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

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If you are in any doubt as to any aspect of this supplemental 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 to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**洛陽欒川鉬業集團股份有限公司**  
**China Molybdenum Co., Ltd.\***

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

(Stock Code: 03993)

**SUPPLEMENTAL CIRCULAR TO  
CIRCULAR OF THE COMPANY DATED 18 MAY 2017 IN RELATION TO  
PROPOSED ISSUANCE OF CORPORATE BONDS  
AND  
AMENDED NOTICE OF AGM**

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This supplemental circular should be read in conjunction with the announcement dated 5 June 2017 and the circular dated 18 May 2017 of the Company. An amended notice of the AGM (or any adjournment thereof) of the Company to be held at 1:00 p.m. on Wednesday, 28 June 2017 at International Conference Room of Mudu-Lee Royal International Hotel at No. 239, Kaiyuan Street, Luolong District, Luoyang City, Henan Province, the PRC is set out on pages 17 to 23 of this supplemental circular. The amended notice of AGM should be read in conjunction with the notice of AGM dated 12 May 2017.

Since the proxy form applicable to the AGM despatched on 12 May 2017 does not contain the resolutions set out in the amended notice of AGM, the Company has prepared an amended proxy form for despatch together with this supplemental circular. Please refer to the paragraph "Amended Notice of AGM and Amended Proxy Form" set out in "Letter from the Board" for applicable rules regarding the proxy form applicable to the AGM.

For H Shareholders, whether or not you are able to attend the AGM in person, you are requested to complete the proxy form(s) applicable to the AGM in accordance with the instructions printed thereon, and return it to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 1:00 p.m. on Tuesday, 27 June 2017) or any adjournment thereof. Completion and return of the proxy form(s) applicable to the AGM will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

7 June 2017

\* For identification purposes only

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## CONTENTS

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	<i>Page</i>
<b>LETTER FROM THE BOARD</b> .....	1
<b>AMENDED NOTICE OF AGM</b> .....	17

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LETTER FROM THE BOARD

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洛陽欒川鉬業集團股份有限公司  
China Molybdenum Co., Ltd. \*

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

(Stock Code: 03993)

*Executive Directors:*

Li Chaochun (Chairman)  
Li Faben

*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

7 June 2017

*To the Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO  
CIRCULAR OF THE COMPANY DATED 18 MAY 2017 IN RELATION TO  
PROPOSED ISSUANCE OF CORPORATE BONDS  
AND  
AMENDED NOTICE OF AGM**

**INTRODUCTION**

This supplemental circular should be read in conjunction with the announcement dated 5 June 2017 (the “**Announcement**”) and the circular dated 18 May 2017 (the “**Circular**”) of the Company. The purposes of

\* For identification purposes only

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## LETTER FROM THE BOARD

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this supplemental circular are to provide you with the relevant details of the proposed special resolutions to be submitted to the AGM in relation to the proposed issuance of corporate bonds, and provide you with an amended notice of AGM (or any adjournment thereof) (the “**Amended Notice of AGM**”).

Unless otherwise indicated, capitalized terms used herein have the same meanings as those defined in the Announcement and the Circular.

Pursuant to the Article 77 of the Articles of Association, when the Company convenes a general meeting, Shareholder(s) individually or collectively holding more than 3% of the Company’s shares can make a temporary motion and submit in writing to the convener ten (10) days before the date of the general meeting. On 5 June 2017, the Board received a written notice from CFC proposing, among others, the issuance of the Corporate Bonds with an aggregate principal amount of not exceeding RMB8 billion.

According to the notice from CFC, CFC proposed to put forward the resolutions relating to the issuance of the Corporate Bonds before the Shareholders at the AGM. To enhance flexibility and efficiency of capital management, the Board, in accordance with the Article of Association and the relevant laws and regulations, put forward the additional resolutions relating to the issuance of the Corporate Bonds before the Shareholders at the AGM.

Pursuant to the laws of the PRC and the Articles of Association, the proposed issuance of the Corporate Bonds is subject to the approval of the Shareholders by way of a special resolution and the approval from the relevant PRC regulatory authorities.

