entitled to attend and vote at the AGM, the Company's register of members of H Shares will be closed from Wednesday, 27 May 2015 to Friday, 26 June 2015 (both days inclusive), during which period no transfer of shares will be effected. H Shareholders whose names appear on the register of members of H Shares of the Company at 4:30 p.m. on Tuesday, 26 May 2015 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, 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, 26 May 2015.
- (6) In order to determine the list of H Shareholders who are entitled to receive the Final Dividend, the Company's register of members of H Shares will be closed from Saturday, 4 July 2015 to Thursday, 9 July 2015 (both days inclusive), during which period no transfer of shares will be effected. H Shareholders whose names appear on the register of members of H Shares of the Company on Thursday, 9 July 2015 shall be entitled to receive the Final Dividend. In order for the H Shareholders to qualify for receiving the Final Dividend, 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 Friday, 3 July 2015.
- (7) Shareholders or their proxies must present proof of their identities upon attending the AGM. Should a proxy be appointed, the proxy must also present copies of his/her proxy form, or copies of appointing instrument and power of attorney, if applicable.
- (8) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointor, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the AGM.
- (9) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- 17M Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong  
Telephone No.: (+852) 2862 8555  
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087
- (10) The address and contact details of the Company's office of the Board at its principal place of business in the PRC are as follows:
- North of Yihe  
Huamei Shan Road  
Chengdong New District  
Luanchuan County  
Luoyang City  
Henan Province  
People's Republic of China  
Postal code: 471500  
Telephone No.: (+86) 379 6865 8017  
Facsimile No.: (+86) 379 6865 8030
- (11) The AGM is expected to last not more than one day. Shareholders or proxies attending the AGM are responsible for their own transportation and accommodation expenses.



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 THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the 2015 first class meeting of H Shareholders of China Molybdenum Co., Ltd.\* (the “**Company**”) will be held immediately after the AGM and the 2015 first class meeting of A Shareholders and any adjournment thereof, on Friday, 26 June 2015 at the International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the People's Republic of China (the “**PRC**”) for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution. Unless otherwise indicated, capitalised terms used herein have the same meanings as those defined in the circular of the Company dated 30 April 2015 (the “**Circular**”).

**SPECIAL RESOLUTION**

“To consider and approve the proposed grant of a general mandate to the Board to repurchase H Shares as follows:

- (a) subject to paragraphs (b) and (c) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase H Shares in issue on the Hong Kong Stock Exchange, subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the PRC, the Hong Kong Stock Exchange or of any other governmental or regulatory body;
- (b) the number of H Shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the number of H Shares in issue as at the date of the passing of this resolution;

\* *For identification purposes only*



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## NOTICE OF THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the AGM (or on such adjourned date as may be applicable) and the A Shareholders' Class Meeting (or on such adjourned date as may be applicable);
  - (ii) the approval of all the competent regulatory authorities as may be required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
  - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 27 of the Articles of Association;
- (d) for the purpose of this special resolution, "Relevant Period" means the period from the passing of this special resolution until whichever is the earlier of:
  - (i) the conclusion of the 2015 annual general meeting of the Company; or
  - (ii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting; and
- (e) Subject to the approval of all relevant government authorities in the PRC for the repurchase of such H Shares being granted, to authorise the directors of the Company to:
  - (i) formulate and implement detailed repurchase plan, including but not limited to repurchase price, number of shares to be repurchased, timing of repurchase and period of repurchase etc;
  - (ii) notify creditors and make announcement in accordance with the requirements of relevant laws, regulations and normative documents as well as the Articles of Association;
  - (iii) open overseas share accounts and to carry out related change of foreign exchange registration procedures;
  - (iv) carry out relevant approval and filing procedures as required by regulatory authorities and the stock exchanges where the Shares of the Company are listed;

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## NOTICE OF THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (v) carry out cancellation procedures for repurchased shares, reduce the registered capital of the Company, and make corresponding amendments to the Articles of Association relating to total share capital and shareholding structure etc, and to carry out statutory registrations and filings within and outside China; and
- (vi) execute and handle other documents and matters related to share repurchase.”

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

Luoyang City, Henan Province, the PRC, 30 April 2015

*Notes:*

- (1) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange and the Company in accordance with the Hong Kong Listing Rules.
- (2) H Shareholders who intend to attend the Class Meeting of H Shareholders in person or by proxy should return the reply slip to the office of the Board at the Company’s principal place of business in the PRC 20 days before the meeting, i.e. before Saturday, 6 June 2015 by hand, by post or by fax. The contact details of the Company’s office of the Board are set out in note (8) below.
- (3) Each H Shareholder of the Company who has the right to attend and vote at the Class Meeting of H Shareholders is entitled to appoint in writing one or more proxies, whether a Shareholder or not, to attend and vote on his/her behalf at the Class Meeting of H Shareholders. The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. In case that an appointor 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 authorising 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 (7) below by post or facsimile, not less than 24 hours before the time appointed for holding the Class Meeting of H Shareholders or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the Class Meeting of H Shareholders or any adjournment should he/she so wish.
- (4) In order to determine the list of H Shareholders who will be entitled to attend and vote at the Class Meeting of H Shareholders, the Company’s register of members of H Shares will be closed from Wednesday, 27 May 2015 to Friday, 26 June 2015 (both days inclusive), during which period no transfer of shares will be effected. H Shareholders whose names appear on the register of members of H Shares of the Company at 4:30 p.m. on Tuesday, 26 May 2015 shall be entitled to attend and vote at the Class Meeting of H Shareholders. In order for the H Shareholders to qualify for attending and voting at the Class Meeting of H Shareholders, 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, 26 May 2015.

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## NOTICE OF THE 2015 FIRST CLASS MEETING OF H SHAREHOLDERS

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- (5) Shareholders or their proxies must present proof of their identities upon attending the Class Meeting of H Shareholders. 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) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointor, or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no notice in writing of these matters shall have been received by the Company prior to the commencement of the Class Meeting of H Shareholders.
- (7) The address and contact details of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, are as follows:
- 17M Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong  
Telephone No.: (+852) 2862 8555  
Facsimile No.: (+852) 2865 0990/(+852) 2529 6087
- (8) The address and contact details of the Company's office of the Board at its principal place of business in the PRC are as follows:
- North of Yihe  
Huamei Shan Road  
Chengdong New District  
Luanchuan County  
Luoyang City  
Henan Province  
People's Republic of China  
Postal code: 471500  
Telephone No.: (+86) 379 6865 8017  
Facsimile No.: (+86) 379 6865 8030
- (9) The Class Meeting of H Shareholders is expected to last not more than one day. Shareholders or proxies attending the Class Meeting of H Shareholders are responsible for their own transportation and accommodation expenses.

The Circular (“**Circular**”) in Chinese and English version has been published on the Company’s website (<http://www.chinamoly.com>). Shareholders that choose to receive the corporate communications of the Company (including but not limited to annual reports, summary financial reports (if applicable), interim reports, interim summary reports (if applicable), notice of meeting, listing documents, circulars and proxy forms) and have difficulties in receiving corporate communications published on the Company’s website for any reason can request for the free printed circular sent by post. Shareholders can change the way of receiving the corporate communications of the Company and the selection of language version at any time.

Shareholders can request for the printed circular or to change the way of receiving the corporate communications of the Company and the selection of language version by giving a written notice to the Company within a reasonable period of time. Such a written notice should be given to the share registrar for H shares of the Company, i.e. the Computershare Hong Kong Investor Services Limited (address: 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), or e-mail to [chinamoly@computershare.com.hk](mailto:chinamoly@computershare.com.hk).