

---

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

---

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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 PROVISION OF GUARANTEE FOR OPERATING LOANS TO**  
**WHOLLY-OWNED SUBSIDIARIES**  
**PROPOSED INCREASE IN AMOUNT OF OVERSEAS BONDS ISSUANCE AND**  
**EXTENSION OF TERM OF AUTHORISATION**  
**PROPOSED COMMENCEMENT OF HEDGING BUSINESS**  
**PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**  
**NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS**

---

A letter from the Board is set out on pages 1 to 10 of this circular.

Notices convening the AGM and the H Shareholders' Class Meeting to be held on Wednesday, 28 June 2017 together with the relevant forms of proxy and reply slip were despatched to H Shareholders on Friday, 12 May 2017. Such forms were also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.chinamoly.com>). For ease of reference, notices convening the AGM and the H Shareholders' Class Meeting are set out on pages 31 to 39 of this circular.

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 later than 1:00 p.m. on Tuesday, 27 June 2017 (or if the AGM and the H Shareholders' Class Meeting are adjourned, not less than 24 hours before the time appointed for holding the relevant meetings). 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 adjournments 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 Thursday, 8 June 2017 by hand, by post or by facsimile.

18 May 2017

\* For identification purposes only

---

# CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	ii
<b>LETTER FROM THE BOARD</b>	
1. INTRODUCTION .....	2
2. FINANCIAL REPORT AND BUDGET REPORT .....	2
3. PROPOSED PROVISION OF GUARANTEE FOR OPERATING LOANS TO WHOLLY-OWNED SUBSIDIARIES .....	3
4. PROPOSED INCREASE IN AMOUNT OF OVERSEAS BONDS ISSUANCE AND EXTENSION OF TERM OF AUTHORISATION .....	4
5. PROPOSED COMMENCEMENT OF HEDGING BUSINESS .....	5
6. PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES .....	6
7. AGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING .....	8
8. CLOSURE OF REGISTER OF MEMBERS .....	8
9. PROXY ARRANGEMENT .....	9
10. VOTING BY WAY OF POLL .....	9
11. RECOMMENDATIONS .....	10
<b>APPENDIX I – 2016 FINANCIAL REPORT</b> .....	11
<b>APPENDIX II – 2016 WORK REPORT OF INDEPENDENT DIRECTORS</b> .....	16
<b>APPENDIX III – EXPLANATORY STATEMENT ON THE GENERAL         MANDATE FOR REPURCHASE OF H SHARES</b> .....	26
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	31
<b>NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS</b> .....	36

---

## DEFINITIONS

---

*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 SSE and traded in Renminbi (stock code: 603993)
“A Shareholder(s)”	holder(s) of A Shares
“A Shareholders’ Class Meeting”	the 2017 first class meeting of A Shareholders of the Company (and any adjournment thereof) to be held on Wednesday, 28 June 2017 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 Wednesday, 28 June 2017 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
“Budget Report”	the 2017 financial budget report of China Molybdenum Co., Ltd.* approved at the ninth meeting of the fourth session of the Board on 30 March 2017
“Company”	China Molybdenum Co., Ltd.* (洛陽樂川鎢業集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A Shares and H Shares of which are listed on the SSE and the Hong Kong Stock Exchange, respectively
“Company Law”	the Company Law of the PRC
“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)

---

## DEFINITIONS

---

“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the Eurozone
“Financial Report”	the 2016 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 2017 first class meeting of H Shareholders of the Company (and any adjournment thereof) to be held on Wednesday, 28 June 2017 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 dollars, 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
“Latest Practicable Date”	Friday, 12 May 2017, 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

---

## DEFINITIONS

---

“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
“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
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“SSE”	the Shanghai Stock Exchange
“Supervisor(s)”	supervisor(s) of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

---

LETTER FROM THE BOARD

---



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)

*Executive Directors:*

Li Chaochun (Chairman)

Li Faben

*Non-executive Directors:*

Ma Hui (Vice Chairman)

Yuan Honglin

Cheng Yunlei

*Independent Non-executive Directors:*

Bai Yanchun

Xu Shan

Cheng Gordon

*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

18 May 2017

*To the Shareholders*

Dear Sir or Madam,

**FINANCIAL REPORT AND BUDGET REPORT  
PROPOSED PROVISION OF GUARANTEE FOR OPERATING LOANS TO  
WHOLLY-OWNED SUBSIDIARIES  
PROPOSED INCREASE IN AMOUNT OF OVERSEAS BONDS ISSUANCE AND  
EXTENSION OF TERM OF AUTHORISATION  
PROPOSED COMMENCEMENT OF HEDGING BUSINESS  
PROPOSED GENERAL MANDATE FOR REPURCHASE OF H SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING  
NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS**

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

### 1. INTRODUCTION

The purposes 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 provision of guarantees for operating loans to wholly-owned subsidiaries;
- (iii) Proposed increase in the amount of overseas bonds issuance and extension of term of authorisation;
- (iv) Proposed commencement of hedging business; and
- (v) Proposed general mandate for repurchase of H Shares.