### **PROPOSED ISSUANCE OF THE CORPORATE BONDS**

#### **Compliance with the conditions for the public issuance of the corporate bonds**

In accordance with the provisions of the Company Law of the PRC, the Securities Law of the PRC and the Administrative Measures for the Issuance and Trading of Corporate Bonds 《公司債券發行與交易管理辦法》 and other relevant laws, regulations and regulatory documents and upon diligent review of the actual operations of the Company, the Board considered that the Company is in compliance with the requirements of the applicable laws, regulations and regulatory documents in connection with the public issuance of corporate bonds. Set out below are the details of the relevant conditions:

1. the Company complies with the relevant provisions of the Securities Law of the PRC in relation to the issuance of corporate bonds:
  - a. net asset value of a joint stock company is not less than RMB30 million;

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## LETTER FROM THE BOARD

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- b. the accumulated value of the bonds does not exceed 40% of the net asset value of the Company;
  - c. the average distributable profits in the last three years are sufficient to cover the interest payable on the corporate bonds for one year;
  - d. funds raised would meet the national industrial policy;
  - e. the interest rate of the bonds does not exceed the interest rate set by the State Council of the PRC;
  - f. other conditions prescribed by the State Council of the PRC; and
  - g. funds raised through the public issuance of the corporate bonds must be used for approved purposes and shall not be applied to set-off losses and non-production expenses.
2. there does not exist any situations which would prohibit the Company from conducting public issuance of corporate bonds as stipulated under the “Administrative Measures for the Issuance and Trading of Corporate Bonds” 《公司債券發行與交易管理辦法》. The relevant situations are set out below:
- a. the financial information published by the Company within the last thirty-six months contained false information, or the Company was involved in a major violation of the law;
  - b. the application documents for the issuance contain false information, misleading statements or material omissions;
  - c. there was a default or delay in repaying principal and interest of issued corporate bonds or other debts, and such default or delay remains outstanding; and
  - d. other circumstances that seriously damage the legitimate rights and interests of investors and public interests.

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## LETTER FROM THE BOARD

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### The proposed structure of the Corporate Bonds

Particulars of the proposed issuance of the Corporate Bonds, if proceeds, are as follows:

- (1) Issue size: not exceeding RMB8 billion (subject to the capital requirement of the Company and the prevailing market conditions at the time of issuance)
- (2) Denomination and issuance price: the Corporate Bonds will be issued in the denomination of RMB100.00 each, and each form of the Corporate Bonds will be issued in its face value (i.e. RMB100.00)
- (3) Structure and maturity: not exceeding 8 years (inclusive of the 8<sup>th</sup> year) and which may have single maturity period or various maturity periods. The specific maturity period and structure of the Corporate Bonds will be determined by the Board and according to the prevailing market conditions at the time of issuance
- (4) Coupon: coupon rate will be determined by the Board and the lead underwriter of the Corporate Bonds according to market conditions prevailing at the time of issuance. Such rate will also be disclosed in the issuance documents at the time of issuance
- (5) Issuance method: issuance will be made by way of public offer and may be issued in one or more tranches
- (6) Right of first offer to the Shareholders: the Shareholders do not have a right of first offer to the Corporate Bonds
- (7) Redemption or repurchase arrangement: subject to the Shareholders' approval, whether redemption or repurchase arrangement would be available on the Corporate Bonds will be determined by the Board and according to the prevailing market conditions at the time of issuance
- (8) Guarantee arrangement: subject to the Shareholders' approval, the guarantee arrangement will be determined by the Board and according to the prevailing market conditions at the time of issuance

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## LETTER FROM THE BOARD

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- (9) Uses of proceeds: subject to the Shareholders' approval, the proceeds raised from the issuance of the Corporate Bond will be applied to repay debts and replenish capital of the Company, the specific use of the proceeds will be determined by the Board in accordance with the capital requirement of the Company and the scope of authorization to be granted from the Shareholders
- (10) Measures for the repayment of principal and interest on the Corporate Bonds: in the event that the Company anticipates that it will fail to repay the principal of and/or interest on the Corporate Bonds upon maturity or the Company is in default on principal and/or interest payments of the Corporate Bonds upon maturity, the Board, subject to the approval by the Shareholders at a general meeting, will be authorized to undertake the following measures:
- a) not to distribute profits to the Shareholders;
  - b) suspend major foreign investments, mergers and acquisitions and other capital expenditures for implementing projects;
  - c) reduce or suspend payment of salaries and bonuses to the Directors and the senior management of the Company; and
  - d) not to transfer any key responsible personnel
- (11) Listing arrangement: upon completion of the issuance of the Corporate Bonds, subject to the satisfaction of the listing requirements, the Company will apply for listing of the Corporate Bonds on the SSE. Subject to the relevant regulatory approval, the Corporate Bonds may also be listed in any other stock exchange
- (12) Term of validity of the resolution: the resolutions regarding the proposed issuance of the Corporate Bonds shall be valid for 24 months from the date of approval by the Shareholders at the AGM

