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**洛陽欒川鉬業集團股份有限公司**

**China Molybdenum Co., Ltd. \***

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

(Stock Code: 03993)

**(1) PROPOSED ISSUE OF SHARES BY WAY OF  
CAPITALISATION OF CAPITAL RESERVE  
(2) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
(3) CHANGE IN BOARD LOT SIZE**

**1. PROPOSED ISSUE OF SHARES BY WAY OF CAPITALISATION OF CAPITAL RESERVE**

On 28 August 2015, the Board proposed the issue of a total of 11,258,132,466 new Shares, in the total amount of RMB2,251,626,493.2, by way of capitalisation of capital reserve of the Company on the basis of twenty (20) Bonus Shares for every ten (10) existing Shares.

A special resolution to consider and approve the proposed Bonus Issue will be proposed at the EGM.

**2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

On 28 August 2015, the Board proposed to, subject to the approval of the Shareholders, amend the Articles of Association to reflect the change in the registered capital of the Company as a result of the conversion of the A Share Convertible Corporate Bonds, the additional scope of current businesses and the actual situation of the Company.

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

### **3. CHANGE IN BOARD LOT SIZE**

The board lot size of the H Shares for trading on the Hong Kong Stock Exchange will be changed from 1,000 H Shares to 3,000 H Shares with effect from Thursday, 3 December 2015, being the first day of dealings in the Bonus H Shares.

### **4. GENERAL**

A circular containing, among others, details of the proposed Bonus Issue, the proposed amendments to the Articles of Association and notice of the EGM, will be despatched to the Shareholders as soon as practicable.

## **1. PROPOSED ISSUE OF SHARES BY WAY OF CAPITALISATION OF CAPITAL RESERVE**

### **Background**

Reference is made to the announcements of the Company dated 3 July 2015 in relation to, among others, the profit distribution proposal made by CFC.

On 28 August 2015, the Board proposed the issue of a total of 11,258,132,466 new Shares, in the total amount of RMB2,251,626,493.2, by way of capitalisation of capital reserve of the Company on the basis of twenty (20) Bonus Shares for every ten (10) existing Shares. The Bonus Shares will be issued on a pro-rata basis and any fractional Shares (if any) will be rounded down to the nearest whole unit.

The issue of Bonus Shares is subject to the following conditions:

- (i) approval from the Shareholders at the EGM;
- (ii) the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the new H Shares to be allotted and issued under the Bonus Issue; and
- (iii) compliance with the relevant legal procedures and requirements under the Company Law of the PRC to effect the Bonus Issue.

## **Status of Bonus Shares**

The Bonus Shares will, subject to the Articles of Association, rank pari passu in all respects with the Shares in issue on the date of the issue of the Bonus Shares. Holders of the Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Bonus Shares are allotted and issued. The Bonus Issue should not result in any change to the rights of the Shares.

## **Overseas Shareholders**

The Company will make appropriate enquiries on whether there are legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in the place where overseas shareholders reside, to determine whether it will be necessary or expedient to exclude such overseas shareholders from the Bonus Issue. Further details of the rights of the overseas shareholder(s) will be set out in the circular to be despatched to the Shareholders.

## **Undertaking in relation to the Bonus Issue**

CFC has undertaken to the Company that it will vote in favour of the resolution at the general meeting to approve the Bonus Issue.

## **Reasons for Bonus Issue**

The implementation of the Bonus Issue will enable the Company to expand its shareholder base, which would be conducive to the future development of the Company, and is a reward for the long-term support and devotion of the Shareholders.

The proposed Bonus Issue is subject to Shareholders' approval, and a special resolution to consider and approve the proposed Bonus Issue will be proposed at the EGM.

## 2. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

On 28 August 2015, the Board proposed to, subject to the approval of the Shareholders, amend the Articles of Association to reflect the change in the registered capital of the Company as a result of the conversion of the A Share Convertible Corporate Bonds, the additional scope of current businesses and the actual situation of the Company. The Board proposed the following amendments to the Articles of Association:

### (1) Article 3

Currently reads as follow:

*“On 8 March 2007, upon approval by China Securities Regulatory Commission (the “CSRC”), the Company initially issued to the public 1,191,960,000 overseas listed foreign shares (including the over-allotted shares), which were listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 April 2007. On 13 July 2012, upon approval by the CSRC, the Company initially issued 200,000,000 RMB-denominated ordinary shares to the public, which were listed on the Shanghai Stock Exchange on 9 October 2012.”*