#### H Shareholders' Class Meeting

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

### 2. FINANCIAL REPORT AND BUDGET REPORT

The Company convened the ninth meeting of the fourth session of the Board on 30 March 2017, and considered and approved the Resolution in relation to the 2017 Financial Budget Report of China Molybdenum Co., Ltd.\*. Details of which are as follows: for the targeted production volume of major products and production cash costs of unit metal, the estimated production volume and the unit production cash costs of molybdenum concentrates (including 100% MO) would be 16,000 tonnes and ranging from RMB55,300 per tonne to RMB61,100 per tonne, respectively; the estimated production volume and the unit production cash costs of tungsten concentrates (including 100% WO<sub>3</sub>) would be 11,000 tonnes (excluding Luoyang Yulu Mining Co., Ltd.\* (洛陽豫鷺礦業有限責任公司)) and ranging from RMB13,800 per tonne to RMB15,200 per tonne, respectively; the estimated production volume of saleable copper produced from Northparkes copper and gold mine operations in Australia would be 34,000 tonnes as calculated by 80% equity interests in Northparkes of the Company with C1 cash costs ranging from USD0.91 per pound to USD1.01 per pound; the estimated production volume of saleable gold would be 25,000 ounces; the estimated production volume of copper produced from Tenke copper and cobalt mine operations would be 219,000 tonnes as calculated by 100% equity interests in Tenke of the Company with C1 cash costs ranging

---

## LETTER FROM THE BOARD

---

from USD0.98 per pound to USD1.09 per pound; the estimated production volume of cobalt would be 18,000 tonnes; the estimated production volume of phosphate fertilizer (high analysis fertilizer and low analysis fertilizer) in Brazil would be 1.182 million tonnes; and the estimated production volume of niobium would be 8,000 tonnes.

The Board also approved the Financial Report on 30 March 2017, 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 PROVISION OF GUARANTEE FOR OPERATING LOANS TO WHOLLY-OWNED SUBSIDIARIES**

The Company convened the ninth meeting of the fourth session of the Board on 30 March 2017, and considered and approved the Resolution in relation to the Provision of Guarantee for Operating Loans to Direct or Indirect Wholly-owned Subsidiaries. Details of which are as follows: the Company proposed to provide a guarantee credit for operating loans up to a maximum amount of RMB5 billion (or an equivalent amount of a foreign currency) to its direct or indirect wholly-owned subsidiaries to support their development as well as to reduce their financing costs. Such credit facilities may be revolving in nature with effect from the date of approval at the AGM to the date of convening the 2018 annual general meeting.

The Company proposed to authorise the Board to decide and deal with matters in relation to the provision of guarantee for operating loans to direct or indirect wholly-owned subsidiaries of the Company within the aforesaid credit limit. Details of the authorisation shall include:

1. Authorising the Board of the Company to decide and deal with matters in relation to the provision of guarantee for operating loans to direct or indirect wholly-owned subsidiaries of the Company within a credit of RMB5 billion (or an equivalent amount of a foreign currency). Such credit facilities may be revolving in nature with effect from the date of approval at the AGM to the date of convening the 2018 annual general meeting;
2. Determining and implementing the concrete plan in relation to the provision of guarantee for operating loans to direct or indirect wholly-owned subsidiaries by the Company in accordance with specific conditions, including, among others, the targets, the amounts, the terms and the methods of guarantee and other specific matters;



---

## LETTER FROM THE BOARD

---

3. Performing the approval procedures (if any) in relation to the aforesaid guarantee and making information disclosure in a timely manner in accordance with the requirements of the SSE, the Hong Kong Stock Exchange and relevant regulatory authorities;
4. Dealing with all other matters in relation to the aforesaid guarantee.

The Board agreed to seek authorisation from Shareholders to the Board at the AGM to deal with the abovementioned matters. A special resolution in relation to the proposed provision of guarantee for operating loans to wholly-owned subsidiaries will be proposed for consideration and approval at the AGM in accordance with the requirements of the Company Law, listing regulations and the Articles and Association.

#### **4. PROPOSED INCREASE IN AMOUNT OF OVERSEAS BONDS ISSUANCE AND EXTENSION OF TERM OF AUTHORISATION**

The Company convened the ninth meeting of the fourth session of the Board on 30 March 2017, and considered and approved the Resolution in relation to the Increase in Amount of Overseas Bonds Issuance and Extension of Term of Authorisation. Details of which are as follows: to reduce financial costs and the risk on exchange rate, adjust the debt structure of the Company and enhance its reputation in international bonds markets, so as to prepare sufficient funds for subsequent possible merger and acquisition projects of the Company in advance, the Company proposed to issue bonds denominated in EUR or other foreign currencies in overseas markets with lower interest rates. Meanwhile, the Company has authorised the Board to determine the issuance of bonds in overseas markets and relevant matters on guarantee at the 2014 annual general meeting. The authorised amount would be an issuance of overseas bonds, in one or more tranches, with a total principal amount not exceeding EUR500 million or an equivalent amount of other foreign currencies with a term of authorisation from the date of approval at the 2014 annual general meeting to the date of convening the 2017 annual general meeting.