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## LETTER FROM THE BOARD

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To ensure efficient and orderly implementation of the proposed issuance of the Corporate Bonds, the Board proposed to seek authorization from the Shareholders to deal with matters relating to the proposed issuance of the Corporate Bonds, including but not limited, to:

- 1) formulate the specific plan, including the amendment thereto and adjustment thereof, for the issuance of the Corporate Bonds in accordance to the laws and regulations, relevant requirements of securities regulatory authorities, including but not limited to the issuance size, maturity, interest rate or other basis of determination, subscription method, subscription target, timing of the issuance, issuance arrangement (including whether to issuance the Corporate Bonds in tranches, number of tranches and issuance size of each tranche), whether to devise terms for repurchase and redemption, guarantee arrangement, rating arrangement, arrangement on the repayment of principal and interests, the listing of the Corporate Bonds, determination on the specific use of proceeds and all other matters relevant to the issuance;
- 2) decide and appoint the intermediaries to assist the Company for the issuance of the Corporate Bonds;
- 3) be responsible for the implementation and execution of the issuance, the listing and the application for listing of the Corporate Bonds after its issuance, including but not limited to the formulation, authorization, signing, execution, modification and completion of all relevant documents (including but not limited to the prospectus, underwriting agreements, bond trustee management agreements, listing agreements, various announcements and other legal documents), and to make relevant disclosures of information in accordance with the laws, regulations and other regulatory documents;
- 4) select trustee for the Corporate Bonds, signing and executing the “Bond Trustee Management Agreement” and deciding the terms and conditions of the “Rules for Bondholders’ Meeting”;
- 5) in event that there is any change in the PRC on the policies of regulatory authorities on issuance of the Corporate Bonds or in the market conditions, save for the matters which shall be subject to Shareholders’ approval in a general meeting in accordance with the requirements of relevant laws, regulations and the Articles of Association, to make appropriate adjustments to the issuance plan of the Corporate Bonds in accordance with the opinions of the relevant regulatory authorities; and
- 6) handle any other matters in relation to the issuance and listing of the Corporate Bonds.

The proposed authorization shall be valid and effective from the date of its approval by the Shareholders at the AGM to the date of completion of the above authorized matters.



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## LETTER FROM THE BOARD

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### Use of proceeds

It is intended that the proceeds from the proposed issuance of the Corporate Bonds will be applied to repay debts and to replenish the working capital of the Company. The Board considers that the proposed issuance of the Corporate Bonds will be beneficial to the optimization of debt structure, lowering the pressure from the repayment of short-term loans and enhancement of capital flexibility. The Board is of the view that the issuance of the Corporate Bonds is in the interests of the Company and the Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of the special resolutions in relation to the Corporate Bonds at the AGM.

### MANAGEMENT DISCUSSION AND ANALYSIS

Based on the Company's latest consolidated financial statements for three months ended 31 March 2017 and the consolidated financial statements for the last three years (the "Reporting Periods"), set out below are the discussion and analysis on the Company's asset structure, debt structure, solvency and profitability.

#### 1. Analysis on asset structure

*Unit: RMB'0000*

Items	31 March 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current assets	2,071,095.72	23.51%	1,980,295.62	22.47%	1,573,175.96	50.94%	1,476,485.68	52.63%
Non-current assets	6,737,737.39	76.49%	6,834,388.24	77.53%	1,514,876.89	49.06%	1,329,001.96	47.37%
Total assets	<u>8,808,833.11</u>	<u>100.00%</u>	<u>8,814,683.86</u>	<u>100.00%</u>	<u>3,088,052.85</u>	<u>100.00%</u>	<u>2,805,487.64</u>	<u>100.00%</u>

During the Reporting Periods, total assets of the Company experienced an upward trend. In particular, the significant increase in asset scale at the end of 2016, as compared with the corresponding period of the prior year, was primarily attributable to the completion of the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo during that period, with relevant assets included in the consolidated financial statements. The current asset composition of the Company is in line with its operating characteristics. The stable structure reflects the mature nature of the business model of the Company, which is consistent with the general situation of the Company.