It is proposed to be amended to:

*“On 8 March 2007, upon approval by China Securities Regulatory Commission (the “CSRC”), the Company initially issued to the public 1,191,960,000 overseas listed foreign shares (including the over-allotted shares), which were listed on The Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 April 2007. On 13 July 2012, upon approval by the CSRC, the Company initially issued 200,000,000 RMB-denominated ordinary shares to the public, which were listed on the Shanghai Stock Exchange on 9 October 2012.*

*On 2 December 2014, upon approval by CSRC, the Company publicly issued 4,900,000 lots of A Share Convertible Corporate Bonds at RMB100 each, amounting to RMB4.9 billion in aggregate, in which RMB4,854,442,000 of the Convertible Corporate Bonds were converted into shares of the Company from 2 June 2015 to 9 July 2015, a total of 552,895,708 shares were converted.”*

**(2) Article 6**

Currently reads as follow:

*“Upon the completion of issue of domestically listed RMB-denominated ordinary shares, the registered capital of the Company is RMB1,015,234,105.00.”*

It is proposed to be amended to:

*“Upon the completion of the conversion of A Share Convertible Corporate Bonds, the registered capital of the Company is RMB1,125,813,246.60.”*

**(3) Article 14**

Currently reads as follow:

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

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

It is proposed to be amended to:

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

*The scope of business of the Company includes mining, processing, smelting, deep-processing and exploration of mineral resources; production, scientific research and sales (including export) of mineral resources products and chemical products (excluding hazardous chemicals, inflammables, explosives and easily-produced drugs); import of raw and auxiliary materials, machines and equipment, instruments and apparatuses, parts and components necessary for production (the said import and export items require appropriate qualification certificates).”*

**(4) Article 22**

Currently reads as follow:

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

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

*Upon completion of the issue of domestically-listed RMB-denominated ordinary shares, the Company’s structure of share capital is as follows: 5,076,170,525 ordinary shares, in which 1,776,593,475 shares are held by the Luoyang Mining Group Co., Ltd., representing 35.00% of the total ordinary shares of the Company; 1,726,706,322 shares are held by Cathay Fortune Corporation, representing 34.02% of the total ordinary shares of the Company; 61,714,728 shares are held by other domestic investors, representing 1.21%; 200,000,000 shares are held by domestic public investors, representing 3.94%; and 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing 25.83% of the total ordinary shares of the Company.*

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

It is proposed to be amended to:

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

*Upon its initial offering of H shares, the Company’s structure of share capital is as follows: 4,876,170,525 ordinary shares, in which 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing 26.89% of the total ordinary shares of the Company.*

*Upon completion of the issue of domestically-listed RMB-denominated ordinary shares, the Company’s structure of share capital is as follows: 5,076,170,525 ordinary shares, in which 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing 25.83% of the total ordinary shares of the Company.*

*Upon the completion of the conversion of A Share Convertible Corporate Bonds, the Company’s structure of share capital is as follows: 5,629,066,233 ordinary shares, in which 1,311,156,000 shares are held by holders of overseas listed foreign shares (H shares), representing 23.29% of the total ordinary shares of the Company.*

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



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

The proposed amendments to the Articles of Association are subject to Shareholders' approval, and a special resolution to consider and approve the proposed amendments will be proposed at the EGM.

### **3. CHANGE IN BOARD LOT SIZE**

The H Shares are currently traded in board lots of 1,000 H Shares each. The board lot size of the H Shares for trading on the Hong Kong Stock Exchange will be changed from 1,000 H Shares to 3,000 H Shares with effect from 9:00 a.m. on Thursday, 3 December 2015, subject to the fulfilment of the conditions of the Bonus Issue.

#### **Reason for Change in Board Lot Size**

Based on the closing price of HK\$4.35 per H Share as quoted on the Hong Kong Stock Exchange on 27 August 2015 (equivalent to a theoretical ex-entitlement price of HK\$1.45 per H Share upon the allotment and issue of the Bonus H Shares), the market value of each board lot of 1,000 Shares is HK\$4,350 and the market value of each board lot of 1,000 H Shares upon the allotment and issue of the Bonus Shares is estimated to be HK\$1,450. With the Change in Board Lot Size, the market value of each board lot of 3,000 H Shares (instead of 1,000 H Shares) is estimated to be HK\$4,350, based on the theoretical ex-entitlement price of HK\$1.45 per H Share upon the allotment and issue of the Bonus H Shares.