To better implement the financing strategies and optimise the financing structure of the Company, the Company will seek approval from Shareholders at the AGM in order to increase the amount of overseas bonds issuance and extend the term of authorisation, under which, the authorised amount would be increased to an issuance of overseas bonds, in one or more tranches, with a total principal amount not exceeding USD1,000 million or an equivalent amount of other foreign currencies with a term of authorisation extending to the date of convening the 2018 annual general meeting. Details of the issuance scale and authorisation upon renewal are as follows:

1. Authorising the Board to decide an issuance of overseas bonds, in one or more tranches, with a total principal amount not exceeding USD1,000 million or an equivalent amount of other foreign currencies;

---

## LETTER FROM THE BOARD

---

2. Authorising 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. Authorising the Board to act on behalf of the Company to execute all agreements in relation to the overseas bonds issuances and others necessary documents, to deal with all matters in relation to the overseas bonds issuances as well as to make appropriate information disclosure;
4. Giving consent to use an overseas subsidiary or establish a special target company as the entity for the bonds issuance, and provide a guarantee (including the guarantee provided by the entity for bonds issuance itself and by the Company to the entity) within the issued amount or apply for third party credit enhancement method;
5. The authorisation of this overseas bonds issuance shall be effective from the date of approval at the AGM to the date of convening the 2018 annual general meeting.

The proposed increase in amount of overseas bonds issuance and extension of term of authorisation will be proposed at the AGM by way of a special resolution for consideration and approval.

### **5. PROPOSED COMMENCEMENT OF HEDGING BUSINESS**

The Company convened the ninth meeting of the fourth session of the Board on 30 March 2017, and considered and approved the Resolution in relation to the Proposed Commencement of Hedging Business. Details of which are as follows: in view of a relative large fluctuation in short-term price of copper and gold products and an existence of factors including transportation in delivery and rolling settlement, which would cause fluctuation in financial statements of the Company and relevant subsidiaries, the Company and relevant subsidiaries proposed to commence hedging business in respect of the equity production volume of copper and gold.

---

## LETTER FROM THE BOARD

---

From 2017 to 2019, the hedging transaction category in connection to futures of the Company and relevant subsidiaries includes standardised contracts and financial derivative products formulated by domestic and overseas commodity futures exchanges or banks including copper and gold. The hedging price of copper and gold shall not be lower than the estimated price for each respective year, and the transaction volume of hedging business of copper and gold (on an aggregated basis when several companies carrying out hedging business practically) for each respective year shall not exceed the total annual production volume for each metal plan on a basis of equity method, respectively. In the meantime, the Company will seek approval from Shareholders at the AGM to authorise the Board to decide and commence specific matters in relation to the hedging of copper and gold products within the range of total production volume under the annual equity plan of the Company in accordance with market conditions, production plan arrangements and the Management System on Hedging of the Company.

The proposed commencement of hedging business will be proposed at the AGM by way of an ordinary resolution for consideration and approval.

### **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.

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.

---

## LETTER FROM THE BOARD

---

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 approvals of SAFE and other relevant competent authorities are also 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.

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. 12 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. The number of 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 proposed 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 III to this circular.

---

## LETTER FROM THE BOARD

---

### **7. 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) Proposed provision of guarantees for operating loans to wholly-owned subsidiaries; (iii) Proposed increase in the amount of overseas bonds issuance and extension of term of authorisation; (iv) Proposed commencement of hedging business; and (v) the proposed general mandate for repurchase of H Shares. 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 Wednesday, 28 June 2017 were despatched to H Shareholders on Friday, 12 May 2017. Copies of the notices are set out on pages 31 to 39 of this circular for reference.

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 2016 Work Report of Independent Directors of the Company is set out in Appendix II to this circular for Shareholders' information.

### **8. CLOSURE 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 Monday, 29 May 2017 to Wednesday, 28 June 2017 (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 Friday, 26 May 2017 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, 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, 26 May 2017.

---

## LETTER FROM THE BOARD

---

### 9. PROXY ARRANGEMENT

Forms of proxy applicable to the AGM and the H Shareholders' Class Meeting were despatched to Shareholders on Friday, 12 May 2017 and such forms of proxy were also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<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 and sign 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 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 later than 1:00 p.m. on Tuesday, 27 June, 2017 (or if the AGM and the H Shareholders' Class Meeting are adjourned, not less than 24 hours before the time appointed for holding the relevant meetings). 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.

### 10. 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.

As at the Latest Practicable Date, no Shareholder is required to abstain from voting on any resolution.