## LETTER FROM THE BOARD

### 2. Analysis on current assets

*Unit: RMB'0000*

Items	31 March 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Cash and bank balances	1,030,275.61	11.70	997,022.41	11.31	1,041,447.93	33.73	932,558.10	33.24
Financial assets measured at fair value through profit or loss	5,333.09	0.06	5,559.90	0.06	483.80	0.02	-	-
Note receivable	100,948.30	1.15	95,086.16	1.08	60,207.98	1.95	115,814.00	4.13
Accounts receivable	190,567.36	2.16	146,180.72	1.66	74,425.32	2.41	85,135.88	3.03
Prepayments	48,130.68	0.55	29,557.21	0.34	22,710.51	0.74	27,245.03	0.97
Interests receivable	4,386.49	0.05	4,049.28	0.05	8,629.78	0.28	5,529.55	0.20
Other receivables	117,654.60	1.34	114,703.93	1.30	12,006.29	0.39	4,894.96	0.17
Dividends receivable	-	-	-	-	-	-	6,122.65	0.22
Inventories	508,957.83	5.78	508,276.75	5.77	59,250.36	1.92	43,275.46	1.54
Other current assets	64,841.75	0.74	79,859.26	0.91	294,013.98	9.52	255,910.05	9.12
<b>Total current assets</b>	<b>2,071,095.72</b>	<b>23.51</b>	<b>1,980,295.62</b>	<b>22.47</b>	<b>1,573,175.96</b>	<b>50.94</b>	<b>1,476,485.68</b>	<b>52.63</b>

During the Reporting Periods, current assets of the Company primarily comprised cash and bank balances, receivables and inventories. As at 31 December 2014, 31 December 2015, 31 December 2016 and 31 March 2017, the above items in aggregate represented 71.86%, 74.70%, 83.40% and 83.52% of current assets, respectively. The decrease in proportion of current assets as at the end of year 2016 was higher as compared with the end of 2015. Such decrease was primarily attributable to the significant increase in non-current assets, such as fixed assets and intangible assets etc., arising from the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo during the year 2016, resulting in a decline in proportion of current assets.

## LETTER FROM THE BOARD

### 3. Analysis on non-current assets

*Unit: RMB'0000*

Items	31 March 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Available-for-sale financial assets	296,756.78	3.37	300,060.25	3.40	237,316.53	7.68	0.49	0.00
Long-term equity investments	119,356.00	1.35	119,149.93	1.35	126,050.74	4.08	148,456.59	5.29
Fixed assets	2,677,771.79	30.40	2,727,292.13	30.94	449,524.85	14.56	498,350.23	17.76
Work in progress	70,742.03	0.80	69,535.90	0.79	47,867.95	1.55	37,252.46	1.33
Intangible assets	2,414,293.26	27.41	2,450,131.40	27.80	383,602.70	12.42	391,583.81	13.96
Goodwill	110,892.59	1.26	111,480.36	1.26	0.00	-	0.00	-
Long-term prepaid expenses	11,998.09	0.14	11,524.74	0.13	12,447.47	0.40	11,522.18	0.41
Deferred income tax assets	39,155.02	0.44	43,212.14	0.49	41,293.67	1.34	30,782.52	1.10
Other non-current assets	564,259.54	6.41	575,039.60	6.52	189,267.27	6.13	180,279.89	6.43
Inventories	432,512.29	4.91	426,961.79	4.84	27,505.71	0.89	30,773.78	1.10
<b>Total non-current assets</b>	<b>6,737,737.39</b>	<b>76.49</b>	<b>6,834,388.24</b>	<b>77.53</b>	<b>1,514,876.89</b>	<b>49.06</b>	<b>1,329,001.96</b>	<b>47.37</b>

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## LETTER FROM THE BOARD

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During the Reporting Periods, non-current assets of the Company primarily comprised fixed assets, intangible assets and goodwill. As at 31 December 2014, 31 December 2015, 31 December 2016 and 31 March 2017, the above items in aggregate represented 66.96%, 55.00%, 77.39% and 77.22% of current assets, respectively. The significant increase in proportion of goodwill as at the end of 2016, as compared with last year, was primarily attributable to the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo during that period. The combination of cost and goodwill in relation to the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo are set out below:

*Unit: RMB'0000*

	<b>Phosphate business in Brazil</b>	<b>Niobium business in Brazil</b>	<b>Copper-Cobalt business in Congo</b>
<b>Combination cost</b>			
Cash	555,490.79	563,867.42	1,810,082.27
Contingent consideration	–	–	4,515.81
Total combination cost	555,490.79	563,867.42	1,814,598.09
Less: Acquired interest in fair value of net identifiable assets	409,778.52	339,493.34	1,857,688.92
Creditor's rights acquired in Brazil			
Phosphate and Niobium business	38,397.35	224,374.08	–
The amount that the goodwill/ combination cost is less than the acquired interest in fair value of net identifiable assets	107,314.92	–	-43,090.84