In order to comply with the requirements for the minimum value of each board lot of the H Shares upon completion of the Bonus Issue, the Board proposed to change the board lot size for trading in the H Shares from 1,000 H Shares to 3,000 H Shares.

#### **Odd lot arrangement**

The Change in Board Lot Size will not result in any odd lots other than those already exist, as one existing board lot of 1,000 H Shares will become one new board lot of 3,000 H Shares after the allotment and issue of the Bonus H Shares.



## **Expected timetable**

The expected timetable for, among others, the Bonus Issue and the Change in Board Lot Size as set out below is indicative only and has been prepared on the assumption that all conditions of the Bonus Issue will be fulfilled. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate:

### **Closures of the register of members**

Latest time for lodging transfers of the H Shares to qualify for entitlement to attend the EGM	4:30 p.m. on Tuesday, 29 September 2015
Closure of the register of members of H Shares for the EGM	Wednesday, 30 September 2015 to Friday, 30 October 2015 (both days inclusive)
Record date of H Shareholders for attending and voting at the EGM	Thursday, 29 October 2015
EGM	Friday, 30 October 2015
Latest time for lodging transfers of the H Shares to qualify for the entitlement of the Bonus Issue	4:30 p.m. on Wednesday, 4 November 2015
Closure of register of members of H Shares for the Bonus Issue	Thursday, 5 November 2015 to Tuesday, 10 November 2015 (both days inclusive)
Record date of H Shareholders for the entitlement of Bonus Issue	Tuesday, 10 November 2015

During the above closure periods, no transfer of H Shares will be registered. To be eligible to attend and vote at the EGM, and to qualify for the Bonus Shares, all properly completed transfer documents together with the relevant H Share certificates must be lodged for registration with the H Share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest times.

### **Distribution**

Expected despatch date of share certificates of Bonus H Shares      Wednesday, 2 December 2015

Expected first day of listing of, and dealing in the Bonus H Shares      Thursday, 3 December 2015

Effective date of trading of the H Shares in new board lot of 3,000 H Shares      Thursday, 3 December 2015

All dates and times set out in the timetable above refer to Hong Kong dates and times.

The Company will make further announcement regarding the proposed issue of Bonus A Shares to A Shareholders.

## **4. GENERAL**

A circular containing, among others, details of the proposed Bonus Issue, the proposed amendments to the Articles of Association and notice of the EGM, will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

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

“A Share(s)”	domestic share(s) with a nominal value of RMB0.20 each issued by the Company which are listed on the Shanghai Stock Exchange and traded in RMB (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares
“A Share Convertible Corporate Bonds”	convertible corporate bonds in the total amount of RMB4.9 billion which were convertible into new A Shares, issued by the Company on 2 December 2014 and delisted from the Shanghai Stock Exchange on 16 July 2015
“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
“Bonus A Share(s)”	new A Share(s) to be allotted and issued under the Bonus Issue
“Bonus H Share(s)”	new H Share(s) to be allotted and issued under the Bonus Issue
“Bonus Issue”	the issue of twenty (20) Bonus Shares for every ten (10) existing Shares to the A Shareholders and H Shareholders whose names appear on the registers of members of the Company on the respective record dates by way of capitalisation of capital reserve of the Company
“Bonus Share(s)”	Bonus A Share(s) and Bonus H Share(s)

“CFC”	鴻商產業控股集團有限公司 (Cathay Fortune Corporation*), a controlling shareholder of the Company
“Change in Board Lot Size”	the change in board lot size of the H Shares for trading on the Hong Kong Stock Exchange from 1,000 H Shares to 3,000 H Shares
“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
“EGM”	the 2015 first extraordinary general meeting of the Company (and any adjournment thereof) to be held on Friday, 30 October 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
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the main board of the Hong Kong Stock Exchange and are traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan

“RMB” Renminbi, the lawful currency of the PRC

“Share(s)” A Share(s) and H Share(s)

“Shareholder(s)” holder(s) of the Shares

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

Luoyang City, Henan Province, PRC, 28 August 2015

*As at the date of this announcement, the Company’s executive Directors are Messrs. Li Chaochun and Li Faben; the non-executive Directors are Messrs. Ma Hui, Yuan Honglin and Cheng Yunlei; and the independent non-executive Directors are Messrs. Bai Yanchun, Xu Shan and Cheng Gordon.*

\* *For identification purposes only*