In addition, the Company will offer a platform to A Shareholders including investors of Shanghai-Hong Kong Stock Connect to vote online through the general meeting online voting system of the SSE. Please refer to the relevant announcement published by the Company on the SSE for details.

---

## LETTER FROM THE BOARD

---

### 11. RECOMMENDATIONS

The Board considers that, (i) the Financial Report and the Budget Report; (ii) the proposed provision of guarantees for operating loans to wholly-owned subsidiaries; (iii) the proposed increase in the amount of overseas bonds issuance and extension of term of authorisation; (iv) the proposed commencement of hedging business; and (v) the proposed general mandate for repurchase of H Shares, are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends 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 may be) 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*

## I. OVERVIEW

Year 2016 was a transformative year representing a meaningful milestone of the Company. With proper operation and guidance by major Shareholders and the Board, not only did the Group Company achieve sound operating results under a continuously unfavourable market environment, but it also became a genuine international mining group through a series of multinational mergers and acquisitions that ignited a spark in the industry.

The general financial condition of the year is:

As of 31 December 2016, the Group's total consolidated assets summed up to RMB88,146.84 million, total liabilities amounted to RMB53,809.91 million and total net assets amounted to RMB34,336.93 million, among which, RMB18,738.06 million was attributable to Shareholders' equity of the parent company and RMB15,598.87 million was attributable to minority Shareholders' equity.

The Group's consolidated sales revenue in 2016 amounted to RMB6,949.57 million, representing an increase of RMB2,752.73 million or 66% as compared with same period of last year. The net profits amounted to RMB1,019.24 million, representing an increase of RMB316.13 million or 45% as compared with the same period of last year. The net profits attributable to the owners of the parent company amounted to RMB998.04 million, representing an increase of RMB236.88 million or 31% as compared with the same period of last year.

## II. PROFITS PERFORMANCE

In 2016, the Group achieved a net profit of RMB1,019.24 million, representing an increase of RMB316.13 million or 45% as compared with RMB703.11 million in the same period of last year, which was mainly due to the following factors:

### 1. Gross profits on sales

- (1) The gross profits for the year increased by RMB345.03 million as affected by the changes of sales volume of products related to molybdenum and tungsten.
- (2) The sales price of products related to molybdenum and tungsten for the year was lower than that in the same period of last year, affecting that gross profits for the year decreased by RMB135.74 million.
- (3) The unit selling costs of products related to molybdenum and tungsten for the year was lower than that in the same period of last year, affecting that gross profits for the year increased by RMB137.87 million.



- (4) The gross profits for the year decreased by RMB144.00 million as affected by the business in Australia for the year resulting from the decrease in sales and increase in costs.
- (5) The gross profits for the year increased by RMB531.22 million as affected by the newly added niobium, phosphates, copper and cobalt businesses for the year.

## **2. Taxes and levies**

The taxes and levies of the Group for the year amounted to RMB230.31 million, representing a decrease of RMB12.16 million or 5% as compared with RMB242.47 million in the same period of last year, which was mainly due to the policy of “the replacement of business tax with value-added tax”, resulting in a decrease of the business tax in the same period.

## **3. Selling expenses**

The selling expenses of the Group for the year amounted to RMB90.62 million, representing an increase of RMB5.95 million or 7% as compared with the same period of last year, which was mainly due to an increase of sales expenses as a result of corporate mergers in the current period.

## **4. Administrative expenses**

The administrative expenses of the Group for the year amounted to RMB714.73 million, representing an increase of RMB357.56 million or 100% as compared with RMB357.17 million in the same period of last year, which was mainly due to the transaction expenses incurred by overseas mergers and acquisitions in the current period.

## **5. Financial expenses**

The financial expenses of the Group for the year amounted to RMB407.67 million, representing a year-on-year increase of RMB361.49 million or 783%, which was mainly due to a significant increase in capital costs incurred by the Group Company for completion of the overseas merger and acquisition business.

## **6. Impairment losses of assets**

The impairment losses of assets of the Group for the year amounted to RMB351.86 million, representing an increase of RMB121.41 million or 53% as compared with RMB230.44 million in the same period of last year, which was mainly due to the provision for the impairment loss of available-for-sale financial assets in the current period.

**7. Return on investment**

The return on investment of the Group for the year amounted to RMB174.18 million, representing an increase of RMB57.59 million or 49% as compared with the same period of last year, which was mainly due to the income generated from the disposal of available-for-sale financial assets.

**8. Non-operating income**

The non-operating income of the Group for the year amounted to RMB467.02 million, representing an increase of RMB416.87 million or 831% as compared with RMB50.15 million in the same period of last year, which was mainly due to the negative goodwill arising from overseas mergers and acquisitions in the current period.