## LETTER FROM THE BOARD

### 4. Analysis on debt structure

*Unit: RMB'0000*

Item	31 March 2017		31 December 2016		31 December 2015		31 December 2014	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Short-term borrowings	377,002.80	7.09	437,243.35	8.13	290,619.91	22.25	30,595.00	2.37
Financial liabilities								
measured at fair value								
through profit or loss	379,355.08	7.14	282,144.18	5.24	150,591.05	11.53	99,869.07	7.74
Note payable	51,750.00	0.97	66,000.00	1.23	78,273.00	5.99	15,690.00	1.22
Accounts payable	85,800.84	1.61	74,150.83	1.38	23,737.64	1.82	19,279.38	1.49
Receipts in advance	26,632.08	0.50	5,186.75	0.10	3,778.19	0.29	7,678.09	0.59
Employee benefits payable	30,537.08	0.57	35,482.22	0.66	11,352.09	0.87	13,777.76	1.07
Taxes payable	11,652.20	0.22	5,786.12	0.11	-12,361.24	-0.95	20,778.92	1.61
Interests payable	13,197.92	0.25	18,368.42	0.34	5,394.29	0.41	4,706.29	0.36
Dividends payable	2,788.58	0.05	2,788.58	0.05	2,788.58	0.21	2,788.58	0.22
Other payables	110,483.63	2.08	141,677.58	2.63	20,840.43	1.60	25,331.38	1.96
Non-current liabilities due								
within one year	270,600.00	5.09	258,449.74	4.80	249,489.97	19.10	57,827.75	4.48
Other current liabilities	230,196.24	4.33	270,889.72	5.03	52,389.64	4.01	1,665.17	0.13
<b>Total liabilities</b>	<b>1,589,996.46</b>	<b>29.91</b>	<b>1,598,167.48</b>	<b>29.70</b>	<b>876,893.53</b>	<b>67.12</b>	<b>299,987.38</b>	<b>23.24</b>
Long-term borrowings	2,302,776.60	43.32	2,337,687.99	43.44	194,158.64	14.86	416,092.00	32.23
Bonds payable	200,000.00	3.76	200,000.00	3.72	200,000.00	15.31	543,872.29	42.13
Expected liabilities	175,258.80	3.30	175,779.37	3.27	29,090.82	2.23	28,094.98	2.18
Deferred tax liabilities	991,008.27	18.64	1,005,512.79	18.69	-	-	-	-
Other non-current liabilities	57,171.84	1.08	63,843.53	1.19	6,240.75	0.48	2,987.62	0.23
<b>Total non-current liabilities</b>	<b>3,726,215.52</b>	<b>70.09</b>	<b>3,782,823.68</b>	<b>70.30</b>	<b>429,490.21</b>	<b>32.88</b>	<b>991,046.89</b>	<b>76.76</b>
<b>Total liabilities</b>	<b>5,316,211.97</b>	<b>100.00</b>	<b>5,380,991.16</b>	<b>100.00</b>	<b>1,306,383.74</b>	<b>100.00</b>	<b>1,291,034.27</b>	<b>100.00</b>

## LETTER FROM THE BOARD

As at 31 December 2014, 31 December 2015, 31 December 2016 and 31 March 2017, total liabilities of the Company were RMB12,910.3427 million, RMB13,063.8374 million, RMB53,809.9116 million and RMB53,162.1197 million, respectively. The growth trend of total liabilities was in line with the changes in total assets.

The total current liabilities represented 23.24%, 67.12%, 29.70% and 29.91% of total liabilities, respectively. The changes in debt structure of the Company were in line with its operations. As at the end of 2015, the proportion of current liabilities under the Company's debt structure was higher, primarily due to (i) long-term borrowings, in which respective repayment date was getting closer, had been transferred to non-current liabilities due within one year; and (ii) the significant increase in short-term borrowings as at the end of 2015, as compared with that of the end of 2014.

Non-current liabilities primarily comprised long-term borrowings, bonds payable and deferred tax liabilities. As at 31 December 2014, 31 December 2015, 31 December 2016 and 31 March 2017, the aggregate amount for the above items was RMB9,599.6429 million, RMB3,941.5864 million, RMB35,432.0078 million and RMB34,937.8488 million, representing 96.86%, 91.77%, 93.67% and 93.76% of non-current assets, respectively. The significant increase in non-current liabilities at the end of 2016 was primarily attributable to the increase in large-scale long-term borrowings for the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo.

### 5. Analysis on profitability

*Unit: RMB'0000*

Item	January– March 2017	2016	2015	2014
Total operating revenue	578,253.03	694,957.10	419,683.96	666,238.21
Operating costs	358,953.22	462,381.81	262,244.82	387,142.98
Selling expenses	4,970.67	9,061.94	8,467.28	9,981.75
Administrative expenses	21,095.43	71,473.47	35,717.39	44,835.21
Financial expenses	40,991.50	40,766.84	4,618.21	18,169.76
Operating profit	149,316.23	75,116.86	72,726.68	213,819.00
Total profit	149,307.70	119,014.13	68,281.84	214,806.01
Net profit	99,870.04	101,923.84	70,310.84	180,020.18
Net profit attributable to owners				
of the parent company	59,722.04	99,804.06	76,116.01	182,425.53

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## LETTER FROM THE BOARD

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During the Reporting Periods, the Company recorded operating revenue of RMB6,662.3821 million, RMB4,196.8396 million, RMB6,949.5710 million and RMB5,782.5303 million, respectively. Net profit amounted to RMB1,800.2018 million, RMB703.1084 million, RMB1,019.2384 million and RMB998.7004 million, respectively. The non-ferrous metal mining industry, where the Company is operating, is featured with cyclical development, and is easily affected by fluctuation in market price of metal products. However, by actively conducting overseas acquisitions, the Company successfully achieved a diversified strategic plan. Meanwhile, the Company effectively improved its operation management, thus effectively mitigated the negative impacts from the sluggish market demand.

### 6. Analysis on cash flows

*Unit: RMB'0000*

Item	January– March			
	2017	2016	2015	2014
Net cash flows from operating activities	142,724.54	291,482.64	135,877.19	363,504.71
Net cash flows from investing activities	-20,025.51	-2,764,799.07	-16,550.80	-407,925.81
Net cash flows from financing activities	-120,312.70	2,399,069.00	207,419.82	428,925.03
Net increase in cash and cash equivalents	11,601.10	-56,195.42	335,658.13	382,099.78

During the Reporting Periods, net cash flows from operating activities amounted to RMB3,635.0471 million, RMB1,358.7719 million, RMB2,914.8264 million and RMB1,427.2454 million, respectively. Cash inflows from operating activities primarily comprised cash received from sales of goods and provision of services, while cash outflows from operating activities primarily comprised cash payments for goods purchased and services received. In order to actively expand the Company's businesses and its corporate scale, the Company made investments when appropriate opportunities arose. During the Reporting Periods, the Company recorded negative net cash flows from investing activities with greater fluctuation, which was in line with the development stage of businesses commenced by the Company. Except for the first quarter of 2017, the Company recorded positive net cash flows from financing activities with larger scale, which was primarily due to the expansion in financing scale during the progress of businesses commencement and expansion.

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## LETTER FROM THE BOARD

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### 7. Analysis on solvency

Item	January– March			
	2017	2016	2015	2014
Current ratio	1.30	1.24	1.79	4.92
Quick ratio	0.98	0.92	1.73	4.78
Gearing ratio (consolidated)	60.35%	61.05%	42.30%	46.02%
Gearing ratio (for the parent company only)	52.28%	51.40%	31.07%	37.81%
Receivables turnover ratio (times)	3.43	6.30	5.26	8.04
Inventory turnover (times)	0.71	1.63	5.12	6.18

During the Reporting Periods, the Company's gearing ratio and current ratio were within reasonable level. In 2016, the closing balance of inventories increased by RMB4,490.2639 million or 757.85% as compared with the opening balance, primarily attributable to the decline in inventory turnover arising from the increase in inventories due to the acquisition of subsidiaries in 2016. In terms of long-term solvency indicators, as at the end of 2016, the gearing ratio significantly increased as compared with last year as a result from the significant increase in long-term borrowings for the acquisitions of Niobium and Phosphate businesses in Brazil and Copper-Cobalt business in Congo. Nevertheless, the gearing ratio of the Company remains at reasonable level.

### Future business plan

The Company is in the non-ferrous metal mining industry and primarily engages in the mining and processing, smelting, deep processing and scientific research of copper, molybdenum, tungsten, cobalt, niobium, phosphorus and other metals, with a relatively complete and integrated industry chain. It is one of the top five molybdenum producers and one of the largest tungsten producers in the world. It is also the second largest cobalt and niobium producer, a leading copper producer in the world as well as the second largest phosphate fertilizer producer in Brazil.