**9. Non-operating expenses**

The non-operating expenses of the Group for the year amounted to RMB28.05 million, representing a decrease of RMB66.55 million or 70% as compared with RMB94.60 million in the same period of last year, which was mainly due to a decrease in loss of disposal of non-current assets as compared with the same period of last year.

**10. Income tax expenses**

The income tax expenses of the Group for the year amounted to RMB170.90 million, representing an increase of RMB191.19 million or 942% as compared with RMB-20.29 million in the same period of last year, which was mainly due to an increase in profit for the year.

**III. CHANGES IN BALANCE SHEET****(I) Explanation on changes in total assets**

As of 31 December 2016, total assets of the Company amounted to RMB88,146.84 million, representing an increase of RMB57,266.31 million or 185% as compared with the beginning of the year, including RMB19,802.96 million of current assets, RMB68,343.88 million of non-current assets, representing an increase of RMB4,071.20 million or 26% and an increase of RMB53,195.11 million or 351%, respectively, as compared with the beginning of the year. The increase in assets was mainly due to the merger and acquisition of overseas assets in the current period.

**(II) Explanation on changes in total liabilities**

As of 31 December 2016, total liabilities of the Company amounted to RMB53,809.91 million, representing an increase of RMB40,746.07 million or 312% as compared with the beginning of the year. The current liabilities amounted to RMB15,981.67 million, representing an increase of RMB7,212.74 million or 82% as compared with the beginning of the period. The non-current liabilities amounted to RMB37,828.24 million, representing an increase of RMB33,533.33 million or 781% as compared with the beginning of the period. The increase in liabilities was mainly due to increase in borrowings arising from material asset acquisition in the current period.

**(III) Explanation on changes in minority interests**

As of 31 December 2016, minority interests of the Group amounted to RMB15,598.87 million, representing an increase of RMB15,135.66 million or 3,268% as compared with the beginning of the year, which was mainly due to acquisition of overseas material assets in the current period.

**(IV) Explanation on changes in equity attributable to shareholders of the parent company**

As of 31 December 2016, the total equity attributable to the shareholders of parent company was RMB18,738.06 million, representing an increase of RMB1,384.58 million or 8% as compared with the beginning of the year, which was mainly due to the comprehensive income arising from the increase of enterprise merger in the current period.

**IV. COMPLETION OF MAIN FINANCIAL INDICATORS****(I) Indicators for solvency****1. Assets liabilities ratio**

Assets liabilities ratio in 2016 was 61%, representing an increase of 19 percentage points from 42% last year, which was mainly due to increase in borrowings arising from material asset acquisition in the current period.

**2. Current ratio and quick ratio**

Current ratio in the year was 124%, representing a decrease of 55 percentage points from 179% last year; quick ratio was 92%, representing a decrease of 81 percentage points from 173% last year, which was mainly due to the issuance of short-term financing bonds in the current period.

**(II) Various financial indicators reflecting capability of asset and liability management**

The total asset turnover ratio and current asset turnover ratio for the current period were 12% and 39%, representing a decrease of 3 percentage points and an increase of 12 percentage points as compared with the same period of last year, respectively. The accounts receivable turnover ratio was 6.30 times, representing an increase of 1.04 times as compared with the same period of last year; and the inventory turnover ratio was 1.63 times, representing a decrease of 3.49 times as compared with the same period of last year, which was mainly due to an increase of the scale of Company's assets as a result of the corporate mergers in the current period.

**V. CHANGES IN CASH FLOW**

Net decrease in cash and cash equivalents for the year amounted to RMB561.95 million, representing a decrease of RMB3,918.54 million from RMB3,356.58 million last year, including an increase of RMB1,556.05 million in net cash flow from operating activities as compared with last year, a decrease of RMB27,482.48 million in net cash flow from investing activities as compared with last year, an increase of RMB21,916.49 million in net cash flow from financing activities as compared with last year, an increase of RMB91.40 million in effect of foreign exchange rate changes on cash and cash equivalents as compared with last year.

In this year, net cash flow from operating activities amounted to RMB2,914.83 million, net cash flow from investing activities amounted to RMB-27,647.99 million, net cash flow from financing activities amounted to RMB23,990.69 million, and effect of foreign exchange rate changes on cash and cash equivalents amounted to RMB180.52 million.

**China Molybdenum Co., Ltd.**  
**2016 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 2016 is set out as follows:

**I. BASIC INFORMATION 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) 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. Mr. Xu served as an independent director of Beijing Kalends Science & Technology Company Limited\* (北京昆侖萬維科技股份有限公司) from July 2011 to July 2016.

3. **Cheng Gordon:** has been an independent non-executive Director of the Company since August 2012. He is also a member of the audit committee, nomination committee and remuneration committee. Mr. Cheng graduated from the University of Sydney (Australia) with a bachelor degree in commerce in 1996 and a bachelor degree in law in 1998. He is the founder and partner of GD China Clean Energy Capital Partners. He also served 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 has worked at the investment banking department of globally renowned J.P. Morgan and Credit Suisse. Mr. Cheng has extensive experience in financing, investing as well as mergers and acquisitions, both globally and in China.