The Company intends to become a respected international resources company. The Company strives to strengthen and maintain the existing highly competitive cost advantages and reduce costs continuously, improve management, enhance efficiency and explore potential within the Company; continues to manage and optimize the balance sheet, properly arrange the financing structure and reduce cost of funds; ensures the stable operation of our overseas businesses and exploration and extends the synergistic effects of businesses by virtue of the comprehensive competitive advantages of the Company in terms of its scale,



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## LETTER FROM THE BOARD

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industry chain, technology, capital, market and management and its diversified financing platform. By focusing on adjustment of its structure and shifting the way of growth, the Company will actively look for resource acquisitions and prioritize mergers and acquisitions on investments in quality and mature resource projects which are located in politically stable areas and with good cash flows, so as to speed up the Company's development through "a combination of production and financing".

### **External guarantees**

As at 31 March 2017, the total guarantees provided by the Company amounted to approximately RMB23,197 million, and all the guarantees were provided to the wholly-owned subsidiaries of the Company, including both directly or indirectly controlled. There was no overdue guarantee obligation. No guarantee was provided in violation of regulations.

### **AMENDED NOTICE OF AGM AND AMENDED PROXY FORM**

The Amended Notice of AGM is set out on pages 17 to 23 of this supplemental circular. Such amended notice should be read in conjunction with the notice of AGM dated 12 May 2017.

Since the form of proxy applicable to the AGM despatched on 12 May 2017 (the "**First Proxy Form**") does not contain the resolutions proposed by CFC, the Company has prepared an amended proxy form (the "**Amended Proxy Form**") for despatch together with this supplemental circular. The additional resolutions are set out in the Amended Notice of AGM on pages 17 to 23 of this supplemental circular.

For H Shareholders, whether or not you are able to attend the AGM in person, you are requested to complete the proxy form applicable to the AGM in accordance with the instructions printed thereon, and return it to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for holding the AGM (i.e. not later than 1:00 p.m. on Tuesday, 27 June 2017) or any adjournment thereof. Completion and return of the proxy form(s) applicable to the AGM will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

H Shareholder who has not yet lodged the First Proxy Form with the Company's H Share registrar is requested to lodge the Amended Proxy Form if he/she wishes to appoint proxies to attend, speak and vote at the AGM on his/her behalf. In this case, the First Proxy Form should not be lodged with the Company's H Share registrar.

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## LETTER FROM THE BOARD

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H Shareholder who has already lodged the First Proxy Form with the Company should note that:

- (i) If no Amended Proxy Form is lodged with the Company's H Share registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him/her. The proxy so appointed by the H Shareholder will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM (including, if properly put, the resolutions as set out in the Amended Notice of AGM enclosed in this supplemental circular) except for those resolutions to which the Shareholder has indicated his/her voting direction in the First Proxy Form.
- (ii) If the Amended Proxy Form is lodged with the Company's H Share registrar 24 hours prior to the time appointed for holding the AGM or any adjournment thereof (the "**Closing Time**"), the Amended Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by him/her. The Amended Proxy Form will be treated as a valid proxy form lodged by the H Shareholder.
- (iii) If the Amended Proxy Form is lodged with Company's H Share registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Amended Proxy Form will be invalid. The proxy so appointed by the H Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Amended Proxy Form was lodged with the Company's H Share registrar. Accordingly, H Shareholders are advised to complete the Amended Proxy Form carefully and lodge the Amended Proxy Form with the Company's H Share registrar before the Closing Time.

### RECOMMENDATIONS

The Board considers that the resolutions in relation to proposed issuance of the Corporate Bonds and those set out in the Amended Notice of AGM 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 resolutions to be proposed at the AGM as set out in the Amended Notice of AGM.

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

\* *For identification purposes only*

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## AMENDED NOTICE OF AGM

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# 洛陽欒川鉬業集團股份有限公司 China Molybdenum Co., Ltd. \*

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

(Stock Code: 03993)

## AMENDED NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting 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 for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolutions of the Company. Unless otherwise indicated, capitalized items used herein have the same meanings as those defined in the circular dated 18 May 2017 (the “**Circular**”) and the supplemental circular dated 7 June 2017 (the “**Supplemental Circular**”) of the Company.

### 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.”

\* *For identification purposes only*

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## AMENDED NOTICE OF AGM

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6. “To consider and approve the proposal in respect of the budget report of China Molybdenum Co., Ltd.\* for the year 2017.”
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 authorization.”

### 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 authorization to the board of directors to deal with the distribution of interim dividend and quarterly dividend for the year 2017.”

### SPECIAL RESOLUTIONS

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 authorized 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;

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## AMENDED NOTICE OF AGM

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- (c) the approval in paragraph (a) above shall be conditional upon:
  - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the 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);
  - (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 authorize 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;

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## AMENDED NOTICE OF AGM

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- (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
  - (vi) execute and handle other documents and matters relating to share repurchase.”
13. “To consider and approve the proposal in respect of the Company’s compliance with the conditions of the public issuance of corporate bonds.”
14. “To consider and approve the proposal in respect of the plan for the public issuance of corporate bonds.”
- 14.01. “Issue size”
  - 14.02. “The par value of the bonds and issuance price”
  - 14.03. “Types of the bonds and maturity”
  - 14.04. “Interest rate of the bonds”
  - 14.05. “Issuance methods”
  - 14.06. “Offering arrangement to the shareholders of the company”
  - 14.07. “Terms on redemption or repurchase”
  - 14.08. “Guarantee arrangement”
  - 14.09. “Use of proceeds”

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## AMENDED NOTICE OF AGM

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- 14.10. “Protective measures for repayment”
- 14.11. “Listing venue”
- 14.12. “Term of validity of the resolutions”
15. “To consider and approve the proposal in respect of seeking full authorization from the shareholders’ meeting of the Company to the board of directors to deal with the matters relating to the public issuance of the corporate bonds.”

For details of the above resolutions, please refer to the Circular and the Supplemental Circular.

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

Luoyang City, Henan Province, PRC, 7 June 2017

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

*Notes:*

- (1) This amended notice should be read in conjunction with the Circular and the Supplemental Circular.
- (2) H Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for H Shareholders for the AGM despatched on 12 May 2017 (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 fax. The contact details of the Company’s office of the Board are set out in note (9) below. For the avoidance of doubt, the Reply Slip will be a valid reply slip for the AGM.
- (3) **PROXY FORM**
- Since the First Proxy Form despatched on 12 May 2017 for use at the AGM does not contain certain information as set out in this amended notice, the Amended Proxy Form has been prepared and is enclosed with this amended notice.
- (a) Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.

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## AMENDED NOTICE OF AGM

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- (b) Shareholders can appoint a proxy by an instrument in writing (i.e., by using the Amended Proxy Form enclosed). The Amended Proxy Form shall be signed by the appointor or his/her attorney duly authorized in writing, or if the appointor is a body corporate, either under the common seal or signed by a director or a duly authorized attorney of the body corporate. If the Amended Proxy Form is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.
  - (c) To be valid, for H Shareholders, the Amended Proxy Form and notarized power of attorney or other documents of authorization (if applicable), must be delivered to the Company's H Share registrar at the address stated in note (8) below by post or facsimile (for H Shareholders only), not less than 24 hours before the time for holding the AGM (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).
  - (d) H Shareholders who have lodged the First Proxy Form with the Company should note that:
    - i) If no Amended Proxy Form is lodged with the Company's H Share registrar, the First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by him/her. The proxy so appointed by the H Shareholder will be entitled to cast the vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM (including, if properly put, the resolutions as set out in the Amended Notice of AGM enclosed in the Supplemental Circular) except for those resolutions to which the Shareholder has indicated his/her voting direction in the First Proxy Form.
    - ii) If the Amended Proxy Form is lodged with the Company's H Share registrar 24 hours prior to the time appointed for holding the AGM or any adjournment thereof, the Amended Proxy Form, if correctly completed, will revoke and supersede the First Proxy Form previously lodged by him/her. The Amended Proxy Form will be treated as a valid proxy form lodged by the H Shareholder.
    - iii) If the Amended Proxy Form is lodged with Company's H Share registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Amended Proxy Form will be invalid. The proxy so appointed by the H Shareholder under the First Proxy Form, if correctly completed, will be entitled to vote in the manner as mentioned in (i) above as if no Amended Proxy Form was lodged with the Company's H Share registrar. Accordingly, H Shareholders are advised to complete the Amended Proxy Form carefully and lodge the Amended Proxy Form with the Company's H Share registrar before the Closing Time.
  - (e) Completion and return of the First Proxy Form or the Amended Proxy Form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.
- (4) All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Hong Kong Listing Rules. The results of the poll will be published on the websites of the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules.
- (5) H Shareholders or their proxies must present proof of their identities upon attending the AGM. Should a proxy be appointed, the proxy must also present his/her proxy form, or appointing instrument and power of attorney, if applicable.



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## AMENDED NOTICE OF AGM

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- (6) 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.
- (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  
PRC  
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.

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

Shareholders can request for the printed Circular or to change the way of receiving the corporate communications of the Company and the selection of language version by giving a written notice to the Company within a reasonable period of time. Such a written notice should be given to the share registrar for H shares of the Company, i.e. 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).