(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 in major Shareholders’ units of the Company. There is 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 performed our duties as independent Directors and safeguarded the interests of the Company and Shareholders, especially minority Shareholders, with the principle of being independent and objective and with diligent and responsible attitude. The Company held 18 Board meetings during the year, involving the operation condition of the Company, financial management, internal control, the implementation of the resolution of the Board, restructuring of major asset and progress of non-public issuance of shares and other matters. We 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 through actively attending the Board meetings and meetings of specialized committees convened by the Company and carefully reviewing meeting materials.

**(i) Attendance at meetings for the year of 2016**

	Attendance in Person/Required Attendance				
	Meeting of the Board Meeting	Meeting of the Remuneration Committee	Meeting of the Audit Committee	Meeting of the Nomination Committee	Meeting of the Strategic Committee
Mr. Bai Yanchun	18/18	1/1	N/A	1/1	1/1
Mr. Xu Shan	18/18	N/A	4/4	1/1	N/A
Mr. Cheng Gordon	18/18	1/1	4/4	1/1	N/A

**(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</b>	<b>Issues involved in independent opinions</b>
1	26 January 2016	Matters in relation to the appointment of deputy general manager and determination of basic remuneration of the staff representative Supervisor and the deputy general manager of the Company; matters in relation to downward adjustment to the annual basic salary for executive Directors and senior management
2	24 March 2016	Matters in relation to re-appointment of the external auditors institution for 2016 and the remuneration arrangement thereof; matters in relation to report on the 2015 internal control assessment
3	10 May 2016	Matters in relation to the proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Niobium and Phosphates Businesses
4	15 May 2016	Matters in relation to the proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Copper and Cobalt Businesses
5	20 May 2016	Matters in relation to the non-public issuance of A Shares
6	7 June 2016	Matters in relation to the authorisation of the Board at the general meeting to decide and handle the provision of guarantee to direct or indirect wholly-owned subsidiaries by the Company at its own discretion
7	20 June 2016	Matters in relation to provision of guarantee to CMOCL Limited
8	8 August 2016	Matters in relation to the proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Niobium and Phosphates Businesses; matters in relation to the proposal for China Molybdenum Co., Ltd.'s Material Assets Acquisition of Overseas Copper and Cobalt Businesses; matters in relation to the non-public issuance of A Shares of the Company
9	13 September 2016	Matters in relation to provision of guarantee for M&A loan of indirect control wholly-owned subsidiaries by the Company



**(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 office of the Board regularly provided us with summary reports on the Company's production and operation and information on changes in laws and regulations. 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 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 2016, 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

Guarantee	Guaranteed amount	Date of guarantee (Date of signing agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Whether or not the guarantee is fully performed	Whether or not the guarantee is provided to the Related parties	Connected relationship
Luoyang Fuchuan Mining Co., Ltd.	14,850.00	23 May 2014	23 May 2014	22 May 2017	Joint and several liability	Yes	Yes	Joint venture

Total guarantee incurred during the reporting period  
(excluding those provided to subsidiaries) -14,850.00

Total balance of guarantee as at the end of the reporting period (A)  
(excluding those provided to subsidiaries) 0

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

Total guaranteed amount for subsidiaries during  
the reporting period 1,691,964.99

Total balance of the guaranteed amount for subsidiaries at the end  
of the reporting period (B) 2,330,767.39

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

Total guaranteed amount (A+B) 2,330,767.39

Percentage of the total guaranteed amount to absolute net assets of  
the Company (%) 67.88

2. *Fund Occupancy of the Company*

There was no occupation of fund of the Company in 2016.

(iii) **Nomination and remuneration of senior management**

1. *Nomination of senior management*

During the reporting period, the Company appointed Mr. Jing Shigun and Mr. Wang Yonghong as the deputy general managers 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 fourth session of the Board considered and passed Resolution in relation to the Determination of Basic Remuneration of the Staff Representative Supervisor and the Deputy General Managers of the Company and Resolution on Lowering the Annual Basic Salary for Executive Directors and Senior Management, adjusted and determined the basic remuneration for certain senior management. We considered that: the remuneration packages of the Directors and senior management disclosed in 2016 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 2016 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. The behaviour of taking initiative to lower the annual basic remuneration by the executive Directors and senior management reflects the responsible attitude of the management of the Company to the Shareholders and sustained attention of the management of the Company on the operating environment and high sense of responsibility, which expressed the determination of the management to tide over difficulties with the Company.

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

During the reporting period, the Company did not publish preliminary results announcement or results updates.

**(v) 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 until the conclusion of the forthcoming annual general meeting of the Company; the Company did not change its accounting firm.

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

On 29 June 2016, the 2015 profit distribution plan was considered and approved at the 2015 annual general meeting of the Company. The particulars of the profit distribution were as follows: the Company distributed a total cash dividend to all Shareholders of the Company of RMB422,179,967.48 (RMB0.025 per Share (tax inclusive)). 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.

**(vii) Performance of undertakings of the Company and its Shareholders**

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

**(viii) Execution of information disclosures**

During the reporting period, we continued to pay attention to information disclosure of the Company, strictly supervised the Company to fulfill the obligation of information disclosure in accordance with relevant laws and regulations and the system of the Company. Relevant information disclosure personnel of the Company were able to perform information disclosure work according to the requirements of laws and regulations, 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.

**(ix) Execution of internal control**

The Board of the Company attaches great importance to the construction and implementation of the internal control and regulatory system, appoints external professional organisations to assist in the comprehensive commencement of the construction of the internal control of the Company, authorises the general manager, in accordance with laws and regulations and provisions of the Articles of Association of the Company, to optimize and revise the internal control document of the Company based on the evaluation results and the actual operation. During the reporting period, we have carefully verified the internal control system of the Company, and reviewed the 2016 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 2016 Self-Evaluation Report on Internal Control objectively and truly reflected the establishment and operation of the internal control system of the Company.

**(x) 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 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 2016, the Directors, Supervisors and senior management in accordance with their duties attended various trainings and warning educations organised by the Shanghai Stock Exchange, China Securities Regulatory Committee, Henan Branch, Association of Listed Companies in Henan and the Company. The Company encouraged all Directors and senior 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. During the year 2016, the Directors and employees of the Company have all complied with the requirements in the Corporate Governance Code and internal system. 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.

**(xi) 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 specialised 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 Operation Rules.

**IV. OVERALL EVALUATION AND RECOMMENDATIONS**

During the term of office in 2016, in the spirit of integrity and diligence, we performed the duties of independent Directors in an objective, fair and independent manner, adhered to prior understanding and handling of the relevant information, 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 2017, 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, utilise 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 on the development of the Company, safeguard the legal interests of all Shareholders and, in particular, the minority Shareholders.

**Independent Directors of the fourth session of the Board of CMOC:  
Bai Yanchun, Xu Shan, Cheng Gordon**

30 March 2017

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 share capital of the Company was RMB3,377,439,739.8 comprising 3,933,468,000 H Shares of RMB0.20 each and 12,953,730,699 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 393,346,800 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 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 the 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 of the Hong Kong Stock Exchange as amended 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 2016 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>2016</b>		
May	1.68	1.30
June	1.78	1.52
July	1.99	1.69
August	1.87	1.67
September	1.86	1.58
October	1.75	1.58
November	2.18	1.65
December	2.13	1.74
<b>2017</b>		
January	2.30	1.85
February	3.18	2.22
March	3.06	2.52
April	2.90	2.30
May (up to the Latest Practicable Date)	2.46	2.22

**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 (as defined in the Hong Kong Listing Rules), has any present intention to sell any H Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolutions are 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 31.58% and 31.56% of the total share 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 32.33% and 32.31% of the total share 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 period of 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.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



# 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)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “AGM”) of China Molybdenum Co., Ltd.\* (the “**Company**”) will be held at 1:00 p.m. on Wednesday, 28 June 2017 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.

### ORDINARY RESOLUTIONS

1. “To receive and consider the proposal in respect of the financial report of China Molybdenum Co., Ltd.\* for the year 2016.”
2. “To receive and consider the proposal in respect of the financial statements of China Molybdenum Co., Ltd.\* for the year 2016.”
3. “To receive and consider the proposal in respect of the report of the board of directors of China Molybdenum Co., Ltd.\* for the year 2016.”
4. “To receive and consider the proposal in respect of the report of the supervisory committee of China Molybdenum Co., Ltd.\* for the year 2016.”
5. “To receive and consider the proposal in respect of the annual report of China Molybdenum Co., Ltd.\* for the year 2016.”
6. “To consider and approve the proposal in respect of the budget report of China Molybdenum Co., Ltd.\* for the year 2017.”

\* *For identification purposes only*

---

## NOTICE OF ANNUAL GENERAL MEETING

---

7. “To consider and approve the proposal in respect of the re-appointment of the external auditors for the year 2017 and its remuneration arrangement.”

### SPECIAL RESOLUTIONS

8. “To consider and approve the proposal in respect of the provision of guarantee for operating loans to direct or indirect wholly-owned subsidiaries.”
9. “To consider and approve the proposal in respect of the increase in amount of overseas bonds issuance and extension of term of authorisation.”

### ORDINARY RESOLUTIONS

10. “To consider and approve the proposal in respect of the commencement of hedging business.”
11. “To consider and approve the proposal in respect of the authorisation to the board of directors to deal with the distribution of interim dividend and quarterly dividend for the year 2017.”

### SPECIAL RESOLUTION

12. “To consider and approve the proposed granting of a general mandate to the board of directors of the Company (the “**Board**”) to repurchase H Shares of the Company (the “**H Shares**”) as follows:
- (a) subject to paragraphs (b) and (c) below, to approve 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 The Stock Exchange of Hong Kong Limited (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 2017 first class meeting of holders of A Shares (or on such adjourned date as may be applicable) and the 2017 first class meeting of holders of H Shares (or on such adjourned date as may be applicable);

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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 of the Company (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 2017 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 passed by the Shareholders of the Company at 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 Board 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, 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 the PRC; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (vi) execute and handle other documents and matters relating to share repurchase.”

A circular (the “**Circular**”) containing further information in respect of, among other things, all the resolutions, will be despatched to the shareholders of the Company (the “**Shareholders**”) as soon as practicable.

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

Luoyang City, Henan Province, the PRC, 12 May 2017

*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 the general meeting for consideration but not for shareholders’ approval. The 2016 Work Report of Independent Directors of the Company will be set out in the Circular for Shareholders’ information.
- (2) All resolutions at the meeting will be voted 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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) Holders of H Shares (“**H Shareholders**”) who intend to attend the AGM 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 Thursday, 8 June 2017 by hand, by post or by facsimile. The contact details of the Company’s office of the Board are set out in note (9) 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 in Hong Kong at the address stated in note (8) below by post or facsimile (for H Shareholders only), not later than 1:00 p.m. on Tuesday, 27 June 2017 (or if the AGM is adjourned, not less than 24 hours before the time appointed for holding of the adjourned AGM). 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.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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 Monday, 29 May 2017 to Wednesday, 28 June 2017 (both days inclusive), during which period no transfer of H 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 Friday, 26 May 2017 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 Friday, 26 May 2017.
- (6) 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.
- (7) 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.
- (8) 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
- (9) 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
- (10) 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)

NOTICE OF THE 2017 FIRST CLASS MEETING  
OF H SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 2017 first class meeting of holders of H shares (the “**H Shareholders’ Class Meeting**”) of China Molybdenum Co., Ltd.\* (the “**Company**”) will be held immediately after the annual general meeting (the “**AGM**”) and the 2017 first class meeting of holders of A shares (the “**A Shareholders’ Class Meeting**”) of the Company and any adjournments thereof, on Wednesday, 28 June 2017 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.

**SPECIAL RESOLUTION**

“To consider and approve the proposed granting of a general mandate to the board of directors of the Company (the “**Board**”) to repurchase H Shares of the Company (the “**H Shares**”) as follows:

- (a) subject to paragraphs (b) and (c) below, to approve 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 The Stock Exchange of Hong Kong Limited (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*

---

## NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS

---

- (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 of the Company (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 2017 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 passed by the Shareholders of the Company at 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 Board 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;

---

## NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS

---

- (v) carry out cancellation procedures for repurchased Shares, reduce the registered capital, 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 the PRC; and
- (vi) execute and handle other documents and matters relating to share repurchase.”

A circular containing further information in respect of, among other things, the above resolution, will be despatched to the shareholders of the Company (the “**Shareholders**”) as soon as practicable.

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

Luoyang City, Henan Province, the PRC, 12 May 2017

*Notes:*

- (1) Resolution 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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) Holders of H Shares (“**H Shareholders**”) who intend to attend the H Shareholders’ Class 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 Thursday, 8 June 2017 by hand, by post or by facsimile. The contact details of the Company’s office of the Board are set out in note (8) below.
- (3) Each H Shareholder who has the right to attend and vote at the H Shareholders’ Class Meeting 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 H Shareholders’ Class Meeting. 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 in Hong Kong at the address stated in note (7) below by post or facsimile, not later than 1:00 p.m. on Tuesday, 27 June 2017 (or if the H Shareholders’ Class Meeting is adjourned, not less than 24 hours before the time appointed for holding of the adjourned H Shareholders’ Class Meeting). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting at the H Shareholders’ Class Meeting or any adjournment should he/she so wish.

---

## NOTICE OF THE 2017 FIRST CLASS MEETING OF H SHAREHOLDERS

---

- (4) In order to determine the list of H Shareholders who will be entitled to attend and vote at the H Shareholders' Class Meeting, the Company's register of members of H Shares will be closed from Monday, 29 May 2017 to Wednesday, 28 June 2017 (both days inclusive), during which period no transfer of H 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 Friday, 26 May 2017 shall be entitled to attend and vote at the H Shareholders' Class Meeting. In order for the H Shareholders to qualify for attending and voting at the H Shareholders' Class Meeting, 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, 26 May 2017.
- (5) Shareholders or their proxies must present proof of their identities upon attending the H Shareholders' Class Meeting. 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 H Shareholders' Class Meeting.
- (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 H Shareholders' Class Meeting is expected to last not more than one day. Shareholders or proxies attending the H Shareholders' Class Meeting 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 who 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 written notice should be given to the share registrar for H shares of the Company, i.e. 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).